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WELCOME

Welcome to lululemon's inaugural Impact Summary. In 2020, we released our Impact Agenda which set out a broad vision and plan to help transform our industry and create a healthier world. This Impact Summary shares our vision and highlights our performance. For a complete review of our 2020 performance, we invite you to view our full [Impact Report](#).



We are proud to share our first annual Impact Summary, detailing progress against our ambitious commitments to accelerate lasting, positive environmental and social change.

In the year since we set forth our long-term vision and goals for an equitable, sustainable future in our Impact Agenda, the speed and magnitude of change around us all has been unprecedented. The urgency of the risks to people and our planet has only intensified. We continue to listen closely to our people, communities, and stakeholders, and work to take bold, meaningful action for a healthier world.

We are in a unique position to help contribute to global wellbeing. This year we published lululemon's first Global Wellbeing Report, which revealed that the ongoing COVID-19 pandemic, strained mental health conditions, systemic inequity, and the ecological and climate crisis have fundamentally impacted wellbeing, and optimism for the future is on the decline. Understanding these challenges has sharpened our focus and commitment to drive consequential action, now and in the future.

Through our three Impact pillars—Be Human, Be Well, Be Planet—we are striving to take a holistic approach to contribute to wellbeing conditions for people, communities, and our planet. All are interconnected and making strides in one area has intrinsic and tangible benefits for the others. This enables us to innovate unique solutions that address a broad range of barriers in our society and industry.

From the many initiatives detailed in this Summary, here are three specific examples that embody our strategy. Through our **Be Human** pillar, we acted decisively, and empowered our people to co-design our inclusion, diversity, equity, and action practices and embed them into our culture and business. For our **Be Well** pillar, we launched our lululemon Centre for Social Impact, through which we will leverage our expertise, resources, and communities to break down barriers to wellbeing and advocate for the wellbeing of those most in need. As part of our **Be Planet** pillar, we leaned into investments and partnerships to develop sustainable materials that demonstrate our leadership in product innovation and environmental harm reduction.

What follows in this Summary is grounded in our foundational principles—connection, community, and entrepreneurship. Impact is an essential part of our culture and our business. Our Impact Agenda is the ultimate opportunity to live into our purpose. As we strive to create greater value, I am excited to continue to be on this journey with the leaders and people of lululemon, along with our many partners and collaborators.

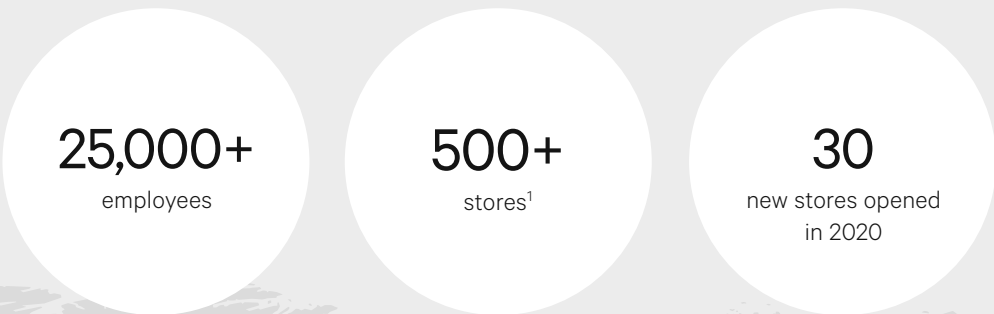
In closing, I want to thank our teams around the world for your passion and commitment to this work, particularly during a difficult year. You rise to every challenge and truly embody our core values. It will take continuous learning and sustained dedication to achieve our goals and much more, but we are firmly committed to accountability, transparency, and doing the necessary work to help build a safer and healthier world.

Until next year,

CALVIN MCDONALD
Chief Executive Officer

lululemon’s purpose is to elevate the world by realizing the full potential within every one of us. Rooted in over 20 years of product innovation, yoga, and mindfulness, we have an opportunity and platform from which to inspire change. We are harnessing opportunities to support our people and communities, innovate our products and services, and collaborate with industry and organizational partners to achieve a healthier and more inclusive world.

1 Store count listed is as of January 31, 2021.
2 Included within Greater China as of January 31, 2021, there were 44 stores in Mainland China, 7 stores in Hong Kong Special Administrative Region, 2 stores in Taiwan, and 2 stores in Macao Special Administrative Region.



Our Impact Agenda

In 2020, we formalized our social and environmental commitments in a public-facing strategy—our Impact Agenda. It supports our business strategy and outlines our ambition to contribute to a healthier world by creating better ways to be well, embracing interconnectedness of our product, people, communities, and the planet.

Building on our social and environmental initiatives, we created our Impact Agenda because we wanted to address the rising importance for our business to deliver end-to-end impact and to contribute to an industry-wide shift in how things are done. To drive positive change, we seek to understand the social and environmental context in which we operate, and the issues that matter most in our industry and to our stakeholders.

In 2019, we conducted a materiality assessment as an input to the development of our Impact Agenda. We reviewed the most important issues for our business and built the foundation to address them in meaningful, measurable ways. Our 2019 assessment included more than 40 interviews and surveys with external experts, our senior leaders, employees, ambassadors, and guests to understand their perspectives. All material topics informed the creation of the Impact Agenda focus areas, which are most important to our business. These focus areas support United Nations Sustainable Development Goals (SDGs), 17 goals which were adopted by all UN member states as part of the 2030 Agenda for Sustainable Development to help combat urgent global environmental, political, and economic challenges. We have identified the SDGs aligned to our Impact Agenda and will share further plans to contribute to these goals in the future.

³ Our collective is comprised of our global employees, guests, partners (e.g., ambassadors), and communities.

SDGS SUPPORTED



5. Gender Equality



8. Decent Work and Economic Growth



10. Reduced Inequalities

SDGS SUPPORTED



3. Good Health and Well-being



How we activate

Embed in our culture and build accountability

Lead by example and partner to innovate for the future

Communicate with and engage our collective³

Collaborate and advocate for systems change

SDGS SUPPORTED



7. Affordable and Clean Energy



12. Responsible Consumption and Production



13. Climate Action

Highlights and results

This past year was one of global turmoil and unexpected challenges. However, it was also a time of opportunity. We were able to pause and reset our priorities, evaluate our role as leaders in contributing to a healthier world, and accelerate our support of people and communities.

Here are some highlights of the progress we have made that we are celebrating and building on for the future.

Be Human

75%

of employees, 50% of VPs and above, and 55% of our Board of Directors are women.

100%

gender pay equity for all our global employees, and full pay equity for all US employees.

US \$670k

in donations by employees and lululemon to the We Stand Together Fund, a hardship fund for employees.

2,700+

workers reached through the foreign migrant work no-fee program.

Be Well

1m

people around the world supported via our social impact Here to Be grants and partnerships with 650 non-profit organizations since 2016.

US \$6.4m

provided in social impact grants and donations to disrupt inequity in wellbeing.

30k

humanitarian and frontline workers reached through free Peace on Purpose meditation courses.

US \$4.1m

donated to the Ambassador Relief Fund to support with hardships during COVID-19.

Be Planet

39%

recycled polyester of total polyester content for our products.

82

stores launched product takeback pilot lululemon Like New resale program in 2021.

Founding Partner

of the Carbon Leadership Project.

75%+

less water used in solution-dyed Wunder Under collection than traditional methods.

We envision an equitable world. Our people succeed because we create an environment that is equitable, inclusive, and fosters growth. Our goals:

INCLUSION, DIVERSITY, EQUITY, & ACTION

Reflect the diversity of communities
we serve and operate in by 2025.⁴

EMPLOYEE EMPOWERMENT

Be the place where people
come to develop and grow as
leaders for the world by 2025.

Expand gender pay equity
to full pay equity for 100% of
employees in all markets that
permit collection of that data
by 2022.⁵

PEOPLE WHO MAKE OUR PRODUCTS

Make empowerment programs
available to more than 100,000
makers across our supply
chain by 2025.

Achieve Fair Labor Association
accreditation by 2024.

Learn more about how we're creating an equitable world in our [Impact Report](#).

⁴ Includes stores in North America, Australia, New Zealand, Europe, and Middle East.

⁵ We follow local laws and regulations and where we are able to collect the data necessary to confirm complete pay equity, we will do so. Full pay equity includes gender and race and our reporting scope is currently limited to US only.

We believe that everyone has the right to be well.

Our communities thrive because we contribute to conditions that support physical, mental, and social wellbeing. Our goals:

INCLUSIVE ACCESS TO WELLBEING & ADVOCACY

Provide access to wellbeing tools and resources to more than 10 million people by 2025.

Invest at least US \$75 million to advance equity in wellbeing through the lululemon Centre for Social Impact by 2025.

Launch the lululemon Centre for Social Impact in 2021.

Learn more about how we're supporting our communities in our [Impact Report](#).

Our lives are one with the health of the planet.

Our products and actions avoid environmental harm and contribute to restoring a healthy planet. Our goals:

SUSTAINABLE PRODUCT & MATERIAL INNOVATION

Make 100% of our products with sustainable materials and end-of-use solutions to advance a circular ecosystem by 2030.

Achieve at least 75% sustainable materials for our products by 2025.⁶

CIRCULARITY & NEW GUEST MODELS

Offer our guests new business models that extend the life of products—reaching 100% of North American guests and piloting internationally by 2025.

CLIMATE ACTION

Meet our 2030 science-based targets.

Source 100% renewable electricity to power our owned and operated facilities by 2021.

WATER & CHEMISTRY

Reduce freshwater use intensity with our priority wet process suppliers by at least 20% by 2025.⁶

Implement ZDHC Manufacturing Restricted Substances List (MRSL) at 100% of priority suppliers by 2022.⁷

WASTE & PACKAGING

Reduce single-use plastic packaging by at least 50% per unit by 2025.

Learn more about how we're contributing to a healthier planet in our [Impact Report](#).

⁶ We have defined sustainable materials as materials contributing to improved environmental and/or social impacts compared to conventional versions, including fibres that are recycled, renewable, responsibly sourced, or manufactured with low-resource processes.

⁷ Priority suppliers are wet processing suppliers that produce 80% or more of our value annually and any supplier with production in a water-scarce region.

16 goals for a healthier future

PERFORMANCE DASHBOARD

Be Human

Topic	Goals	Metric	Baseline Year ⁸	Baseline	2020 Results ⁹	Goal	Goal Year	Status
Inclusion, diversity, equity, & action	Reflect the diversity of communities we serve and operate in.	% racial diversity of assistant store managers+ and directors+	2020	21%	21%	30%	2023	▶▶
		% racial diversity of all employees in global stores	2020	31%	31%	40%	2023	▶▶
Employee empowerment	Be the place where people come to develop and grow as leaders for the world.	# hours of paid training and volunteer time for all full-time employees beyond required training	2021	NA	NA	40	2025	▶▶
	Expand gender pay equity to full pay equity for employees in all markets that permit collection of that data.	% of employees with full pay equity	2020	100% US	100% US	100%	2022	▶▶
People who make our products	Make empowerment programs available to makers.	# of makers who participate in empowerment programs	2021	NA	NA	100,000	2025	▶
	Achieve Fair Labor Association accreditation.	Qualitative	NA	NA	Updated Vendor Code of Ethics	NA	2024	▶▶

Be Well

Topic	Goal	Metric	Baseline Year	Baseline	2020 Results	Goal	Goal Year	Status
Inclusive access to wellbeing & advocacy	Provide access to wellbeing tools and resources.	# of people reached	2021	NA	NA	10 million	2025	▶
	Invest to advance equity in wellbeing through the lululemon Centre for Social Impact.	Total amount invested	2021	NA	NA	US \$75 million	2025	▶
	Launch the lululemon Centre for Social Impact.	Qualitative	NA	NA	NA	NA	2021	●

KEY

- ▶ Getting started
- ▶▶ Making progress
- To be complete in 2021

⁸ Unless otherwise noted, the measurement year is the fiscal year ending January 31.

⁹ For more information on our 2020 results, please refer to the relevant sections of the [Impact Report](#).

16 goals for a healthier future

Be Planet

Topic	Goal	Metric	Baseline Year	Baseline	2020 Results	Goal	Goal Year	Status
Sustainable product & material innovation	Make our products with sustainable materials and end-of-use solutions.	% of products made with sustainable materials	2020	27%	27%	100%	2030	▶▶
	Achieve sustainable materials for our products.	% of total sustainable materials procured for our products	2020	30%	30%	75%	2025	▶▶
Circularity & new guest models	Offer our guests new business models that extend the life of products.	% of stores in North America and regions piloting programs	2021	22% of total North American stores (82 total)	NA	100%	2025	▶▶
Climate action	Meet our 2030 science-based climate targets.	% absolute reduction in GHGs in all owned and operated facilities (Scope 1 and 2)	2018	18,248 tCO ₂ e	-29% (12,927 tCO ₂ e)	-60%	2030	▶▶
		% intensity reduction in GHGs in purchased goods and services, and upstream transportation and distribution (Scope 3)	2018	96.6 tCO ₂ e/revenue from operations	-9% (87.8 tCO ₂ e/revenue from operations)	-60%	2030	▶▶
	Source renewable electricity to power our owned and operated facilities.	% renewable electricity in our owned and operated facilities	2018	<1%	42%	100%	2021	●
Water & chemistry	Reduce freshwater use intensity with our priority wet process suppliers.	% reduction of freshwater use intensity	2021	NA	NA	-20%	2025	▶
	Implement ZDHC Manufacturing Restricted Substances List at priority suppliers.	% compliance from priority suppliers with the ZDHC MRSL	2021	NA	NA	100%	2022	▶▶
Waste & packaging	Reduce single-use plastic packaging per unit.	% intensity reduction of single-use plastic packaging	2020	0.02 kg/unit	0% (0.02 kg/unit)	-50%	2025	▶▶

KEY

- ▶ Getting started
- ▶▶ Making progress
- To be complete in 2021

Forward-looking statements

Our Impact Report and Summary and any related information we share contain statements concerning our commitments, goals, and future plans relating to our social and environmental impact strategy that are forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 including, but not limited to, statements related to our goals and efforts to create an environment that is equitable, inclusive, and fosters growth, to our goals and efforts to contribute to conditions that support mental, physical, and social wellbeing, and to our goals and efforts to minimize impact and contribute to restoring a healthy environment, and other goals and commitments described in the Impact Report and Summary. Forward-looking statements are generally identified by words such as “goal,” “believe,” “aspire,” “expect,” “commitment,” “strategy,” “future,” “opportunity,” “will,” and similar words and expressions. Forward-looking statements are based on our expectations, plans, strategies, and assumptions as of the original date of the Impact Report and Summary. The realization of our goals, expectations, plans, and strategies, and the accuracy of our assumptions, are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

These risks and uncertainties include, but are not limited to, our ability to maintain the value and reputation of our brand; the acceptability of our products to our guests; the current COVID-19 coronavirus pandemic and related government, private sector, and individual consumer responsive actions; our highly competitive market and increasing competition; our reliance on and limited control over third-party suppliers to provide fabrics for and to produce our products; suppliers or manufacturers not complying with our Vendor Code of Ethics or applicable laws; the operations of many of our suppliers

which are subject to international and other risks; an economic downturn or economic uncertainty in our key markets; increasing product costs and decreasing selling prices; our ability to anticipate consumer preferences and successfully develop and introduce new, innovative, and updated products; our ability to accurately forecast guest demand for our products; our ability to safeguard against security breaches with respect to our information technology systems; any material disruption of our information systems; our ability to have technology-based systems function effectively and grow our e-commerce business globally; changes in consumer shopping preferences and shifts in distribution channels; the fluctuating costs of raw materials; global economic and political conditions and global events such as health pandemics; our ability to deliver our products to the market and to meet guest expectations if we have problems with our distribution system; our ability to manage our growth and the increased complexity of our business effectively; seasonality; fluctuations in foreign currency exchange rates; conflicting trademarks and the prevention of sale of certain products; our exposure to various types of litigation; actions of activist stockholders; and others described from time to time in our other public statements, reports, registration statements, prospectuses, information statements and other filings with the SEC. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

Our use of the terms “partner,” “partnership,” or derivative terms in this statement does not mean or imply a formal legal partnership or other legal relationship with any third party, and is not meant in any way to alter the terms of our relationship with any third parties.

CONTACT US

We'll continue to report annually on our environmental, social, and wellness initiatives. We welcome your thoughts and ongoing dialogue as we move forward. Email us at sustainability@lululemon.com.





She says, “I loved the challenge of interpreting the joyful themes lululemon is focusing on in this report, and creating a vibrant, geometric visual language that activates the imagination and provides enough complexity to keep the viewer exploring. I especially hope that viewers take in the abstract shapes, and find as much joy in imbuing them with personal meaning and interpretations as I did.”

