

impact report 2025



lululemon

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about our report

In this report, we outline our 2025 progress against our publicly stated goals as well as initiatives and performance data related to environmental, social, and governance (ESG) topics.

About lululemon

Established in 1998, lululemon is principally a designer, distributor, and retailer of technical athletic apparel, footwear, and accessories. Our mission is to inspire the world to sweat, grow, and connect.

Report Scope and Content

The content in this report covers our 2025 fiscal year, from February 3, 2025, to February 1, 2026 (referred to as "2025"), unless otherwise noted. Where a different "as of" date applies, we indicate it in context.

In this report, lululemon athletica inc. (together with its subsidiaries) is referred to as "lululemon," "our company," "our business," "we," "us," or "our." Sections of this report may have information related to our [own operations](#) as well as information related to third parties, including product suppliers, transportation and logistics, and external organizations with whom we engage. When referring to external organizations in this report, it is our practice to defer to the language they use to describe their work. Monetary amounts in this report are presented in U.S. dollars, unless otherwise noted.

Data, Estimates, and Methodologies

Non-financial information in this report—including ESG and operational metrics—has inherent limitations, as standards and measurement approaches continue to evolve. Except as expressly stated, information and metrics in this report are not assured, may include estimates or sampling, involve rounding, and in some cases rely on information from partners, suppliers, or other third parties. Methods, definitions, and system boundaries used for sustainability reporting differ from those used in our financial reporting, and may be updated from time to time.

We regularly review our methodologies, baselines, and datasets to improve accuracy, completeness, and comparability. As those evolve, we may update prior-period metrics—including our baseline values—to reflect improved data quality and availability, updated emission factors or calculation tools, refinements in organizational or operational scope (e.g., acquisitions), or other changes in measurement practice. We maintain internal reporting policies and controls to evaluate the significance of such changes before publishing updates. Where we make a material change, we indicate it in context and, when practical, describe the nature of the change and its effect. We also monitor evolving sustainability-related regulations and reporting requirements to help inform our reporting.

Assurance

We obtained limited assurance from [PwC](#) on [2025 Scope 1](#) and [Scope 2](#) (location-based and market-based) greenhouse gas (GHG) emissions. See more in our [Limited Assurance Report](#). All other information in this report is not assured unless expressly stated otherwise.

Additional Reporting Information

A [Glossary](#) is included in the Appendix. Defined terms in the report link to the Glossary on first mention.

Details on impact governance, strategic initiatives, and stakeholder engagement are available on our website; see [Find Out More](#). Information on our website may be updated from time to time and is not incorporated by reference into this report unless expressly stated.

Our [2025 Impact Data and Indices Supplement](#) contains additional metrics related to climate, as well as disclosures in reference to the [Global Reporting Initiative](#) (GRI), the [Sustainable Accounting Standards Board \(SASB\) Apparel, Accessories & Footwear Standard](#), and the [Task Force on Climate-related Financial Disclosures](#) (TCFD).¹

Materiality Note

The inclusion of information in this report, including any use of the word "material," should not be read as a characterization of materiality under securities laws. These disclosures are intended for sustainability reporting and may differ from materiality determinations in our filings with the U.S. Securities and Exchange Commission. This report contains forward-looking statements. See [Forward-Looking Statements](#).

Find Out More

- [Impact Governance](#)
- [Partnerships and Memberships](#)
- [Reporting and Disclosure](#)
- [Stakeholder Engagement](#)
- [2025 Impact Data and Indices Supplement](#)

¹ SASB and TCFD were incorporated into the IFRS Foundation's [International Sustainability Standards Board](#) (ISSB) in 2022 and 2023 respectively.

message from our svp sustainability

The world is changing quickly. Expectations are shifting and companies are navigating a more complex environment. At times like this, clarity matters more than ever. For lululemon, that clarity comes from knowing what we stand for.

That's what Impact Agenda 2030 is—a deliberate act of focus. We can't create meaningful change if we try to do everything. So, we've made clear choices. We're focused on the areas where we believe we can drive the most measurable, long-term impact: wellbeing for employees, communities, and the people who make our products, as well as climate action, circular innovation, and nature. We're navigating change with purpose and resolve.

It seems simple, right? Set goals, make progress, report back. But in practice, especially across a global supply chain, this work can be complex. How do we define success, how do we measure progress, and how do we need to behave differently to achieve it? That's what it comes down to.

This is why accountability for this work extends across the enterprise. Teams across lululemon are contributing to our impact goals; from materials innovation to sourcing, people and community, product design, logistics, and retail operations, sustainability is embedded in how we operate.

People remain at the center of our approach. Human rights and worker wellbeing are moral imperatives and an important focus for any business. We believe that when we look after and care for our people, teams are stronger and more resilient when challenges arise.

In 2025, we met our goal to have 100,000 workers in our supply chain participate in wellbeing programs.² Building on that foundation, our new goal is to support 200,000 more participants—including workers in our suppliers' facilities, the communities where they live, and broader communities connected to the apparel industry—with access to projects that advance gender equity, financial resilience, and worker engagement between 2026 and 2030.³

Materials innovation is another area where business resilience and impact go hand in hand. This is one of lululemon's greatest opportunities to lead and differentiate. Through investments and partnerships with companies such as Samsara Eco and ZymoChem,

we're helping advance next-generation materials that are less dependent on fossil fuels and more resilient in the face of price fluctuations and supply chain disruptions. This work also supports our broader efforts in climate action, circular innovation, and nature.

Progress at scale requires industry-wide effort. Renewable energy, chemical management, and materials innovation are all areas where meaningful solutions rely on shared investment and coordinated action. From our founding membership in the Apparel Impact Institute's Fashion Climate Fund to partnerships with the Fair Wage Network and Conservation International, we're investing in collective solutions across the pillars of our Impact Agenda.

We recognize this work is complex, and progress often depends on broader system changes. We will continue to learn, adapt, and strengthen the foundations that support long-term progress. I remain grateful to our employees, suppliers, partners, and collaborators for their dedication to this work.

Our direction is clear. We know what we stand for. While the work continues to evolve, our focus is unchanged: we remain committed to doing what we said we would do.

Sincerely,



Noel Kinder
Senior Vice President of Sustainability



² This metric was tracked primarily through our Vendor Grant program from 2021 to 2025. Data was self-reported by supplier grantees. We used a conservative approach intended to minimize double counting. See more in Supply Chain Wellbeing.

³ This goal is cumulative (2026-2030) and will be measured based on the number of participants who actively engage with a supply chain wellbeing project enabled by lululemon. Participant numbers will be self-reported. Participants may be counted more than once if they take part in multiple initiatives over the years. "Projects" may include strategic partnerships such as industry program pilots, research funding, our vendor partnership program, and participation in industry initiatives.

2025 highlights

People

Recognized for people-first culture

lululemon was recognized by Glassdoor, TIME, and Forbes as a best place to work.⁴

102,000 workers in wellbeing programs

More than 100,000 workers participated in wellbeing programs between 2021 and 2025, surpassing our 2025 goal.⁵

\$80 million investment in wellbeing

We surpassed our 2025 goal to invest \$75 million in wellbeing between 2021 and 2025 through [lululemon Gives](#).

Planet

33% renewable electricity among core suppliers

We exceeded our target to collectively achieve 25 percent renewable electricity among our core [Tier 1](#) and [Tier 2](#) suppliers.⁶

10-year Samsara Eco recycled materials partnership

lululemon entered a 10-year [offtake agreement](#) with Samsara Eco to source recycled [nylon 6,6](#) and polyester.

Nature impact assessment completed

We completed a nature impact assessment informed by global frameworks to help shape our nature approach.

⁴ Glassdoor's Best Places to Work 2026, lululemon Recognized by Time and Forbes for Its People-First Culture.

⁵ This metric was tracked primarily through our [Vendor Grant program](#). Data was self-reported by supplier grantees. We used a conservative approach intended to minimize double counting. See more in [Supply Chain Wellbeing](#).

⁶ Core suppliers are Tier 1 and Tier 2 suppliers representing over 75% of our production volume. Data includes supplier self-reported data collected through the [Higg Facility Environmental Module \(Higg FEM\)](#). The majority of this supplier-reported data is verified by third parties accredited through the [Higg FEM Verification Program](#). Additionally, lululemon reviews reported supply chain renewable electricity.

impact agenda 2030

Launched in November 2025, Impact Agenda 2030 is the renewed vision, strategy, and set of goals to guide our impact work through 2030. Impact Agenda 2030 is organized around two pillars—People and Planet—and six impact areas that reflect our strategic focus on topics that matter to our company and our industry. See more details below.

Impact Agenda 2030

Vision

We move together to drive resilience and innovation for people and the planet.

	People			Planet		
	Employee Wellbeing	Supply Chain Wellbeing	Community Wellbeing	Climate Action	Circular Innovation	Nature
Impact Area Descriptions	Elevating employee wellbeing through a culture of growth and inclusion.	Supporting supply chain <u>worker</u> rights, and wellbeing for their communities.	Fostering mental health and wellbeing through movement and mindfulness.	Minimizing emissions from product creation, transportation, and our operations.	Developing circular product <u>solutions</u> for our business and <u>guests</u> .	Deepening our focus on nature-derived materials, water, and chemicals management.
2030 Goals	Maintain global gender pay equity and full pay equity in the United States. ⁷ Achieve top-quartile results in employee inclusion and wellbeing. ¹²	Support 200,000 participants across supplier communities with access to projects to advance gender equity, financial resilience, and worker engagement. ⁸	Provide 20 million participants with experiences to advance mental health and wellbeing through movement and mindfulness. ⁹	Maintain 60% <u>absolute</u> reduction in GHG emissions in our <u>own operations</u> (Scope 1 and 2) from a 2018 baseline. ¹⁰ Achieve 60% <u>intensity reduction</u> in GHG emissions in purchased goods and services, and upstream transportation and distribution (<u>Scope 3</u>) from a 2018 baseline. ¹³	Make 90% of products that contain at least 25% <u>preferred materials</u> by weight. ¹¹ Offer guests in 90% of global markets opportunities to <u>extend product use</u> , including repair or resale. ¹⁴	We continue to develop our approach and work in this area. In 2025, we completed a nature impact assessment to help shape our approach, and continued to advance initiatives related to water programs for priority suppliers and investments in regenerative agriculture. We are using these insights to further develop our nature strategy. See <u>Nature</u> for more details.

⁷ "Pay equity" refers to equal pay for equal work. "Full pay equity" includes gender and race. We have achieved gender pay equity globally and full pay equity in the United States and have continued to maintain it based on our periodic analysis. Our analyses are point-in-time and may vary as workforce composition and roles evolve. See more in Employee Wellbeing.

⁸ This goal is cumulative (2026-2030) and will be measured based on the number of participants who actively engage with a supply chain wellbeing project enabled by lululemon. Participant numbers will be self-reported. Participants may be counted more than once if they take part in multiple initiatives over the years. "Participants" refers to workers in our suppliers' facilities, the communities where they live, and broader communities connected to the apparel industry. "Projects" may include strategic partnerships such as industry program pilots, research funding, our vendor partnership program, and participation in industry initiatives. See more in Supply Chain Wellbeing.

⁹ This goal is cumulative (2026-2030) and will be measured based on the number of participants who receive services from lululemon Gives partners or those who actively participate in programming or activations funded or enabled by lululemon Gives. Participant numbers will be self-reported by partners. Participants may be counted more than once if they take part in multiple initiatives over the years. "Experiences" may refer to programs, services, or resources from lululemon or third parties focused on mental health and wellbeing. See more in Community Wellbeing.

¹⁰ The Science Based Targets initiative (SBTi) validated our near-term science-based Scope 1 and 2 emissions reduction target in 2020, and re-validated it in 2024. This goal reflects Scope 2 market-based emissions. We initially achieved this goal in 2021 and have maintained it since. This goal is measured on a calendar-year basis. See more in Climate Action.

¹¹ Excludes trims, which are estimated to be a small portion of our overall portfolio. "By weight" refers to the weight of materials in our products. This is measured using products procured (i.e., products associated with purchase orders created during the fiscal year). See more in Circular Innovation.

¹² This goal will be measured using employee survey results on questions related to inclusion and wellbeing. The survey will be conducted through a global third-party retail industry benchmark, which compares participating retailers and reports relative standing across the cohort. Top-quartile results means a ranking in the top 25% of participating organizations. See more in Employee Wellbeing.

¹³ Our Scope 3 goal includes Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4 emissions, as defined by the Greenhouse Gas (GHG) Protocol. This exceeds the SBTi requirement of including at least two-thirds of Scope 3 emissions. The SBTi validated our near-term science-based Scope 3 emissions intensity reduction target in 2020, and re-validated it in 2024. This goal is measured on a calendar-year basis. See more in Climate Action.

¹⁴ "Global markets" refers to markets where lululemon operates. This goal does not include outlets, pop-ups, airport stores, franchise markets, or markets with fewer than four stores. As of 2025, resale was offered only in the United States; in August 2026, we expanded to an online resale shop in Canada. See more in Circular Innovation.

About Our Impact Agenda

Since creating our original Impact Agenda in 2020, we have gained deeper insights into what can drive lasting change, how we can apply our learnings, and where the biggest barriers to progress remain.

Impact Agenda 2030 is united by a single, overarching vision: *We move together to drive resilience and innovation for people and the planet.* With this vision, we aim to support business resilience and adaptability, while maintaining our focus on accountability and collaboration.

To drive progress and maintain momentum, we have eight goals¹⁵ across five of our six impact areas, supported by multi-year roadmaps aligned to 2030 timelines. For our Nature impact area, we are currently developing a strategy across our three priority areas of nature-derived materials, water, and chemicals management. See [Nature](#) for details. As our understanding of each area of our Impact Agenda deepens, we continue to refine our approach.

This work considers input from industry associations, employees, suppliers, NGOs, and academic communities, among others. It is also informed by our recent materiality assessment refresh, which included research, [stakeholder engagement](#), and topic refinement and prioritization. Through this process, we further defined how topics relate to lululemon's business model, activities, and [value chain](#). See more in the GRI Content Index in the [2025 Impact Data and Indices Supplement](#).

How Our Impact Agenda Is Governed

Impact Agenda 2030 is embedded in our company strategy and operations. The goals and associated roadmaps are approved by key members of the Executive Leadership Team (ELT), the CEO, and the Board of Directors' Corporate Responsibility, Sustainability, and Governance Committee (CRSG Committee).

Through our performance management model, goals are linked to defined workstreams and the leaders accountable for them. We conduct quarterly reviews to monitor performance toward each goal. We also provide quarterly reports to the CRSG Committee and key members of the ELT.

Find Out More

- [Impact Governance](#)
- [Stakeholder Engagement](#)
- [2025 Impact Data and Indices Supplement](#)

¹⁵ We announced Impact Agenda 2030 in our [2024 Impact Report](#), where we noted that some of our 2030 goals are new; others have been updated or were existing 2030 goals from our original Impact Agenda. In this report, we have clarified that we have eight goals with 2030 target dates, rather than nine, across five of our six impact areas.

goal progress

Our Impact Agenda includes goals to drive environmental and social actions while supporting innovation and business resilience. Goals span both our People and Planet pillars. We report on progress toward these goals, along with the status of each.

A snapshot of our 2025 progress can be found in the table below, including final-year results from two 2021-2025 goals. Some new goals have a baseline year of 2026; as a result, progress updates are not yet available.

This table does not include goals with timelines prior to 2025, goals that were retired, or goals we achieved early. Details on those goals can be found in previous [Impact Reports](#). See sections linked below for details on baselines and year-over-year results.

Pillar	Focus area	Goal	2025 results	Target year	Status
People	Employee Wellbeing	Maintain global gender pay equity and full pay equity in the United States. ¹⁶	Maintained	2030	Goal met to date
		Achieve top-quartile results in employee inclusion and wellbeing. ¹⁷	New goal	2030	Initial results will be available in the 2026 Impact Report.
	Supply Chain Wellbeing	Make wellbeing programs available to workers, with a cumulative total of 100K workers who participate in wellbeing programs. ¹⁸	102K	2025	Goal met
		Support 200,000 participants across supplier communities with access to projects to advance gender equity, financial resilience, and worker engagement. ¹⁹	New goal	2030	Initial results will be available in the 2026 Impact Report.
	Community Wellbeing	Invest to advance equity in wellbeing through lululemon Gives: \$75M invested.	\$80M	2025	Goal met
		Provide 20 million participants with experiences to advance mental health and wellbeing through movement and mindfulness. ²⁰	New goal	2030	Initial results will be available in the 2026 Impact Report.
Planet	Climate Action ²¹	Maintain 60% absolute reduction in GHG emissions in our own operations (Scope 1 and 2) from a 2018 baseline. ²²	-67%	2030	Goal met to date
		Achieve 60% intensity reduction in GHG emissions in purchased goods and services, and upstream transportation and distribution (Scope 3) from a 2018 baseline. ²³	-29%	2030	In progress
	Circular Innovation	Make 90% of products that contain at least 25% preferred materials by weight. ²⁴	56%	2030	In progress
		Offer guests in 90% of global markets opportunities to extend product use, including repair or resale. ²⁵	65%	2030	In progress

¹⁶ "Pay equity" refers to equal pay for equal work. "Full pay equity" includes gender and race. We have achieved gender pay equity globally and full pay equity in the United States and have continued to maintain it based on our periodic analysis. Our analyses are point-in-time and may vary as workforce composition and roles evolve. See more in [Employee Wellbeing](#).

¹⁷ This goal will be measured using employee survey results on questions related to inclusion and wellbeing. The survey will be conducted through a third-party retail industry benchmark, which compares participating retailers and reports relative standing across the cohort. Top-quartile results means a ranking in the top 25% of participating organizations.

¹⁸ This metric was tracked primarily through our [Vendor Grant program](#) from 2021 to 2025. Data was self-reported by supplier grantees. We used a conservative approach intended to minimize double counting.

¹⁹ This goal is cumulative (2026-2030) and will be measured based on the number of participants who actively engage with a supply chain wellbeing project enabled by lululemon. Participant numbers will be self-reported. Participants may be counted more than once if they take part in multiple initiatives over the years. "Participants" refers to workers in our suppliers' facilities, the communities where they live, and broader communities connected to the apparel industry. "Projects" may include strategic partnerships such as industry program pilots, research funding, our vendor partnership program, and participation in industry initiatives.

²⁰ This goal is cumulative (2026-2030) and will be measured based on the number of participants who receive services from lululemon Gives partners or those who actively participate in programs or activations funded or enabled by lululemon Gives. Participant numbers will be self-reported by partners. Participants may be counted more than once if they take part in multiple initiatives over the years. "Experiences" may include programs, services, or resources from lululemon or third parties focused on mental health and wellbeing.

²¹ These near-term science-based targets were validated by the SBTi in 2020, and re-validated in 2024. The SBTi develops standards, tools, and guidance that allow companies to set GHG emissions reduction targets. A large portion of our climate data is provided by suppliers through a third-party system based on the calendar year. Therefore, climate data does not currently align with lululemon's fiscal year, and is reported on a calendar-year basis. 2025 climate data reflects the calendar year ending December 31, 2025.

²² Our goal reflects Scope 2 market-based emissions. The [2025 Impact Data and Indices Supplement](#) contains both location-based and market-based Scope 2 emissions. We initially achieved this goal in 2021 and have maintained it since.

²³ Our Scope 3 goal includes Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4 emissions, as defined by the [Greenhouse Gas \(GHG\) Protocol](#). This exceeds the SBTi requirement of including at least two-thirds of Scope 3 emissions.

²⁴ Excludes trims, which are estimated to be a small portion of our overall portfolio. "By weight" refers to the weight of materials in our products. This is measured using products procured (i.e., products associated with purchase orders created during the fiscal year).

²⁵ "Global markets" refers to markets where lululemon operates. This goal does not include outlets, pop-ups, airport stores, franchise markets, or markets with fewer than four stores. As of 2025, resale was offered only in the United States; in August 2026, we expanded to an online resale shop in Canada.

people

The People pillar of Impact Agenda 2030 focuses on the wellbeing of our employees, our supply chain, and the broader communities we serve. Our work spans three areas: advancing employee wellbeing through a culture of growth and inclusion, supporting supply chain worker rights and wellbeing for their communities, and fostering mental health and wellbeing through movement and mindfulness.

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employee wellbeing

Our Approach

Developing our employees helps us innovate, achieve our business objectives, stay resilient through change, and fulfill our brand purpose of elevating human potential by helping people feel their best.

We strive to create a workplace where individuals feel respected and valued, and have the resources and support to grow and thrive. Our approach is multi-tiered, focusing on elevating employee wellbeing through a culture of growth and inclusion, supported by learning, development, and continuous listening. This includes competitive compensation, comprehensive benefits packages, wellbeing support, and access to personal and professional opportunities.

Goals

2030 goal: Maintain global gender pay equity and full pay equity in the United States.²⁶ (Goal met to date)

We stand for pay equity, meaning equal pay for equal work, by establishing fair and competitive pay equity practices.

We achieved global gender pay equity in 2018, and in 2020 we set a goal to expand gender pay equity to full pay equity (including gender and race) in the United States. Since then, we have maintained gender pay equity globally and full pay equity in the United States, based on periodic analysis. We continue to track it as an ongoing goal as part of Impact Agenda 2030.

2030 goal: Achieve top-quartile results in employee inclusion and wellbeing. (New goal; initial results will be available in the 2026 Impact Report)

Employee feedback is essential to understanding what is working well and where we can continue to improve our culture.

We will begin reporting on this goal in our 2026 Impact Report, using employee survey results on questions related to inclusion and wellbeing. The survey will be conducted through a global third-party retail industry benchmark, which compares participating retailers and reports relative standing across the cohort. Top-quartile results means a ranking in the top 25 percent of participating organizations.

In 2025, we evolved our employee surveys to a continuous listening model—providing leaders with frequent, higher-quality insights that enable more timely action on employee feedback and help us support employee inclusion and wellbeing.

What We're Doing

Employee Benefits

We provide a range of benefits to support employee wellbeing. These may include health and dental coverage, retirement savings plans, and an employee share purchase plan. Our Sweaty Pursuits benefit provides both part-time and full-time employees with monthly allowances to participate in fitness activities. We also offer all eligible global employees competitive paid time off and sick leave, including up to six months of paid parental leave.

We continue to provide financial support through our We Stand Together Fund, offering assistance to employees experiencing personal or disaster-related hardships.



²⁶ Our periodic analyses are point-in-time and may vary as workforce composition and roles evolve.

Employee Learning and Development

lululemon strives to be a place where people come to develop and grow as inclusive leaders. We offer many types of learning experiences to full-time, part-time, and fixed-term employees.

Below are a few of the ways we support employees' personal growth, strengthen their skills in their current roles, and fuel their career progression.

- **Purpose, Vision, and Goals program (PVG):** PVG is a multi-format program open to all employees. It combines self-paced online learning with facilitated sessions designed to support employees in declaring their personal purpose, articulating a guiding life vision, and creating goals.
- **Leadership development:** We offer leadership development through:
 - **Coaching and mentorship programs:** Through our professional one-to-one coaching program, we train coaches as internal resources for employees at all levels and offer on-demand courses, executive coaching, and long-term programming. We also offer a separate mentorship program that supports career exploration, development, and progression.
 - **The Exchange:** Our two-way job shadowing experience is intended to foster deep connections between our retail and [Store Support Centre](#) leaders. This program enables leaders to build cross-functional relationships, uncover potential career paths, and enhance operational effectiveness.
 - **Practice of Leadership framework:** We established a structured framework of 16 core leadership skills and behaviors to serve as a foundation for our people leaders, helping support continuous development through ongoing practice.
- **Impact Fellowship program:** This program connects employees with non-profit partners supported by [lululemon Gives](#). For more information, see [Community Wellbeing](#).

Inclusion for All

We believe that meaningful employee engagement is foundational to a thriving, inclusive workplace. In 2025, we continued to offer all employees inclusion-focused education and training, and facilitated discussions on topics such as ensuring equal opportunity and fostering inclusive leadership behaviors. We see strong engagement in inclusion-focused education and training across our global employee base.

We regularly review our policies, programs, and practices to help ensure they support a fair and inclusive workplace. We also hold listening forums—two-way dialogues between leaders and employees. These sessions are a key way to reach our employees and collect feedback.

Examples of other offerings include:

- **Inclusion, Diversity, Equity, and Action (IDEA) Toolkits:** These toolkits are available to all employees. They were created to support team awareness, knowledge, and skill building on key concepts such as personal responsibility, belonging, and accessibility. In 2025, we introduced two new toolkits: one addressing emotional intelligence and the other focused on navigating change and challenges.
- **Inclusive and equitable design and accessibility:** Our annual Inclusive & Equitable Design program equips team members with practical tools to apply inclusive design methods to their work, helping prevent common design errors that create accessibility barriers. In 2025, we offered in-person gatherings focused on integrating these methods throughout our business.
- **People Networks:** We continued offering [People Networks](#) (PNs), which are employee-led communities open to all. They were created to offer space to build connection and support personal and professional development. We have 11 PNs: Asian; Black; Body Inclusivity; Chronic Illness, Mental Health, & Disabilities; Global Women; Indigenous; Jewish; Latine; LGBTQ2IA+; Middle Eastern and North African; and South Asian.
- **Women Of:** Since 2023, this program has been dedicated to empowering women across our company—fueling growth, connection, and impact. The program champions intersectional leadership, challenges systemic barriers, and equips members with tools to advocate for themselves and others.

Find Out More

- [Employee Wellbeing](#)
- [IDEA](#)
- [2025 Impact Data and Indices Supplement](#)

supply chain wellbeing

Our Approach

A strong supply chain built on safe and healthy working conditions is key to a resilient and successful apparel industry. The workers who make our products are essential to delivering the quality products our guests expect. This is why investing in their wellbeing and protecting their basic human rights is not just the right thing to do; it's fundamental to how we operate as a business.

We do not own any manufacturing facilities and rely on product suppliers to manufacture and provide fabrics and materials for our products. In 2025, we worked with approximately 51 Tier 1 suppliers and approximately 65 Tier 2 suppliers. The majority of our products were manufactured in Vietnam, Cambodia, Sri Lanka, Indonesia, and Bangladesh, and the majority of our fabrics originated from China Mainland, Taiwan, South Korea, and Vietnam. For a list of select suppliers, see our latest Supplier List.

We focus on supporting supply chain worker rights and wellbeing, as well as wellbeing for their communities. We strive to work with suppliers that share our values and collaborate with us to uphold ethical standards, address systemic challenges, and support the wellbeing of workers in the supply chain.

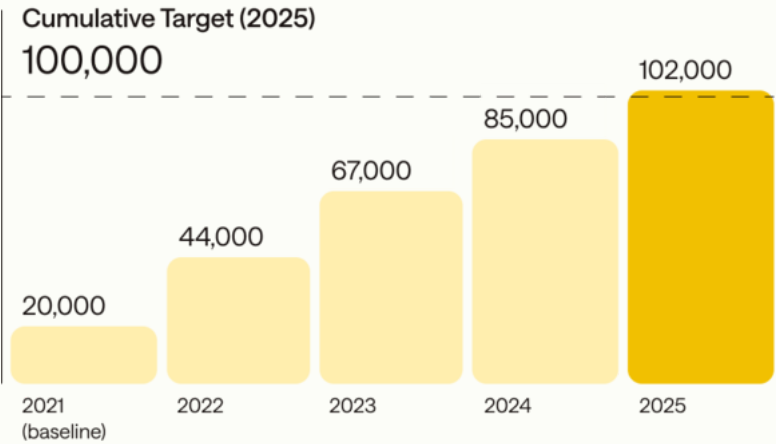
At lululemon, we are committed to advancing fair labor practices. We have a Responsible Supply Chain (RSC) program based on the principles of the OECD Due Diligence Guidance for Responsible Business Conduct and designed to identify, prevent, and/or mitigate supply chain risks.²⁷ Our RSC program is built on three pillars:

- **Monitoring:** Assessing and, in collaboration with suppliers, improving working conditions in facilities
- **Integration:** Integrating responsible purchasing practices across key lululemon strategies, processes, and tools
- **Collaboration:** Working with multi-stakeholder organizations, industry, and suppliers to support systemic change and impact

Goals

2025 Goal: Make wellbeing programs available to workers, with a cumulative total of 100,000 workers who participate in wellbeing programs. (Goal met)

Cumulative number of workers participating in wellbeing programs



In 2025, we surpassed our goal to have 100,000 workers participate in wellbeing programs since 2021. This metric was tracked primarily through our Vendor Grant program, which provides supplier facilities with funding for projects focused on wellbeing for their workers. The number of workers participating in these programs is self-reported by supplier grantees.²⁸ From 2021 to 2025, this support extended to approximately 70 projects across nearly 50 supplier facilities in 11 countries. Projects were tailored to worker-identified needs, including physical and mental health, movement, and overall wellbeing. See Collaboration for examples of wellbeing programs in 2025.

2030 Goal: Support 200,000 participants across supplier communities with access to projects to advance gender equity, financial resilience, and worker engagement.²⁹ (New goal; initial results will be available in the 2026 Impact Report)

We introduced a new Impact Agenda 2030 goal focused on supplier communities. This goal reflects a key learning from our worker wellbeing programming: expanding our focus beyond the factory floor can help support more lasting change. Covering the period from 2026 to 2030, this new goal aims to support 200,000 participants, including workers in our suppliers' facilities, the communities where they live, and broader communities connected to the apparel industry. Progress will be measured based on the number of participants who actively engage with a supply chain wellbeing project enabled by lululemon.

After conducting focus groups with workers and risk analysis across various jurisdictions, we identified gender equity, financial resilience, and worker engagement as our three priority areas. In our 2026 Impact Report, we plan to report on this goal's initial progress.

²⁷ Per the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, "supply chain risks" are defined as "risks of harm to individuals, other organisations and communities in relation to human rights, labour rights, and the environment."
²⁸ This self-reported data was also applied toward our goal to provide wellbeing tools and resources to more than 10 million people between 2021 and 2025. (We met this goal in 2024.) We used a conservative approach intended to minimize double counting. See Community Wellbeing.
²⁹ "Projects" may include strategic partnerships such as industry program pilots, research funding, our vendor partnership program, and participation in industry initiatives. Participant numbers will be self-reported. Participants may be counted more than once if they take part in multiple initiatives over the years.

What We’re Doing

Monitoring

We apply a continuous improvement approach to due diligence and continue to strengthen our RSC practices and align with evolving internationally recognized standards and guidelines.³⁰ Our [Vendor Code of Ethics \(VCoE\)](#) outlines our commitment to respect human and labor rights and promote safe and fair working conditions for people in our supply chain. It sets the minimum standards for suppliers.

We conduct annual human rights and social risk mapping across our product supply chain. We assess known sector risks and other risks that may be prevalent in an actual or potential sourcing location or production process. We also consider economic, social, and political contexts, as well as other indicators that may signal increasing severity of risks and impacts. Where our monitoring identifies potential severe risks, we conduct heightened due diligence.³¹

In 2025, we released our new Responsible Recruitment and Employment Standard (RRES) to suppliers, which supersedes our Foreign Migrant Worker Standard. The RRES sets out minimum requirements for the recruitment, selection, hiring, and management of migrant workers by or on behalf of lululemon suppliers. See more on the [Policies and Guidelines](#) page of our website.

Prior to onboarding, we assess new Tier 1, Tier 2, and select [Tier 3](#) suppliers against the requirements of our RSC New Vendor Approval Process, which evaluates adherence to worker rights and labor practices (as outlined by our VCoE and Benchmarks), environmental practices, and core business factors such as quality, sourcing, and production at the facility level. We aim to re-assess these supplier facilities³² annually and may conduct additional assessments where risk indicators, identified non-compliance, or grievances warrant additional review or verification of remediation.

We carried out approximately 400 RSC assessments (including initial, annual, and follow-up assessments) in 2025, which were conducted by our internal RSC team and third-party assessors. When an issue is flagged in an assessment, we require suppliers to develop and implement Corrective and Preventative Action Plans (CAPAs). Our approach to corrective action focuses on root cause analysis and continuous improvement, with the intention of creating positive and lasting change. Our RSC team reviews and approves the CAPAs and,

where appropriate, offers guidance on effective solutions. The RSC team verifies CAPA implementation through on-site assessments or desktop reviews.

In 2025, we began evolving our assessment approach to better focus teams and resources on higher-risk supplier facilities and support more effective remediation. As part of this evolution, we started accepting industry-recognized equivalent assessments— independent third-party assessments that align with established industry standards and are comparable to our own assessments. This can reduce duplicative assessments for suppliers and enables a more risk-based approach to monitoring, allowing us to focus our efforts on higher-risk facilities. We piloted this approach in 2025 and are scaling it across our program in 2026.

See more in the [2025 Impact Data and Indices Supplement](#) and on the [Reporting and Disclosure](#) (Responsible Supply Chain section) page of our website.

Integration

We are committed to responsible purchasing practices (RPP), which we believe helps contribute to supplier resilience, the strength of buyer-supplier relationships, and the quality of life of workers. Our RPP strategy is informed by supplier feedback and reflects our aim to foster long-term relationships based on collaboration and continuous improvement. We are working to further embed RPP into our product planning and production processes.

As an accredited, participating company of the [Fair Labor Association](#), we are part of a global effort to advance fair compensation. Through our fair compensation program, we are working with our suppliers and industry partners to drive progress across our global supply chain. We believe that workers should earn a fair compensation within regular working hours, enabling them to have a decent standard of living, in alignment with the living wage definition from the [Global Living Wage Coalition](#).³³

In 2025, we launched a pilot with select suppliers to assess wage management systems alongside our own purchasing practices. To support the design and execution of this project, we partnered with the [Fair Wage Network](#), an organization that aims to advance fair wage practices. We plan to expand this program to additional suppliers in 2026. See more on the [Supplier Programs](#) page of our website.



Supplier facility in Vietnam

³⁰ This includes the [Universal Declaration of Human Rights](#), [United Nations Guiding Principles on Business and Human Rights](#), [International Labour Organization \(ILO\) Declaration on Fundamental Principles and Rights at Work and Its Follow-up](#), [ILO Indicators of Forced Labour](#), and [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#).

³¹ Heightened due diligence entails a more detailed analysis of potential non-compliances and root causes of those potential non-compliances, and may be done in partnership or consultation with external experts.

³² This excludes [trims](#), [packaging](#), and footwear raw materials facilities, which are re-assessed based on risk. Select [subcontractors](#) also undergo our RSC New Vendor Approval process and are re-assessed based on risk.

³³ The Global Living Wage Coalition [defines a living wage](#) as "remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family." Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events.

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Collaboration

The supplier facilities across the lululemon supply chain employ over 300,000 workers, more than 77 percent of whom are women.³⁴ In 2025, we supported workers through grants and programs focused on gender equity and wellbeing in the workplace.

Through our [Vendor Grant program](#), we work directly with eligible suppliers to help fund projects. Suppliers apply for project grants, with lululemon providing up to 50 percent of the funding for successful applications. In 2025, we contributed \$338,000 toward 19 projects, including:

- **Mental health:** Programs to support mental wellbeing—including counseling/therapy, stress management support, and mental health awareness and education—were held in supplier facilities in China Mainland, Taiwan, Peru, Sri Lanka, and Vietnam.
- **Women's health and leadership development:** Projects focused on maternal and reproductive health and nutrition, gender equity training, and women's leadership and development were held in supplier facilities in China Mainland, Taiwan, Colombia, Indonesia, Sri Lanka, and Vietnam.
- **Movement:** Movement programs to support physical wellbeing included yoga, dance, and fitness classes, held in supplier facilities in China Mainland, Taiwan, Indonesia, Peru, and Vietnam.

Through [lululemon Gives](#), we also support organizations that focus on the wellbeing of workers and people in their communities. 2025 partnerships included:

- [CARE's Made by Women](#), which supports programs to ensure women in the garment industry are treated with respect at work and that they have a say in the decisions that affect their lives
- [The Resilience Fund for Women in Global Value Chains](#), a pooled funding initiative that invests in the long-term health, safety, and economic resilience of women working in global [value chains](#), including research on gender and climate resilience

We also worked with the [International Center for Research on Women](#) (ICRW) to conduct a survey focused on gender equity indicators across six supplier facilities. Our aim is to use the findings to support workers through projects focused on gender equity and wellbeing. We continue to be a member of [RISE](#) (Reimagining Industry to Support Equality), an initiative that works to advance gender equality through collaborative industry action at scale for workers, businesses, and communities in global garment, footwear, and home textiles supply chains.

Find Out More

[Reporting and Disclosure](#) (Responsible Supply Chain section)

[Supply Chain Wellbeing](#)

[2025 Impact Data and Indices Supplement](#)

³⁴ This accounts for Tier 1 suppliers, subcontractors for the top 10 Tier 1 supplier facilities, and approximately 80% of Tier 2 suppliers (excluding trims, packaging, and footwear raw materials) as of our May 2026 [Supplier List](#).

community wellbeing

Our Approach

We're living in a time when the need for connection and care is undeniable. According to global health research, mental health, physical inactivity, and loneliness represent some of the most pressing challenges facing communities worldwide.³⁵

As a company built around movement and wellbeing, our work extends beyond our products and into communities around the world.

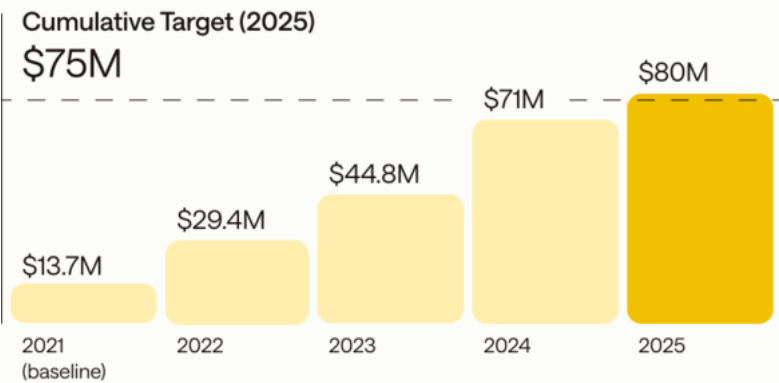
In 2025, we evolved the lululemon Centre for Social Impact into lululemon Gives, a global initiative dedicated to advancing solutions for mental health and wellbeing through movement and mindfulness. Through grants, partnerships, volunteering, and donations, we support organizations that address loneliness, increase access to physical activity, and promote mental health, bringing us closer to our vision of wellbeing for all.

Employees are at the heart of lululemon Gives. Through volunteering, giving, and advocacy, they contribute to mental health and wellbeing initiatives in our communities.

Goals

2025 Goal: Invest to advance equity in wellbeing through lululemon Gives: \$75M invested. (Goal met)

Cumulative lululemon Gives investments



In 2025, we surpassed our goal; since 2021, we have invested \$80 million to advance equity in wellbeing. In 2025, lululemon Gives provided funding to more than 160 social impact organizations. Of these, 47 percent were grants for new partnerships and 53 percent were grants supporting existing partnerships. See more details about some of these organizations below.

2030 Goal: Provide 20 million participants with experiences to advance mental health and wellbeing through movement and mindfulness.³⁶ (New goal; initial results will be available in the 2026 Impact Report)

In our 2024 Impact Report, we reported that we achieved our 2025 goal to reach 10 million people, one year ahead of schedule. (10.2 million people were reached between 2021 and 2024 with wellbeing tools and resources.³⁷)

Since achieving that goal, we created a new 2026-2030 goal centered on the focus areas of lululemon Gives. Progress will be based on partnerships with local, regional, and global organizations that are advancing wellbeing in communities around the world.

"Participants" refer to individuals who receive services from lululemon Gives partners or those who actively participate in programs or activations funded or enabled by lululemon Gives. "Experiences" may include programs, services, or resources from lululemon Gives or third parties focused on mental health and wellbeing. We plan to begin reporting progress on this goal in the 2026 Impact Report.

³⁵ The Lancet Psychiatry, Age of Onset and Cumulative Risk of Mental Disorders; World Health Organization, Physical Activity; World Health Organization, Social Isolation and Loneliness.
³⁶ This goal is cumulative (2026-2030) and will be measured based on the number of participants who receive services from lululemon Gives partners or those who actively participate in programming or activations enabled or funded by lululemon Gives. Participant numbers will be self-reported by partners. Participants may be counted more than once if they take part in multiple initiatives over the years.
³⁷ "People reached" reflects the number of individuals who received services from lululemon Gives partners or actively participated in partners' programming. Figures were based on data self-reported by partners and used a conservative approach to minimize double counting. Progress toward this goal also included worker wellbeing programs. See Supply Chain Wellbeing.

What We’re Doing

lululemon Gives

Through lululemon Gives, we focus on three interconnected challenges that shape how people experience wellbeing in their daily lives:

- ♥

Mental health: We support programs and partnerships that promote mental health and resilience, helping more people access the support they need in everyday life.
- ⚡

Physical inactivity: We expand access to movement through inclusive and accessible programs that focus on mental health and wellbeing outcomes.
- 🧩

Loneliness: We invest in programs that bring people together to build connection, belonging, and spaces where people feel seen and supported.

lululemon Gives Milestones

Since 2021, lululemon Gives has partnered with organizations that advance wellbeing for our global and local communities:

- Cumulative # of social impact organizations that received funding: 370+
- Average grant size: \$93K
- \$ in product donated: \$2.2M⁺³⁸

Community Impact

In 2025, we continued to work with global, regional, and local organizations focused on promoting mental health and wellbeing through movement and mindfulness, including:

- United for Global Mental Health, which aims to create a world where everyone, everywhere has access to mental health support, free of stigma or restrictions.
- UNICEF's Global Coalition for Youth Mental Health, which seeks to challenge stigma and raise awareness through investment and action to support the mental health of children and youth.
- Center for Healing and Justice through Sport, which works to ensure more young people and athletes have access to sport experiences that are healing-centered and inclusive.

The Community Wellbeing Grant is our annual, application-based grant program that provides funding to community-led charitable

organizations around the world that are advancing wellbeing through movement. In 2025, grant recipients included:

- Sati Foundation in Bangkok, Thailand, to support the mental health and wellbeing of underserved and at-risk youth through mindfulness-based workshops, counseling, and movement practices.
- Shanghai Dialogue in the Dark Service Center in China Mainland, to expand inclusive movement activities, including access to its Dark Runners’ Club for runners who are visually impaired.
- Still I Run in Hudsonville, Michigan, to expand access to running as a tool for mental health. Funding contributed to a free Mental Health Runner Program, supporting individuals in taking their first steps toward better mental health through movement.
- Disability Sports Coach, to use the unique power of sport and physical activity to enhance opportunities and experiences of disabled people in London, UK.

To increase access to mental health support, we also collaborate with organizations such as the Hidden Healing Fund, the Global Fund for Women’s Mental Health, and the Rare Impact Fund.

Employee Impact

lululemon Gives offers employees a variety of ways to give back, including hands-on volunteering, participation in community grant review councils, and access to matched giving opportunities. These efforts are designed to foster a culture of purpose and connection, and to align with our broader mission to elevate wellbeing for all.

We are also in the fourth year of our Impact Fellowship program. This program connects employees with non-profit partners supported by lululemon Gives. Employees selected as Impact Fellows retain their lululemon employment status while taking on a temporary three-month role with a non-profit organization. Impact Fellows are matched with organizations based on the skill sets and experience the organization requires. In 2025, 13 lululemon Impact Fellows worked with organizations such as Beijing A Mom Mental Health Service Center (China Mainland), Moose Hide Campaign Development Society (Canada), and National Alliance on Mental Illness (NAMI) (USA).

Find Out More

lululemon Gives
Partnerships and Memberships



UNICEF's Global Coalition for Youth Mental Health

³⁸ The in-kind retail value of products donated by lululemon between 2021 and 2025.

planet

Our products and operations are connected to people, communities, and natural ecosystems across our value chain. This is why we focus the Planet pillar of Impact Agenda 2030 on three key areas: Climate Action, Circular Innovation, and Nature. Progress in each area shapes the work of others, and none of them can be addressed in isolation. Efforts in these areas must also extend beyond our own operations and supply chain. This requires scalable solutions and collaboration across the broader apparel industry.

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nature	30

climate action

Our Approach

Climate change is damaging ecosystems and causing adverse impacts to human health and wellbeing, representing an urgent global challenge.³⁹ Addressing climate change is complex, and no single organization can do it alone.

Like other apparel companies, our biggest challenge comes from upstream supply chain Scope 3 greenhouse gas (GHG) emissions. Our approach centers on addressing emissions across our supply chain and supporting collective action for industry-wide change.

Our strategy to address emissions and work toward our goals focuses on four key areas: product and material innovation, manufacturing, transportation, and our own operations. Our near-term 2030 science-based targets (SBTs) are validated by the Science Based Targets initiative (SBTi).⁴⁰

We collect, calculate, and report GHG emissions data in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and associated scope-specific guidance from the GHG Protocol Scope 2 Guidance and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our climate data is reported on a calendar-year basis.⁴¹

lululemon has obtained limited assurance from PwC for our Scope 1 and Scope 2 (location-based and market-based) GHG emissions. See more in our Limited Assurance Report.

2025 GHG emissions inventory^{41,42}

Total emissions: 1.6M tonnes (t) CO₂e (excluding Scope 3 Category 11)⁴³

Scope 1 & 2 ⁴⁴	Scope 3								
Own operations	Raw materials Tier 4 ⁴⁵	Yarn production Tier 3 ⁴⁵	Fabric manufacturing Tier 2 ⁴⁵	Finished product manufacturing Tier 1 ⁴⁵	Packaging ⁴⁵	Transportation ⁴⁶	Non-product procurement ⁴⁵	End-of-life ⁴⁷	Other ⁴⁸
6,000	284,000	107,000	392,000	124,000	46,000	231,000	155,000	64,000	185,000
<1%	18%	7%	25%	8%	3%	15%	10%	4%	12%
Included in SBTs									

A full breakdown of our GHG inventory by GHG Protocol category, along with details on recent methodological updates, can be found in the 2025 Impact Data and Indices Supplement.

³⁹ The Intergovernmental Panel on Climate Change, Climate Change 2023 Synthesis Report.

⁴⁰ The SBTi develops standards, tools, and guidance that allow companies to set GHG emissions reduction targets. The SBTi validated our near-term science-based Scope 1, 2, and 3 climate targets in 2020, and re-validated them in 2024 alongside our 2050 net-zero target.

⁴¹ A large portion of our climate data is provided by suppliers via a third-party system based on the calendar year. Therefore, climate data is reported on a calendar year and does not currently align with lululemon's fiscal year. 2025 climate data reflects the calendar year ending December 31, 2025.

⁴² Figures in the 2025 GHG emissions inventory table are rounded to the nearest thousand. Accordingly, the "% of total emissions" aggregate values may not precisely total 100% due to rounding adjustments. For non-rounded figures, see the 2025 Impact Data and Indices Supplement.

⁴³ The "Total emissions" figure excludes GHG Protocol Scope 3 Category 11: Use of sold products. The indirect use of sold product emissions are not required to be included in Scope 3 inventories under the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In alignment with the SBTi's Apparel and Footwear Sector Science-Based Targets Guidance, Category 11 emissions are also excluded from our Scope 3 science-based target, as they are not required to be included in Scope 3 inventories or targets for apparel and footwear companies. These emissions are considered indirect, as they relate to the energy required to wash and dry products after purchase. In 2025, our Category 11 emissions totaled ~577,000 tCO₂e.

⁴⁴ This includes Scope 2 market-based emissions. See the 2025 Impact Data and Indices Supplement for details on both location-based and market-based Scope 2 emissions.

⁴⁵ Refers to GHG Protocol Scope 3 Category 1: Purchased goods and services.

⁴⁶ Refers to GHG Protocol Scope 3 Category 4: Upstream transportation and distribution.

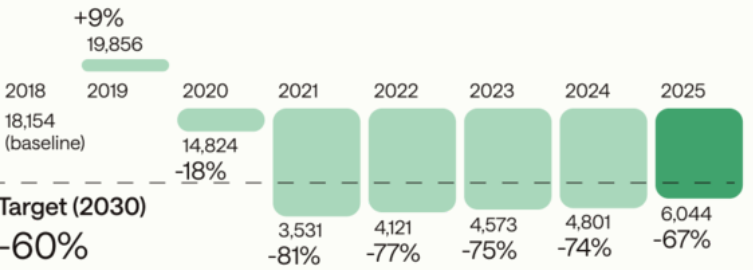
⁴⁷ Refers to GHG Protocol Scope 3 Category 12: End-of-life treatment of sold products.

⁴⁸ Refers to the following GHG Protocol Scope 3 Categories: 2: Capital goods, 3: Fuel- and energy-related emissions not included in Scope 1 and 2 emissions, 5: Waste generated in operations, 6: Business travel, 7: Employee commuting, 8: Upstream leased assets, and 14: Franchises.

Goals

2030 Goal: Maintain 60% absolute reduction in GHG emissions in our own operations (Scope 1 and 2⁴⁹) from a 2018 baseline. (Goal met to date)

% reduction in Scope 1 and Scope 2 absolute emissions in our own operations (tCO₂e)⁵⁰



Although Scope 1 and 2 emissions represent a small part of our total emissions (less than 5 percent of our baseline in 2018), they occur within our operations, where we have the greatest control.

We initially achieved our SBTi-validated Scope 1 and 2 goal in 2021 and have maintained it since.⁵¹ Due to business growth, including an approximately 150 percent increase in the square footage of our operations since our 2018 baseline, we have seen an annual increase in absolute emissions since 2022. In 2025, we added a new Canadian distribution centre (DC), which contributed to an increase in absolute emissions.

Although our reductions vary year over year due to factors such as renewable electricity access, the size of our operations, and weather fluctuations, we remain committed to our work in this area. We plan to manage absolute emissions and maintain achievement of this goal by procuring renewable electricity where operationally feasible and executing electrification and energy efficiency initiatives.

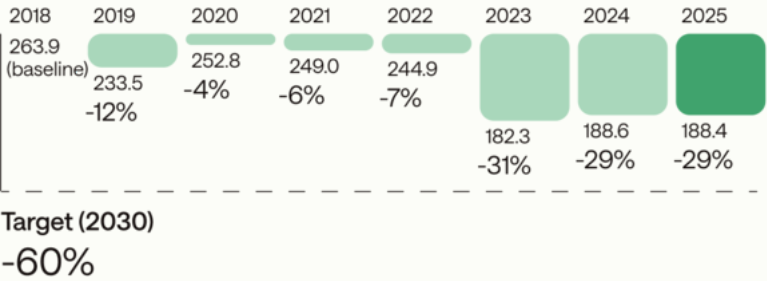
In 2021, we met a target to procure 100 percent renewable electricity in our own operations, 99 percent of which was in line with RE100 standards, leading to our largest year-over-year reduction. Since this is crucial to our Scope 1 and 2 goal, we plan to maintain this target.⁵²

Achievement of our Scope 1 and 2 goal is primarily driven by renewable electricity procurement. Our single largest source of renewable electricity is a wind Virtual Power Purchase Agreement (VPPA) in North America. Our renewable electricity procurement also includes energy attribute certificates (EACs) from accredited tracking agencies, on-site solar from one of our DCs, and green premium options from renewable utility providers. See more in Own Operations and the 2025 Impact Data and Indices Supplement.

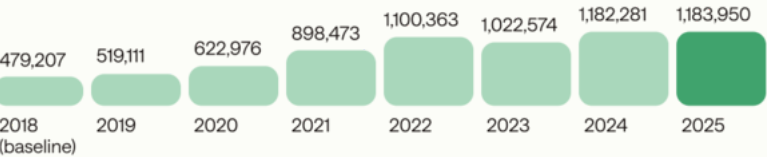
Limited assurance was provided by PwC over our Scope 1 and Scope 2 (location-based and market-based) GHG emissions. See our Limited Assurance Report.

2030 Goal: Achieve 60% intensity reduction in GHG emissions in purchased goods and services, and upstream transportation and distribution (Scope 3)⁵³ from a 2018 baseline. (In progress)

% reduction in Scope 3 emissions intensity (tCO₂e per \$ million of gross profit from operations)⁵⁴



Total Scope 3 emissions within science-based target (tCO₂e)⁵⁴



The majority of our total emissions (over 95 percent in our 2018 baseline) occur in the supply chain and represent our biggest challenge and opportunity. We identify and implement initiatives to reduce emissions intensity across product and material innovation, manufacturing, and transportation. We have not used carbon offsetting to reduce emissions.

It is challenging to decrease absolute emissions across Scope 3 while increasing production. For that reason, lululemon set an SBTi-validated Scope 3 intensity target in 2018 using the SBTi's GEVA (GHG emission per unit of value-added) methodology, which is aligned to a pathway well below 2°C. We measure emissions intensity as tCO₂e per \$ million of gross profit.

In 2025, we realized a 29 percent reduction in Scope 3 emissions intensity from a 2018 baseline. While we made progress executing against our climate roadmap initiatives, emissions (both absolute and intensity) remained relatively flat to 2024.

Reductions in emissions intensity were driven by supplier decarbonization initiatives (including 33 percent renewable electricity use among core Tier 1 and Tier 2 suppliers⁵⁵), small gains in preferred material conversion, and a decrease in air freight. Contending factors led to the relatively flat overall emissions intensity, including a lower gross margin (the target denominator for emissions intensity) and expanded access to primary data from supplier facilities participating in our coal phase-out program, which reduced the use of industry-average estimations in our calculations.

See What We're Doing for information on our pathway toward achieving our Scope 3 goal. See more about our investments and partnerships in Product and Material Innovation, Manufacturing, and Transportation. A full breakdown of our Scope 3 emissions is available in the 2025 Impact Data and Indices Supplement.

⁴⁹ Our goal reflects Scope 2 market-based emissions. The 2025 Impact Data and Indices Supplement contains both location-based and market-based emissions.

⁵⁰ We have restated our 2018-2024 Scope 1 and 2 emissions to reflect key updates outlined on page 3 of our 2025 Impact Data and Indices Supplement. The previously reported Scope 1 and 2 emissions were (all amounts in tonnes CO₂e): 2018) 18,041; 2019) 19,791; 2020) 14,892; 2021) 3,521; 2022) 4,093; 2023) 4,546; 2024) 4,875.

⁵¹ Our Scope 1 and 2 goal aligns with limiting global temperature increases to 1.5°C.

⁵² In 2025, we procured 100% renewable electricity for our own operations, with 98% sourced in compliance with RE100 technical criteria. During this time, we were unable to source renewable electricity in South Korea due to a challenging EAC market. Consequently, EACs were procured from nearby geographies; these are retired annually but not accounted for in our Scope 2 market-based emissions or our RE100 standards-aligned renewable electricity reporting. Note that under the GHG Protocol Scope 2 Guidance, market-based instruments such as EACs are acceptable methods for reducing market-based Scope 2 GHG emissions.

⁵³ Our Scope 3 goal includes Category 1 (with the exclusion of "other purchased goods and services," which relate to non-product spend) and Category 4 emissions, as defined by the GHG Protocol. This exceeds the SBTi requirement of including at least two-thirds of Scope 3 emissions.

⁵⁴ We have restated our 2018-2024 Scope 3 emissions to reflect key updates, as outlined on page 3 of our 2025 Impact Data and Indices Supplement. The previously reported Scope 3 emissions within our science-based target were (all amounts in tonnes CO₂e): 2018) 479,207; 2019) 519,107; 2020) 622,797; 2021) 898,476; 2022) 1,100,362; 2023) 1,022,574, 2024) 1,179,190. The previously reported Scope 3 emissions intensity were (all amounts in tCO₂e per \$ million of gross profit from operations): 2018) 263.8; 2024) 188.0.

⁵⁵ Core suppliers are Tier 1 and Tier 2 suppliers representing over 75% of our production volume.

What We’re Doing

2030 Climate Roadmap

Our 2030 climate roadmap sets out our approach toward maintaining our Scope 1 and 2 goal, and progressing toward our Scope 3 goal. It focuses on actions designed to drive significant and measurable outcomes. Business leaders from across lululemon (including teams overseeing raw material and product innovation and development, sourcing, logistics, planning, fulfillment, and retail) have contributed to our roadmap by defining and developing initiatives that support progress toward our targets and align with strategic business objectives.

Our key roadmap initiatives are presented in the table below. See more about the initiatives we prioritize in [Product and Material Innovation](#), [Manufacturing](#), [Transportation](#), and [Own Operations](#).

2030 climate strategy initiatives

Supply chain (Scope 3)			Operations (Scope 1 & 2)
Product & material innovation	Manufacturing	Transportation	Own operations
- Preferred materials - Product innovation	- Renewable electricity - Energy efficiency - On-site coal phase-out	- Lower-carbon transport modes - Alternative fuel advancement	- Renewable electricity - Energy efficiency and electrification

Scope 3 Challenges and Dependencies

Achieving a 60 percent Scope 3 emissions intensity reduction by 2030 requires ambitious action in a dynamic business environment. Our roadmap considers business factors such as product mix, sourcing strategies, inventory levels, and growth expectations, as well as broader market conditions, all of which may affect the pace and scale of our progress.

We actively manage uncertainties related to the initiatives in our roadmap. A key component of our roadmap is the adoption of [preferred materials](#). However, progress in this area is complex, and successful scaling depends on factors such as feedstock availability, commercial readiness, and the pace of technology development. For example, readily available [preferred nylon 6,6](#) remains limited, and solutions require long lead times in research and development. We continue to invest in emerging preferred material innovations (e.g., through textile-to-textile recycling investments and partnerships) to support progress. See [Circular Innovation](#) for more information.

With respect to manufacturing initiatives, increasing renewable electricity use across our supply chain is both an important and challenging component of our roadmap. The pace of adoption is influenced by factors such as national energy policies and investments, infrastructure development, and the availability of regional procurement mechanisms. For example, policy developments such as Vietnam's Direct Power Purchase Agreement are focused on creating new opportunities for renewable electricity procurement, but scaling can take time as supporting infrastructure and procurement mechanisms continue to develop. We take action by partnering with suppliers, engaging in cross-industry forums, and investing to support [renewable energy](#) procurement and lower carbon grid electricity in the places where our products are manufactured. See [Manufacturing](#) for more information.

We also aim to identify and manage external risks that may affect our ability to achieve our Scope 3 goal, such as geopolitical dynamics, supply chain disruptions, policy shifts, and macroeconomic conditions. Evolving global regulations and carbon accounting methodologies—including recent and future changes from the SBTi and the [Greenhouse Gas Protocol](#)—may also affect how emissions are measured and reported. See [Forward-Looking Statements](#) for additional factors.

Net-Zero Target

Beyond 2030, our long-term aim is to achieve net-zero GHG emissions by 2050 from a 2018 baseline. In accordance with the [Science Based Targets initiative \(SBTi\) Corporate Net-Zero Standard](#) (Net-Zero Standard), our target is a 90 percent reduction in absolute Scope 1, 2, and 3 GHG emissions, with any residual emissions neutralized through the use of [carbon removals](#), in line with the Net-Zero Standard.⁵⁶ The SBTi has validated our net-zero target.

Our approach for our net-zero target focuses on first taking action to meet our near-term 2030 climate targets as we build out a longer-term roadmap. We know that achieving net zero cannot be done alone, and requires system-wide change over the long term. We are actively helping to support this change through cross-industry collaboration, investments in emerging innovations, and advocacy for global policies.

Industry Coalitions

Participation in industry coalitions is important for deploying scalable solutions, particularly within the manufacturing supply chain, where supplier facilities are producing fabric and garments for multiple brands. Since 2020, we have been signatories of the [UN Fashion Industry Charter for Climate Action](#).

lululemon is also a founding member and lead funder of Apparel Impact Institute's (Aii's) \$250 million [Fashion Climate Fund](#), which identifies, funds, scales, and measures solutions to address the industry's supply chain carbon emissions. As a lead funder, we committed to making a \$10 million investment in Aii from 2022 to 2028. Through the Fashion Climate Fund, Aii aims to help avoid 100 million tonnes of CO₂e emissions from the apparel supply chain by 2030. As of 2025, Aii [reported](#) that fund-supported initiatives had helped participating suppliers avoid 10.9 million tonnes of CO₂e emissions.⁵⁷

See more under [Manufacturing](#) below, and on the [Partnerships and Memberships](#) page of our website.

Product and Material Innovation

Materials used in products and packaging contribute to GHG emissions in multiple ways, including the energy used to obtain and process raw materials. In 2025, raw materials, yarn production, and packaging made up approximately 28 percent of our total carbon footprint.

Polyester and nylon made up 64 percent of our material portfolio by weight in 2025 and were the primary contributors to materials-related emissions. Since conventional polyester and nylon typically derive from fossil-fuel-based feedstocks, increasing the use of recycled or renewable alternatives for these materials represents one of the most significant opportunities to reduce emissions in this area.

⁵⁶ As stated on the [SBTi website](#), the Corporate Net-Zero Standard is a framework for corporate net-zero target setting in line with climate science. Our target boundary includes land-related emissions and removals from bioenergy feedstocks.

⁵⁷ Aii reports this as the sum of total GHG emissions saved by suppliers participating in Aii's Supplier Journey in each year from 2018 until the end of 2025, multiplied by the respective useful life factor. See the [Aii 2025 Annual Impact Report](#) for details.

As of 2025, 79 percent of our procured polyester was made from recycled inputs and 13 percent of our procured nylon was made from recycled inputs. However, scaling these solutions—particularly nylon 6,6—remains complex, requiring time and investment to reach commercial viability. To drive progress in this area, we focus on investing in and adopting preferred materials and driving circular innovation. Learn more about our commitments in Circular Innovation.

Manufacturing

In 2025, manufacturing our finished products and fabrics made up approximately 33 percent of our total carbon footprint.

We do not own any manufacturing facilities in our supply chain, and contract with suppliers that produce for multiple brands. Prior to onboarding, we assess new Tier 1, Tier 2, and select Tier 3 suppliers against the requirements of our Responsible Supply Chain New Vendor Approval Process, which evaluates supplier environmental practices as well as worker rights and labor practices.

We focus on engaging with Tier 1 and Tier 2 suppliers to increase energy efficiency and renewable electricity, and to eliminate on-site coal—priority initiatives that represent our most feasible opportunities to progress toward our Scope 3 goal. Our Vendor Environmental Manual outlines our guidelines across these and other environmental programs, including water efficiency, wastewater, and chemistry.

Examples of how we support suppliers in meeting these guidelines may include funding or co-funding feasibility studies, training, technical assistance, and direct engagement with supplier facilities to incentivize and support progress and investments. We are also working with industry and cross-industry partners to explore scalable financing models that can help accelerate progress across these areas.

We collect supplier environmental data through several mechanisms, including the Higg Facility Environmental Module (Higg FEM). See the 2025 Impact Data and Indices Supplement for more information on Higg FEM reporting.

Supply Chain Renewable Electricity

Increasing the use of renewable electricity in our supply chain is a key component of our roadmap toward our Scope 3 science-based target. We surpassed our target to achieve 25 percent renewable electricity among core Tier 1 and Tier 2 suppliers⁵⁸ by the end of 2025. Collectively, core Tier 1 and Tier 2 suppliers achieved 33 percent renewable electricity in 2025.⁵⁹ We continue to work toward our target to achieve 50 percent renewable electricity collectively among core Tier 1 and Tier 2 suppliers by the end of 2030.

Where feasible, we work to prioritize higher-impact renewables such as onsite solar and power purchase agreements (PPAs). We recognize that EACs are also necessary in the global transition to renewable electricity and work to minimize the use of lower-impact EACs where possible.

We have invested in a renewable energy fund with Schroders Capital's Infrastructure team to support the development of new renewable electricity capacity, while advancing an emerging investment model. Participation in the fund is expected to enable lululemon to achieve the equivalent of 100 percent renewable electricity in collaboration with our suppliers in China Mainland,⁶⁰ based on the projected electricity use in 2030. Schroders Capital's Infrastructure team has since deployed capital from the fund across multiple wind projects.

Access to renewable electricity varies across regions where our suppliers operate, due to barriers such as limited supply, permitting processes, and complex regulations. To help advocate for renewable electricity development, we are members of the Asia Clean Energy Coalition (ACEC). ACEC is a coalition of renewable energy buyers, in collaboration with sellers and financiers, working to facilitate policy advancements in key Asian markets, and support expansion of and access to renewable electricity.

To support supplier adoption of renewable electricity, we provide training and technical assistance through both direct engagement and external organizations in key manufacturing regions, including China Mainland, Indonesia, South Korea, and Vietnam. Examples include:

- We are a sponsor and member of the Clean Energy Procurement Academy, an initiative of the Corporate Energy Buyers Association (CEBA). The Academy aims to accelerate clean energy procurement and decarbonize supply chains, educating

participants through in-person and digital training on local renewable energy procurement options.

- We continued to provide access to renewable electricity procurement and policy training through external organizations such as Allotrope Partners, Climate Action Training++ (a collaboration between WWF and GIZ), and RMI.
- We launched our first regional cohort in Vietnam to support suppliers and their facilities in developing renewable electricity targets and roadmaps. The cohort assessed electricity demand at facilities and current renewable electricity options.

See more on the Climate Action and Partnerships and Memberships pages of our website.

Supply Chain Energy Efficiency

We engage suppliers on energy efficiency improvement through technical support, funding, and participation in industry initiatives that drive decarbonization efforts. Through programs such as Aii's Clean by Design and Carbon Leadership Program, we support apparel supply chains in identifying energy efficiency and energy reduction opportunities, conducting carbon benchmarking assessments, setting climate targets, and developing carbon-reduction roadmaps.

As of 2025, 31 of our supplier facilities were participating in multi-year Aii programs focused on setting climate targets and identifying energy efficiency opportunities.

On-Site Coal Phase-Out

The use of on-site coal boilers for process heating is a challenge across the apparel industry, as coal is particularly carbon intensive and linked to air pollution.

As a signatory of the UN Fashion Industry Charter for Climate Action, we are committed to phasing out coal from supplier sites. We work with our Tier 1 and Tier 2 suppliers and select subcontractors toward eliminating on-site use of coal, including having them sign acknowledgement letters and establish roadmaps to phase out existing coal boilers by 2030. Among Tier 1 and Tier 2 supplier facilities and select subcontractor facilities that used coal on site as of 2020 or later, 50 percent have eliminated its use as of 2025. We continue to work with the remaining 14 facilities on their coal phase-

⁵⁸ Core suppliers are Tier 1 and Tier 2 suppliers representing over 75% of our production volume.

⁵⁹ Data includes supplier self-reported data collected through the Higg Facility Environmental Module (Higg FEM). The majority of this supplier-reported data is verified by third parties accredited through the Higg FEM Verification Program. Additionally, lululemon reviews reported supply chain renewable electricity. The 2024 renewable electricity percentage has been restated from 15% to 21% to reflect supplier-reported Higg FEM data that was previously excluded from lululemon's calculations in error.

⁶⁰ Includes Tier 1 and Tier 2 supplier facilities. Excludes supplier facilities for trims, packaging, and footwear.

out roadmaps. These facilities are part of our broader network of approximately 500 Tier 1 and Tier 2 supplier facilities and select subcontractors.

Where needed, we engage technical experts who work with our suppliers to conduct feasibility studies on manufacturing processes that require high heat. The studies assess potential alternatives to coal, including options such as biomass, natural gas, and electrification.

We recognize the importance of electrification, paired with renewable electricity, in providing a long-term pathway to process heating decarbonization, while acknowledging near-term challenges—including technology readiness, cost, and access to renewable electricity—that can limit broader adoption.⁶¹ To help address these barriers, our \$10 million investment in Aii's [Fashion Climate Fund](#) helps to advance this transition through thermal roadmap research reports, funded pilots for heat pumps, and grants via the [Climate Solutions Portfolio \(CSP\)](#) and [Deployment Gap Grant \(DGG\)](#), both of which support technologies and supplier projects that aim to accelerate electrification, reduce thermal energy demand, and implement low-carbon technologies.

Just Transition

At lululemon, we recognize the transition to a low-carbon economy must be orderly, inclusive, and just.⁶² Throughout 2025 and 2026, we partnered with an independent consultancy and engaged more than a dozen internal and external stakeholders to understand evolving just transition frameworks and standards, and to identify risks, impacts, and potential actions. The insights from this work will inform how we can work with suppliers and across the industry to strengthen our existing programs and policies in support of just transition principles. See [People](#) for more information on working conditions, fair compensation, community investments, and worker wellbeing.

Transportation

As a global business, we move products from supplier facilities to DCs, retail stores, and [guests](#) worldwide, using multiple modes of transport. In 2025, inbound and outbound transportation made up approximately 15 percent of lululemon's total carbon footprint. Transportation emissions decreased by 15 percent from 2024. Our

transportation initiatives include utilizing lower-carbon transportation modes and supporting alternative fuel technologies through partnerships and procurement contracts.

We also engage with logistics service providers (LSPs) on carbon-reduction opportunities and improvements to emissions data quality. As part of our evaluation process for working with inbound LSPs, we consider their environmental practices, including the existence of GHG emissions targets, freight mode solutions, and projects related to the use of alternative fuels.

Transport Modes

The majority of inbound products are shipped using ocean freight. We are working toward reducing the use of air freight, where operationally feasible. We also continue to identify, pilot, and integrate lower-carbon transportation options, including regional trucking and electric vehicles for last-mile delivery. For the final leg of e-commerce deliveries, we use electric vehicles in select key cities in Canada, China Mainland, and South Korea.

Alternative Fuel Advancement

We are part of the [Zero Emission Maritime Buyers Alliance \(ZEMBA\)](#), a buyers group working to accelerate scalable and economically viable zero-emission shipping solutions for the maritime sector. In 2025, lululemon participated in the ZEMBA joint procurement initiative and made our first purchase of a small quantity of sustainable maritime fuel certificates, equivalent to 850 tCO₂e.⁶³ This purchase, combined with those of other ZEMBA members, helps signal market demand and is intended to demonstrate a pathway toward decarbonization in the maritime sector.

In 2025, we also became a member of [Smart Freight Centre](#), an international non-profit organization focused on reducing the emissions impacts of global freight transportation. This membership helps inform our freight-related emissions reduction initiatives and GHG calculation approach.

Own Operations

Our Scope 1 and 2 emissions are primarily driven by the energy used to heat and cool buildings, and refrigerant leakages in cooling

systems. In 2025, our [own operations](#) made up less than 1 percent of our overall carbon footprint, reflecting significant emissions reductions compared to our 2018 baseline. Renewable electricity procurement has been an important contributor to these reductions. We have two primary strategies for managing Scope 1 and 2 emissions as we grow globally: procuring renewable electricity and investing in targeted energy efficiency and electrification. See more in [Goals](#).

Renewable Electricity

In 2025, we procured 100 percent renewable electricity in our own operations, 98 percent of which was in line with [RE100](#) standards.⁶⁴ Our single largest source of renewable electricity comes from a VPPA with [Enel North America's](#) Azure Sky wind farm. Additionally, we purchase EACs from accredited tracking agencies and, where operationally feasible, from wind and solar energy sources. We also have solar panels on one of our Canadian DCs. In certain markets, we procure electricity from renewable utility providers. See the [2025 Impact Data and Indices Supplement](#) for more details.



Enel North America's Azure Sky wind farm

⁶¹ Aii, [Low-Carbon Thermal Energy Roadmap for the Textile Industry](#) (2025).

⁶² Our definition of "just transition" aligns with the [United Nations Global Compact](#): "a just transition aims to ensure that the transition to net-zero emissions and climate resilience is orderly, inclusive, and just."

⁶³ The joint procurement initiative is a two-year agreement for sustainable maritime fuel certificates, with the first tranche received in 2025 and the second expected in 2026. Due to current accounting standards, the associated emissions reductions are not reflected in our reported Scope 3 figures.

⁶⁴ During this time, we were unable to source renewable electricity in South Korea due to a challenging EAC market. Consequently, EACs were procured from nearby geographies; these are retired annually but not accounted for in our Scope 2 market-based emissions or our RE100 standards-aligned renewable electricity reporting.

Note that under the [GHG Protocol Scope 2 Guidance](#), market-based instruments such as EACs are acceptable methods for reducing market-based Scope 2 GHG emissions.

Energy Efficiency and Electrification

We currently focus our energy management program on our North American stores and DCs, where we consume the most energy. In 2025, we continued to install energy management systems to monitor and optimize energy consumption in new stores and store retrofits, where operationally feasible. We also embedded a program to electrify heating, ventilation, and air conditioning (HVAC) systems in new stores and during retrofits; in 2025, 16 stores transitioned to electric systems. At our Groveport, Ohio DC, we are installing a high-efficiency electric heat pump HVAC system, which is expected to reduce GHG emissions at this building by approximately 90 percent, when combined with 100 percent renewable electricity.

Climate Risks and Opportunities

In 2025, we updated our climate scenario analysis (CSA) to identify climate-related risks and opportunities that could affect lululemon in the short, medium, and long term under a range of climate scenarios. The analysis helped assess our resilience to climate-related physical and transition risks. More information can be found in our latest [CDP Disclosure](#).

Find Out More

[Circular Innovation](#)

[Climate Action](#)

[Impact Governance](#)

[Our Impact](#)

[Partnerships and Memberships](#)

[2025 Impact Data and Indices Supplement](#)



circular innovation

Our Approach

Our products and materials rely on natural resources—including energy and water—at every stage of their lifecycle, from extraction to distribution. Chemicals used in the apparel industry can also impact natural systems. To manage these impacts, we focus on circular innovation approaches in raw material inputs, product design, and product use.

We aim to reduce resource intensity by innovating and adopting preferred materials and keeping products in circulation for as long as possible. This includes a focus on circular design principles and product durability, as well as guest services such as resale and repair to extend product use.

Circular innovation is central to our work in climate and nature. For example, preferred material innovations, particularly in synthetics, support progress toward our 2030 Scope 3 climate goal, while certifications for nature-derived materials can help address broader nature impacts.

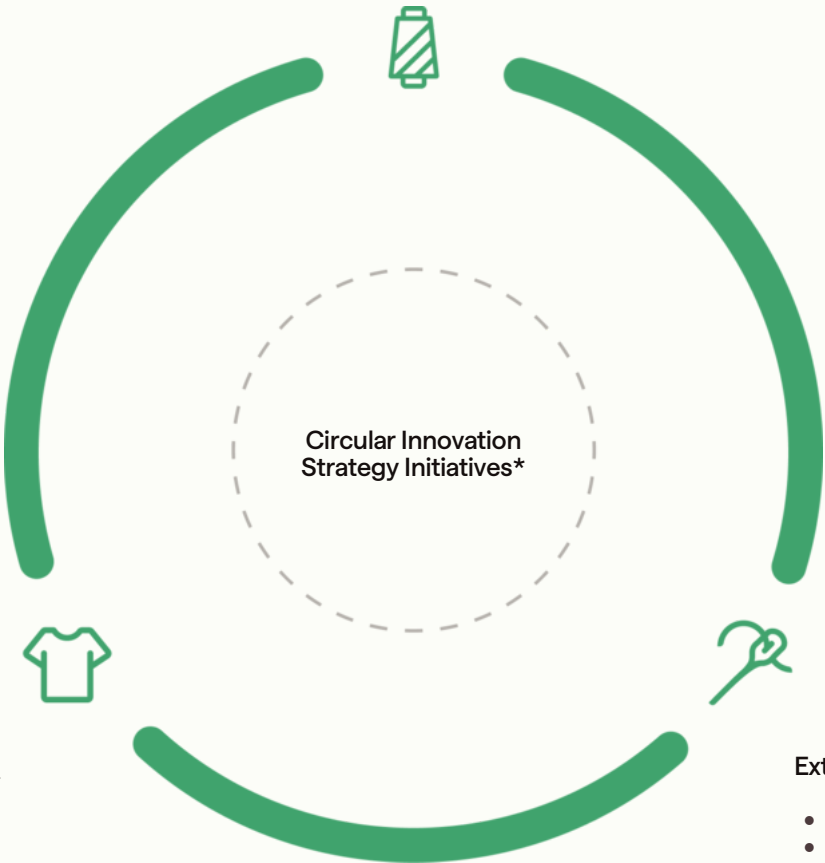
We recognize that many circular solutions require collaboration beyond any one organization to achieve scale. As a result, our approach combines action within our own business with identifying partnerships and industry initiatives that help advance the development and adoption of circular solutions.

Preferred materials: We consider materials to be preferred when their production processes have the potential to minimize negative impacts on areas like climate, nature, or communities, compared to the conventional equivalents, and/or when they align with independent third-party certifications, schemes, or standards. Where applicable, we use the Textile Exchange 2026 Preferred Production Systems guidance to inform the continued development of our framework for evaluating materials. We regularly assess the attributes for preferred materials and evolve our definition as needed. Preferred materials may include:

- **Preferred polyester:** Sourced from suppliers certified to the Global Recycled Standard or Recycled Claim Standard for recycled polyester.
- **Preferred nylon:** Sourced from suppliers certified to the Global Recycled Standard or Recycled Claim Standard for recycled nylon or from suppliers providing renewable nylon.
- **Preferred cotton:** Sourced from suppliers certified to the Organic Content Standard or Global Organic Textile Standard for organic cotton or through the U.S. Cotton Trust Protocol or other recognized cotton sourcing and processing programs.
- **Preferred forest-based materials:** Sourced from suppliers with the highest rating (a "dark green shirt" rating) in Canopy's Hot Button Report or from suppliers certified by the Forest Stewardship Council® (FSC®).
- **Preferred animal-derived materials:** Sourced from suppliers certified to the Responsible Down Standard, Responsible Alpaca Standard, Responsible Wool Standard, or The Good Cashmere Standard® by the Aid by Trade Foundation.
- **Preferred elastane:** Sourced from suppliers providing recycled or renewable elastane. We plan to begin reporting on our elastane target in our 2026 Impact Report.

Product and Material Innovation

- Investments in innovations partners
- Preferred materials adoption
- Integration of circular design principles



Product and Material Recycling

- Pre-consumer collection and recycling exploration
- Post-consumer collection and recycling exploration

Extended Product Life

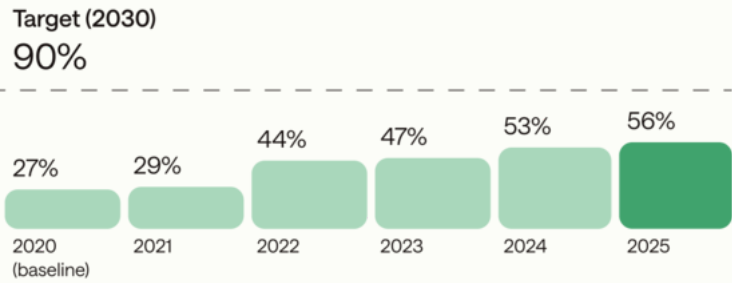
- Repair services
- Resale offerings

*Illustrative examples of key circular innovation focus areas; applicability varies across markets, products, and operations.

Goals

2030 Goal: Make 90% of products that contain at least 25% preferred materials by weight.⁶⁵ (In progress)

% of products procured containing at least 25% preferred materials



In 2025, we continued to increase the percentage of preferred materials used in our products. Overall, 56 percent of our products contained at least 25 percent preferred materials by weight. Specifically, 46 percent of products were procured with more than 50 percent preferred materials by weight (up from 43 percent in 2024) and 10 percent were procured with 25 to 50 percent preferred materials by weight. This goal is supported by individual material targets, outlined in the sections below.

Preferred material innovation is rarely straightforward, often requiring years of research and investment before solutions can reach commercial scale. As part of our work toward this goal, we take a diversified approach to material innovation, including investing in multiple partnerships to advance circular and preferred materials solutions. In 2025, this included a 10-year [offtake agreement](#) with [Samsara Eco](#) to source recycled polyester and [nylon 6,6](#), and an equity investment in [ZymoChem](#) to help scale [plant-based](#) nylon. We recognize these are pilot projects on the pathway to commercialization, and important investments for the future of our materials portfolio. See [Product and Material Innovation](#) for more information.

2030 Goal: Offer [guests](#) in 90% of global markets opportunities to extend product use, including repair or resale.⁶⁶ (In progress)

As part of Impact Agenda 2030, we announced this goal, aimed at helping our products retain value for guests and stay in use for as long as possible.

This goal builds on several years of existing repair and resale initiatives, which have continued to expand our capabilities across markets. In 2025, 65 percent of our global markets offered guests the opportunity to extend product use through repair or resale.

Examples of our work include our resale program, [Like New](#), which is offered in 100 percent of company-operated stores across the United States.⁶⁷ In 2025, we also continued rolling out repair pilots and programs across multiple international markets. See [Extended Product Use](#) for more information.

What We’re Doing

Product and Material Innovation

Creating products with preferred materials is a core strategy for reducing adverse environmental impacts and working toward long-lasting product solutions. However, the development of innovative preferred materials—such as recycled and [renewable nylon 6,6](#)—has proven to be complex, requiring years of investment in research and development, and long pathways to technological availability and commercialization.

To be adopted at scale, innovative materials must deliver performance comparable to conventional alternatives—including quality, durability, stretch, recovery, and manufacturing compatibility. Many emerging solutions remain in pilot or demonstration phases, and technical assumptions that hold true at smaller scales may not always produce the same results at commercial scale. Progress depends on a range of factors, including the pace of technology development, feedstock availability, collection and sorting infrastructure, manufacturing adoption, commercial availability, and successful scaling. As our understanding of these challenges evolves, we continue to refine our approach.

Industry engagement is an essential component of this work. We strive to find scalable, long-term solutions, while taking incremental steps to contribute to shifting the industry away from conventional virgin materials. These efforts include working with preferred materials providers, investing in tools and identifying processes to evaluate the environmental impact of our products, co-sponsoring industry research, and investing in partnerships to pilot and advance circularity initiatives and innovative preferred materials.

Our largest procured material by weight is polyester, followed by nylon, then cotton. Where operationally feasible, we are converting to preferred fibers. See more about individual materials in the sections that follow and in [Nature](#).

Note that [trims](#) are not included in our current product and material data. They are estimated to be a small part of our overall portfolio (3 percent in 2025). We are working to improve processes and systems to track and report on the use of preferred materials in our trims. Footwear is included in our data, unless otherwise noted.

⁶⁵ Excludes trims, which are estimated to be a small portion of our overall portfolio. "By weight" refers to the weight of materials in our products. This is measured using products procured (i.e., products associated with purchase orders created during the fiscal year).
⁶⁶ "Global markets" refers to markets where lululemon operates. This goal does not include outlets, pop-ups, airport stores, franchise markets, or markets with fewer than four stores. As of 2025, resale was offered only in the United States; in August 2026, we expanded to an online resale shop in Canada.
⁶⁷ Excludes outlets. Note that pop-ups in the United States also offer Like New, but pop-ups are not included in the definition of a store, consistent with lululemon external reporting.

Materials used in our products (as a % of all materials sourced by weight)

Materials	2025
Polyester	33%
Nylon	31%
Cotton	17%
Elastane	9%
Regenerated cellulosics (excluding footwear)	5%
Other ⁶⁸	3%
Natural rubber (excluding footwear)	1%
Animal-derived	1%

% of preferred materials used in our products (as a % of each material type sourced)

Preferred materials	2021	2022	2023	2024	2025
Polyester	43%	54%	61%	77%	79%
Nylon	6%	8%	6%	11%	13%
Cotton	37%	19%	46%	78%	83%
Regenerated cellulosics (excluding footwear)	100%	100%	100%	100%	100%
Natural rubber (excluding footwear)	74%	100%	100%	100%	100%
Animal-derived	50%	75%	78%	85%	90%

Polyester

2030 Target: Source at least 95% preferred polyester. (In progress)

% preferred polyester

Baseline year	Baseline	2025 results	Target	Target year
2020	36%	79%	95%	2030

In our previous Impact Agenda, we set a goal to achieve 75 percent recycled polyester by 2025. We achieved this target early in 2024, and are now targeting 95 percent preferred polyester by 2030.

In 2025, 79 percent of total procured polyester was made from preferred polyester (up from 77 percent in 2024). This was mechanically recycled from both pre- and post-consumer plastic waste.

We recognize that relying on single-use plastic is an interim step and we are looking at alternative feedstock sources such as post-consumer textiles and other plastic waste that is currently landfilled and historically hard to recycle.

We have made significant progress transitioning most of our high-volume polyester-based materials and products (e.g., Hotty Hot and Pace Breaker Shorts) to recycled sources. The remainder of our target includes materials used for seasonal or specialty products that contribute a smaller percentage to our overall polyester goal. These materials require the same effort to redevelop with recycled sources, but yield smaller gains. As a result, we expect progress to be more incremental going forward.

We continued our participation in the [2025 Recycled Polyester Challenge](#), a joint initiative between [Textile Exchange](#) and the [UN Fashion Industry Charter for Climate Action](#) to increase uptake of recycled polyester in the industry. The Challenge set a 2025 target of 45 percent, which we surpassed.



Lightweight Mesh-Pannelled Tennis Short 7", designed in 2025 and launched in 2026 in select markets. At least 50% of this product, by weight, is recycled polyester used in the body and pocket materials.

⁶⁸ "Other" includes fibers not identified (1%) and various other fibers, including synthetic rubber/foam (2%).

Nylon

2025 Target: Launch [preferred nylon](#) solutions by 2025. (Met)

2030 Target: Source 75% preferred nylon for our products. (In progress)

% preferred nylon

Baseline year	Baseline	2025 results	Target	Target year
2020	2%	13%	75%	2030

In 2025, we sourced 13 percent preferred nylon (up from 11 percent in 2024).

Nylon makes up a large portion of our materials and is essential in providing lululemon products with their unique performance, feel, and quality. We use [nylon 6](#) and nylon 6,6 yarns in our products. We have made progress on nylon 6 preferred alternatives (i.e., recycled) and are now focusing on lower-volume materials (materials used across a smaller number of styles).

The greater challenge lies in finding readily available sources of preferred nylon 6,6 that can be easily scaled. We continue to invest in innovations that support commercialization pathways (e.g., our offtake agreement with [Samsara Eco](#), and multi-year investments with [ZymoChem](#), an innovator in biotech and [plant-based materials](#)).

We met our 2025 target to launch preferred nylon solutions by engaging in limited pilots with our partners between 2021 and 2025. For example, in 2024 we launched a proof-of-concept Swiftly Tech Long-Sleeve Top made with enzymatically recycled nylon 6,6, in partnership with Samsara Eco.

In 2025, we also began a multi-year collaboration with ZymoChem to help scale the use of plant-based nylon 6,6. This builds on our initial 2023 investments in ZymoChem by focusing on technologies to support the commercialization of this nylon alternative.

Cotton

2026 Target: Source 100% [preferred cotton](#). (Extending target year to 2030; see subsequent narrative)

% preferred cotton

Baseline year	Baseline	2025 results	Target	Target year
2020	36%	83%	100%	2026

Our preferred cotton portfolio continued to grow in 2025, reaching 83 percent (up from 78 percent in 2024). While progress has continued, it is slower than anticipated due to shifts in our product strategy and administrative challenges related to a portion of our production volume. As a result, we do not anticipate meeting this target in 2026. We are extending this target to 2030 and plan to continue working with suppliers to close gaps.

We are working to further adopt preferred cotton platforms in our portfolio, including initiatives that help provide greater traceability. In 2025, we strengthened traceability procedures globally in our cotton supply chain by updating chain-of-custody documentation standards and due diligence requirements. Supplier facility compliance is monitored through seasonal traceability documentation reviews via [TrusTrace](#) and third-party cotton origin testing. When inconsistencies or elevated risks are identified, we seek to implement escalation and corrective action procedures.

We continued to make contributions to a [regenerative](#) cotton project led by [Conservation International](#). This project, based in the Peruvian Amazon, focuses on supporting cotton farmers in transitioning to regenerative practices and [reforesting degraded land](#). See [Nature-Derived Materials](#) for more details.

Forest-Based Materials

2030 Target: Maintain sourcing of [preferred forest-based materials](#). (Goal met to date)

% preferred forest-based materials (excluding footwear and packaging)

Baseline year	Baseline	2025 results	Target	Target year
2020	52%	100%	100%	2030

In 2025, approximately 6 percent of our materials portfolio consisted of forest-based materials, including natural rubber and regenerated cellulosic materials such as lyocell, modal, and rayon/viscose.

We met our forest-based materials target in 2022 and have maintained it since. One hundred percent of our regenerated cellulosic materials are sourced via suppliers with a "dark green shirt" rating verified through Canopy's [Hot Button Report](#).⁶⁹ We expanded the use of the [TextileGenesis](#) traceability platform to support tracking of preferred regenerated cellulosic suppliers and volumes.

In 2025, all yoga mats made with a mix of natural and synthetic rubber continued to use [Forest Stewardship Council](#)® (FSC®) certified natural rubber (FSC® N002716).

We continue improving processes to track and report on the use of forest-based materials in our footwear and trims.

⁶⁹ Canopy's annual Hot Button Report assesses regenerated and man-made cellulosic material producers' forest sourcing practices. According to Canopy, "dark green shirt" suppliers are those committed to improving forest-based practices, including working to avoid sourcing from [Ancient and Endangered Forests](#).

Animal-Derived Materials

2025 Target: Source 100% preferred animal-derived materials and maintain going forward. (Did not meet, extending target year to 2030; see subsequent narrative)

% preferred animal-derived materials

Baseline year	Baseline	2025 results	Target	Target year
2020	37%	90%	100%	2025

In 2025, approximately 1 percent of our materials portfolio consisted of animal-derived materials, including down, wool, alpaca, cashmere, and silk. In 2025, 90 percent of our animal-derived materials came from preferred sources (up from 85 percent in 2024).

While the majority of our animal-derived materials portfolio was from preferred sources, we were unable to collect verification documents in the reporting year across small portions of our wool and alpaca production volume, resulting in a missed 2025 target. Therefore, we are extending this target to 2030 and plan to continue working with suppliers to close this gap.

In 2025, 100 percent of our down was sourced from Responsible Down Standard (RDS)-certified suppliers and 100 percent of our cashmere was sourced from suppliers verified to The Good Cashmere Standard® (GCS) by the Aid by Trade Foundation. Fifty five percent of our wool was from suppliers certified to the Responsible Wool Standard (RWS), and 82 percent of our alpaca was from suppliers certified to the Responsible Alpaca Standard (RAS).

We plan to continue assessing preferred material sources for the small amount of silk (approximately 0.02 percent) in our portfolio. We do not use leather in our products; instead, we use leather alternatives and continue to explore plant-based options where feasible.

Elastane

2030 Target: Source 25% preferred elastane materials. (New goal; initial baseline will be available in the 2026 Impact Report)

In 2025, elastane represented 9 percent of our materials portfolio.

Elastane is used to provide stretch and recovery properties critical to the performance of our products. It is one of the most challenging materials in our portfolio, as preferred alternatives are limited and must match the functionality and technical requirements of conventional elastane. We are currently working toward adopting plant-based elastane fiber (which uses predominantly plant-based feedstocks instead of petroleum) into our products. As commercialization of plant-based elastane scales, we expect to progressively increase its use in our portfolio.

Packaging

We continue to focus on packaging optimization—particularly transport packaging—to identify opportunities to reduce material use, improve efficiency, and use preferred packaging materials where operationally feasible.

We aim to work with suppliers that can provide preferred packaging materials, including those that contain recycled content or are verified through organizations such as Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®), Global Recycled Standard (GRS), or Programme for the Endorsement of Forest Certification (PEFC).

Traceability

We continue to evolve our traceability strategy to support proactive due diligence in the upstream supply chain of our products. We prioritize high-volume materials and specific categories. To support this process, we collect traceability documentation to help verify the chain of custody of materials in select finished products, using a risk-based approach. In 2025, we prioritized on-site assessments to verify traceability practices and helped suppliers address gaps.

We also worked with TrusTrace to co-develop a process that streamlines the collection and verification of traceability documentation. This work supports communication between Tier 1 and Tier 2 suppliers and helps us scale our traceability program. By expanding the scope of traceability data collection, we can more proactively monitor risks in our supply chain, from raw material extraction to final product assembly.

Circular Design

Integrating circular design principles into our processes is an important step in working to create products that last longer and are easier to resell, repair, and recycle.

In 2025, we built on our circular design guidelines by conducting category-level analysis and identifying key opportunities for recyclability and extended use. This work will inform how we embed circular design into our product development processes and support targeted training for employees in our product and supply chain teams.

We continue to upskill product teams, and to test and learn how to integrate circular design principles into our product design and development practices.

Extended Product Use

We identify ways for our products to retain value and stay in use for as long as possible, including resale and repair. Repair services (e.g., mending broken zippers, fixing seams) allow guests to keep their items in use longer, while resale initiatives create opportunities for products to find new homes with other guests. Due to a variety of factors, including differences in local capabilities, partnership opportunities, infrastructure, regulatory environments, and lululemon's size in each market, the potential to implement extended product use programs varies by market. We continue to evaluate options to inform our approach.

Resale

In the United States, our Like New trade-in program offers guests the opportunity to trade in certain types of gently used gear in exchange for merchandise credit. We then sell these products—which are verified, quality-checked, and cleaned—through our online resale shop. (Some items may be recycled or resold through other channels if the criteria of our resale shop are not met.)

We continue to see growing participation in Like New trade-ins, from approximately 700,000 garments in 2024 to more than 860,000 in 2025. Since the program’s inception in 2021, over 3.3 million garments have been traded in through Like New.

In 2025, we implemented liquid CO₂-based waterless cleaning technology for Like New products in the United States. CO₂ cleaning is a chemical- and water-free cleaning process that offers water and energy efficiencies comparable to traditional water-washing. We also launched a peer-to-peer resale model that allows guests in the United States to sell products through lululemon.

As of August 2026, we launched a [Like New](#) online resale shop in Canada, based on a peer-to-peer model.

In 2025, we also piloted a four-month takeback program in Hong Kong SAR, enabling guests to bring in lululemon products and items from other brands, in exchange for vouchers. In that time, we collected over 4,000 items. They were then verified, quality-sorted, and cleaned prior to being resold at a five-day event. Unsold items were donated or recycled.

Repair

In 2025, we continued to expand repair programs. We offered repairs in the majority of stores across Australia, China Mainland, Hong Kong SAR, Europe, New Zealand, and the United Kingdom, and introduced the service to select stores in two additional markets: Taiwan and Singapore.⁷⁰ In total in 2025, we repaired over 69,000 products for our guests across these markets.

Repairs are completed by local repair partners trained to meet our quality standards. In Europe and the United Kingdom, for example, we partnered with [United Repair Centre](#) (URC), a social enterprise providing circular solutions for clothing brands.

Product and Material Recycling

We aim to resell, donate, recycle, or [downcycle](#) aged inventory and damages (e.g., damaged returns, in-store damages, quality issues), where operationally feasible.

We have recycling partners in Canada, China Mainland, Taiwan, Europe, the United Kingdom, and the United States. These companies turn our products into components that can be reused, recycled, or responsibly disposed of across a variety of industries.

The infrastructure for textile-to-textile recycling is still limited. To support developments in this area, we work with partners to explore potential solutions related to the collection, sorting, preparation, and recycling of post-use apparel. Examples of 2025 initiatives included:

- We participated in an [Accelerating Circularity](#) program to advance our understanding of recycled cotton from post-consumer garments. As part of this, we developed multiple proprietary fabrics using collected textile waste to assess the feasibility of expanding recycled cotton content in products. Through this program, we also explored capabilities needed across the supply chain—from post-consumer collection through sorting and recycling—to inform the development of materials achieving up to 40 percent recycled cotton content.

- We continued working with [GIZ](#) and the [Global Fashion Agenda](#) on multi-year cut waste pilots with supplier facilities in Cambodia and Indonesia. These pilots included analyzing cut waste (i.e., fabric trimmings) at supplier facilities and providing training on the sorting of cut waste and labeling of cut-waste bags so materials can be recycled properly.
- We worked with [Debrand](#) and [Good360](#) on a program to donate end-of-life footwear, helping keep products in use longer while supporting communities. Ineligible footwear is diverted to waste-to-energy facilities or used as alternative fuel.

See [Product and Material Innovation](#) for more details on our work to recycle apparel back into new products.

Find Out More

[Circular Innovation](#)

[Climate Action](#)

[Partnerships and Memberships](#)

[Policies and Guidelines](#)

[2025 Impact Data and Indices Supplement](#)

⁷⁰ Repair program excludes outlets, pop-ups, airport stores, franchise markets, and markets with fewer than four stores.

nature

Our Approach

Natural ecosystems are declining at an unprecedented rate.⁷¹ Our industry both depends on and affects these ecosystems. Cotton, regenerated cellulosics, and other nature-derived materials, as well as the water and chemicals used in processing and manufacturing, contribute to pressures on climate, water, land, biodiversity, and human health.

To address this, we are developing an integrated approach focused on three priorities: nature-derived materials, water, and chemicals management. These are interdependent and link to our climate, circular innovation, and wellbeing strategies. We are currently in the assessment and development phase of our nature strategy, working to build a clearer picture of where we have the greatest impacts on nature.

We are focusing our efforts on procuring preferred materials to manage Tier 4 risks related to land-use change, deforestation, and ecosystem degradation. Our water and chemistry initiatives are primarily focused on Tier 1 and Tier 2 suppliers that use large amounts of water, particularly wet processing mills.

We aim to prioritize water efficiency and water recycling to manage overall freshwater use, and draw from ZDHC's programs, guidelines, and conformance processes to address water pollution, wastewater, and chemical management. See the sections below and Climate Action and Circular Innovation for more information.

What We’re Doing

Nature Impact Assessment

In 2025, we completed a nature impact assessment informed by global frameworks to help identify potential impacts within our supply chain and shape our nature approach. The assessment confirmed three priority areas: sourcing of nature-derived materials (Tier 4), water use in wet processing, and chemical management across manufacturing. These insights will guide us as we further develop our nature strategy.

To inform our approach, we are also using outputs from our work with WWF, an international conservation organization, to assess biodiversity risks in regions where our Tier 1 and Tier 2 supplier facilities are located. The assessment used the WWF's Biodiversity Risk Filter, along with local data sets, to help identify key biodiversity risks.

Nature-Derived Materials

In 2025, nature-derived materials made up 24 percent of our product materials portfolio and included cotton, forest-based materials (natural rubber and regenerated cellulosic materials such as lyocell, modal, and rayon/viscose), and animal-derived materials. Our packaging portfolio included paper-based materials (e.g., hangtags, retail bags, gift boxes, e-commerce satchels, transport boxes). We do not use animal-based leather in our products.

To address environmental impacts, we use certifications such as Forest Stewardship Council® (FSC®) for natural rubber used in our yoga mats, and source regenerated cellulosic materials from suppliers assessed through Canopy's Hot Button Report. Together, these help verify the adoption and impact of preferred materials in our products. We also continue to explore new certification programs as they emerge, and evolve our traceability strategy to gain better insights into raw material sourcing and related impacts and risks. See Circular Innovation for more information.

In 2025, we continued to make charitable contributions to a regenerative agriculture project in Peru led by Conservation International and a local implementation partner. The project supports the transition to organic and regenerative cotton cultivation across 205 managed hectares, while restoring native forest cover across an additional 110 hectares in the San Martín region. The project scope includes farms from which lululemon currently sources cotton. We plan to assess the feasibility of incorporating regenerative cotton from some of these farms into select products in the future.

Water

As part of our nature approach, we engage with our suppliers on water quality and efficiency initiatives informed by our work and by internationally recognized tools and guidance. This approach prioritizes suppliers where we have the most influence, including those with higher production volumes, proximity to high-risk water basins, and alignment with our sourcing strategy.

In 2025, we used the WWF Water Risk Filter to assess high-risk/priority river basins for our Tier 1 and Tier 2 supplier facilities. Four priority river basins were identified based on supplier facility site concentration and exposure to key physical water risks, including water scarcity, water quality, drought, and flooding. These insights, combined with our sourcing strategy, will help inform and guide our water priorities moving forward.

In 2025, we continued to focus on understanding the water footprint of lululemon products across the supply chain, engaging suppliers to improve the reliability of their water data and support ongoing improvements. Annually, we work with our priority wet process suppliers to review water data virtually or through an on-site verification process, including a review and evaluation of completed or pending actions for freshwater reductions in their facilities.

Examples of priority wet process supplier improvements include:

- **Increased recycled water content:** Recycled water content reached 41 percent (up from 37 percent in 2024), supported in part by the installation of reverse osmosis effluent treatment systems at 11 facilities.
- **Process innovations:** Select supplier facilities implemented process modifications and trialed new approaches to manage water consumption, such as a one-bath dyeing method for dual-component fabrics, which reduces water usage compared to two-bath dyeing.
- **Enhanced water management practices:** Examples include strengthened water management systems to better monitor consumption, detect and remediate leakages, and support routine water meter calibration, alongside expanded capacity for wastewater treatment.

⁷¹ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), Global Assessment Report on Biodiversity and Ecosystem Services, 2019.

We also continued our ongoing membership with [Corporate Water Leaders](#) (CWL), a global network of working groups dedicated to addressing industrial water challenges. We worked with CWL to develop a [Common Water Framework](#) that unites brands and suppliers to improve water management, with a focus on water quantity and quality, stakeholder engagement, and governance practices.

Microfibers

Microfibers refer to fiber fragments broken from a textile structure during production, use, or end-of-use, as well as through their subsequent breakage in the natural environment.⁷²

We continue to engage with industry associations, including [The Microfibre Consortium](#) (TMC) and [ZDHC Foundation](#),⁷³ to advance our understanding of the root causes of microfiber release and potential measures to mitigate release to the environment, helping us stay aligned with evolving science and best practices.

Examples of our work include:

- Since 2019, we have been a TMC signatory, collaborating to develop practical solutions for microfiber release. We have performed tests on lululemon fabrics and shared results within [The Microfibre Data Portal](#), which brings together testing results of all signatories to advance fiber fragmentation research.
- In 2025, we were recognized as a contributing organization to a TMC publication on fiber fragmentation in textiles⁷⁴ and plan to continue working with TMC to help advance a collective approach to better understand challenges around microfibers.
- In early 2026, lululemon helped fund a joint TMC and ZDHC pilot program to validate Total Suspended Solids (TSS) as a practical and scalable proxy for measuring fiber fragment concentration in textile wastewater. Testing took place across 15 textile manufacturing facilities, including one of our supplier facilities.
- We are working to reduce microfiber pollution by requesting wet processing suppliers meet [ZDHC Wastewater & Sludge Guidelines](#), using TSS as the primary indicator of microfiber reduction.

Chemistry

Our chemicals management program focuses on improving chemical use throughout the supply chain, which includes identifying, managing, and phasing out chemicals of concern. Suppliers that use chemicals in production are responsible for complying with the lululemon [Restricted Substances List](#) (RSL), which is based on worldwide regulatory standards, and the [Apparel and Footwear International RSL Management \(AFIRM\) Group RSL](#). The lululemon RSL is regularly monitored and updated to incorporate changes in evolving manufacturing chemistry, government regulations, industry best practices, and scientific knowledge.

We require our suppliers to regularly conduct testing for restricted substances by credible third-party agencies. Our focus is on helping prevent the unintentional reintroduction of phased-out chemicals into our products through ongoing testing, monitoring, and collaboration with suppliers and third parties.

We map Tier 1, Tier 2, and [subcontractor](#) suppliers that use chemicals in production, and track their progress on meeting our chemical management requirements. We also work with our suppliers to support implementation and improve conformance with the [ZDHC Manufacturing Restricted Substances List](#) (MRSL)⁷⁵ and ZDHC Wastewater & Sludge Guidelines. We request that suppliers:

- Source chemicals that adhere to the ZDHC MRSL.
- Establish a chemical inventory and share the percentage of chemicals that meet the ZDHC MRSL through [ZDHC Performance InCheck](#) reports.
- Twice each year, perform wastewater and sludge testing according to ZDHC Wastewater & Sludge Guidelines, and share test results with lululemon through [ZDHC ClearStream](#) reports.⁷⁶

As a ZDHC Signatory Brand, we achieved Champion Level—the highest rating—in the [ZDHC Brands to Zero Assessment](#) for 2025, up from our prior Accelerator Level. This annual assessment evaluates brands on their progress implementing the ZDHC MRSL and Wastewater & Sludge Guidelines. According to ZDHC, Champion Level Signatory Brands demonstrate commitment to ZDHC guidelines, and lead in implementing and integrating sustainable chemicals management practices across their supply chains.

Find Out More

[Climate Action](#)
[2026 CDP Response](#)



Conservation International's regenerative agriculture project in Peru

⁷² According to [The Microfibre Consortium](#), a non-profit organization leading work to mitigate fiber fragment loss and release from textiles to the natural environment through global multi-stakeholder collaboration.
⁷³ ZDHC is a multi-stakeholder organization for the fashion industry, aimed at eliminating harmful chemicals from the global supply chain through Roadmap to Zero, its implementation program.
⁷⁴ TMC, [Root Cause Analysis: Unravelling the Root Causes Behind Fiber Fragmentation in Textiles](#), April 2025.
⁷⁵ The ZDHC MRSL aims to restrict the intentional use of harmful substances to help enable manufacturing processes in the apparel, textile, leather, and footwear industries to switch to alternatives by using the ZDHC Gateway.
⁷⁶ ZDHC ClearStream is a report of a supplier's wastewater performance, as tested against the ZDHC Wastewater & Sludge Guidelines.

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glossary

Absolute Reduction in Greenhouse Gas (GHG) Emissions: Reduction in the total amount of GHG emissions emitted into the atmosphere over a specific period.

Ancient and Endangered Forests: According to [Canopy, Ancient and Endangered Forests](#) encompass many types of forests including intact forest landscape mosaics, naturally rare forest types, and forest types that have been made rare due to human activity, as well as forests with high species richness and forests containing high concentrations of rare and endangered species.

Carbon Offsetting: We align with the [Science Based Targets initiative's](#) (SBTi's) definition of offsetting as "actions that a company takes to deliver mitigation outside of its value chain as a substitute for abatement of value chain emissions."

Carbon Removal: Activities that remove and store carbon from the atmosphere.

Circular Design: Our circular design approach aims to enable next-use pathways (i.e., recycling, repair, and/or resale) by designing for recyclability and extended use, while increasing the use of preferred materials.

Circular Product Solutions: Solutions such as adopting preferred materials for products, fostering circular design principles, or offering solutions to extend product use.

Distribution Centre (DC): A specialized warehouse that stores and ships the goods a company produces.

Downcycle: The process of converting a discarded material into something of lower value.

Energy Attribute Certificates (EACs): According to the [GHG Protocol Scope 2 Guidance](#), an EAC is a category of contractual instrument (a type of contract between two parties for the sale and purchase of energy). EACs represent certain information (or attributes) about the energy generated, but do not represent the energy itself. For example, this may include renewable energy certificates (RECs). Under the GHG Protocol Scope 2 Guidance, contractual instruments such as EACs (including those procured via a virtual power purchase agreement; see definition to the right) are acceptable methods for reducing market-based Scope 2 GHG emissions. lululemon retires procured EACs on an annual basis.

Extended Product Use: Initiatives related to reuse, trade-in, takeback, and repair.

Freshwater: Naturally occurring water that has a low concentration of dissolved salts, including rainwater collected from reservoirs or supplier facilities, river water, ground water, or municipal water that is clean to use.

Guests: Customers of our brand.

Guest Education Centre (GEC): lululemon's customer service teams.

Higg Index: The Higg Index is a value chain environmental and social impact measurement methodology and suite of tools stewarded and governed by [Cascadia](#) and hosted exclusively on [Worldly](#). The suite includes the [Higg Facility Environmental Module](#) (Higg FEM), a tool used to assess the environmental impacts of product manufacturing at facilities, and the [Higg Materials Sustainability Index](#) (Higg MSI), a tool to measure and assess the environmental impacts of materials, among others.

Intensity Reduction in GHG Emissions and Emissions Intensity: Reduction in the amount of GHG emissions per unit of activity, output, or any other organization-specific metric over a specific period. We measure emissions intensity as tCO₂e per \$ million of gross profit.

Nylon 6 and Nylon 6,6: These synthetic polyamide fibers make up a large portion of our materials and are essential in providing lululemon products with their characteristically unique performance, feel, and quality. Nylon 6 (made from a single monomer with six carbon atoms) is ideal for softer, more flexible fabrics, while nylon 6,6 (made from two monomers, each with six carbon atoms) is slightly more rigid, offering good stretch recovery and higher abrasion resistance.

Offtake Agreement: Contractual commitment to purchase a specified volume of materials or products over a defined period to support investment in and scaling of emerging solutions.

Own Operations: Facilities where lululemon has direct operational control: stores, distribution centres, offices, e-commerce operations, and Guest Education Centres. These do not include franchises, manufacturing, transportation, or logistics along our value chain.

Packaging Portfolio: This includes primary packaging (e.g., hangtags, retail bags, gift boxes), secondary packaging (e.g., e-commerce satchels and cartons), and select tertiary packaging (e.g., transport boxes, stretch wrap).

People Networks (PNs): Employee-led communities, open to all employees, that are meant to offer space to build connection and support personal and professional development.

Plant-Based Materials: Materials that originate, wholly or partially, from renewable sources, including agricultural waste and plants.

Post-Consumer Materials: According to [ISO 14021](#), materials generated by households or by commercial, industrial, and institutional facilities in their role as end-users of a product that is no longer used for its intended purpose.

Power Purchase Agreement (PPA) and Virtual Power Purchase Agreement (VPPA): A PPA is an agreement for the purchase of renewable electricity and associated energy attribute certificates (EACs). A VPPA is a type of PPA that does not involve the physical transfer of electricity. It is intended to support the project's development and construction and add new renewables to the grid.

Pre-Consumer Materials: According to [ISO 14021](#), materials diverted from the waste stream during a manufacturing process.

Preferred Materials: We consider materials to be preferred when their production processes have the potential to minimize impacts on areas like climate, nature, or communities, compared to the conventional equivalents, and/or when they align with independent third-party certifications, schemes, or standards. Where applicable, we use the [Textile Exchange 2026 Preferred Production Systems](#) guidance to inform the continued development of our framework for evaluating materials. We regularly assess the attributes for preferred materials and evolve our definition as needed. Preferred materials may include:

- **Preferred Polyester:** Sourced from suppliers certified to the [Global Recycled Standard](#) or [Recycled Claim Standard](#) for recycled polyester.
- **Preferred Nylon:** Sourced from suppliers certified to the Global Recycled Standard or Recycled Claim Standard for recycled nylon or from suppliers providing [renewable nylon](#).
- **Preferred Cotton:** Sourced from suppliers certified to the [Organic Content Standard](#) or [Global Organic Textile Standard](#) for organic cotton or through the [U.S. Cotton Trust Protocol](#) or other recognized cotton sourcing and processing programs.
- **Preferred Forest-Based Materials:** Sourced from suppliers with the highest rating (a "dark green shirt" rating) in Canopy's [Hot Button Report](#) or from suppliers certified by the [Forest Stewardship Council®](#) (FSC®).
- **Preferred Animal-Derived Materials:** Sourced from suppliers certified by the [Responsible Down Standard](#), [Responsible Alpaca Standard](#), [Responsible Wool Standard](#), or [The Good Cashmere Standard®](#) by the Aid by Trade Foundation.
- **Preferred Elastane:** Sourced from suppliers providing recycled or [renewable elastane](#). We plan to begin reporting on our elastane target in the 2026 Impact Report.

Preferred Packaging Materials: Materials that contain recycled content or include verified sources such as Forest Stewardship Council® (FSC®), [Sustainable Forestry Initiative®](#) (SFI®), [Programme for the Endorsement of Forest Certification](#) (PEFC), or Global Recycled Standard (GRS).

Priority Wet Process Suppliers: A subset of suppliers that produced approximately 80 percent of our production value in 2021 and included wet process supplier facilities with production in a water-scarce region. "Wet processing" is defined as any water-intense process such as dyeing and finishing of materials.

RE100: A global corporate renewables initiative, led by [Climate Group](#), whose members commit to using 100 percent renewable electricity by 2050 at the latest. The [RE100 technical criteria](#) are the rules that member companies observe when procuring renewable electricity and defining their progress toward their RE100 targets.

Recyclability: We align with the [Ellen MacArthur Foundation's definition of recyclability](#) as "the ease with which a product or material can be recycled in practice and at scale."

Recycled Materials: Materials produced from recovered pre-consumer and/or post-consumer waste inputs (e.g., plastic or textile waste) that have been collected, reprocessed, and incorporated into new materials and products.

Recycled Water: Wastewater that has been treated using physical, chemical, and/or any additional treatment processes to meet a quality which allows the water to be used again in a process or for domestic purposes.

Regenerated Cellulosic Materials: Regenerated cellulosic materials, or man-made cellulosic fibers (MMCFs), are regenerated fibers typically made from dissolved wood pulp (cellulose) derived from trees. Common types include lyocell, modal, and rayon/viscose.

Regenerative Agriculture: While this term lacks a universally accepted standard, we align with [Conservation International's](#) definition: "Regeneration is about restoring and revitalizing nature hand in hand with local communities—especially through the way we steward and manage land. It starts with collaboration: listening to and co-creating the vision of local communities, assessing the environmental, social, and economic context of the land and making decisions together."

Renewable Energy and Renewable Electricity: Renewable energy refers to all forms of unlimited, naturally replenished resources such as the sun, tides, and wind, as opposed to non-renewable fossil fuels such as coal and natural gas. Renewable electricity is generated from renewable energy sources, both at the facility level (e.g., on-site rooftop solar arrays) and at the utility scale (e.g., large-scale solar or wind farms).

Renewable Nylon or Elastane: In this context, refers to materials made wholly or partially from renewable sources, defined by [Textile Exchange](#) as: "Having the ability to renew on a frequent basis. In respect of raw materials, this relates to plants that have a natural ability to be renewed frequently within a set period of time." We continue to explore certifications for renewable materials.

Responsible Purchasing Practices (RPP): According to the [Common Framework for Responsible Purchasing Practices'](#) definition of purchasing practices: "'Purchasing Practices' are the actions taken by a buying company in order to purchase a product or service (in whole or in part) from a supplying business. They encompass design and product development, planning and forecasting, critical path management, contracts, technical specifications, order placement and lead times, cost and price negotiations, payment terms and also the underlying behaviours, values and principles of purchasers which impact supplying companies and ultimately workers' lives."

Science Based Targets initiative (SBTi): A [corporate climate action organization](#) that develops standards, tools, and guidance which enable companies and financial institutions to set science-based targets aligned with reaching net-zero emissions by 2050 at the latest.

Scope 1 Emissions: Direct emissions from our own operations.

Scope 2 Emissions: Indirect emissions from the generation of energy purchased for use in our own operations. Our climate data in the [2025 Impact Data and Indices Supplement](#) contains both location-based and market-based emissions. Our goal uses market-based emissions. In alignment with the [GHG Protocol Scope 2 Guidance](#), Scope 2 emissions can be reported based on either of the two allocation methods. Location-based emissions reflect the average emissions intensity of grids where energy consumption occurs, while market-based emissions are associated with electricity and contractual instruments that companies have purposefully chosen.

Scope 3 Emissions: Indirect upstream and downstream emissions across the lululemon [value chain](#). Note that this includes a broader scope than what is included in our science-based target. See details in [Climate Action](#).

Store Support Centre (SSC): lululemon's head office operations.

Subcontractors: Facilities completing a process that supports production of a product or material. Subcontractors hold contracts with lululemon suppliers and are not directly engaged by lululemon.

Tier 1: Supplier facilities that manufacture and provide final products.

Tier 2: Supplier facilities that produce and finish materials for Tier 1 suppliers.

Tier 3: Supplier facilities that process raw materials into intermediate materials (e.g., yarn spinning).

Tier 4: Supplier facilities, farms, and forests that provide raw materials (e.g., farming of cotton).

Trims: Minor components added to a product for functional or decorative reasons (e.g., buttons, zippers, snaps).

Value Chain: The range of activities carried out by an organization, and by entities upstream and downstream, to bring products from conception to end use, as defined by the [Global Reporting Initiative](#) (GRI).

Wellbeing: In the context of this report, we define wellbeing as a lifetime practice of three interconnected elements—physical, social, and mental wellbeing. Employee wellbeing refers to people feeling respected and valued, with the tools and resources to help them grow, thrive, and express their full potential. Community wellbeing refers to store and supplier communities benefiting from wellbeing resources. Supply chain wellbeing refers to workers, or those in their communities, who are supported in areas such as gender equity, financial resilience, and worker engagement.

Workers: The people employed by suppliers that are involved in the manufacturing of products and materials for lululemon.

forward-looking statements

This Impact Report includes "forward-looking statements" within the meaning of applicable securities laws. These statements are based on current expectations, estimates, assumptions, and projections, and are not guarantees of future performance. Forward-looking statements are often identified by words such as "may," "will," "should," "expects," "plans," "aims," "anticipates," "believes," "intends," "estimates," "targets," "commits," "seeks," "could," "forecasts," "predicts," "projects," "would," "goal," "objective," and "strives," and other similar expressions. These forward-looking statements also include our guidance and outlook statements, as well as our goals, targets, and commitments. Our goals, targets, and commitments are aspirational and reflect current intentions. We do not guarantee or promise that these will be met or successfully executed.

Forward-looking statements are not guarantees of future performance, and actual results and the timing of events could differ materially from those anticipated due to risks and uncertainties, which include, without limitation: our ability to maintain our brand value and reputation; our highly competitive market and increasing competition; our ability to anticipate consumer preferences and successfully develop and introduce new, innovative, and differentiated products; the acceptability of our products to guests; increasing costs and decreasing selling prices; our ability to accurately forecast guest demand for our products; our ability to expand in light of our limited operating experience and limited brand recognition in new international markets and new product categories; our ability to attract, manage, and retain highly qualified individuals; our ability to manage our growth and the increased complexity of our business effectively; changes in consumer shopping preferences and shifts in distribution channels; our leasing of retail and distribution space; seasonality; changes to U.S. tariff and customs policy, including the elimination of the de minimis exemption; macroeconomic volatility, inflationary pressures, and shifts in consumer sentiment; global political and economic instability, including geopolitical conflicts and political polarization; trade restrictions, tariffs, and customs changes; our ability to comply

with trade and other regulations; changes in tax laws, transfer pricing, or unanticipated tax liabilities; fluctuations in foreign currency exchange rates; global or regional public health crises; disruptions of our supply chain; our reliance on a relatively small number of vendors to supply and manufacture a significant portion of our products; suppliers or manufacturers not complying with our Vendor Code of Ethics or applicable laws; fluctuating costs of raw materials and the cost of producing our products; 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 safeguard against security breaches with respect to our technology systems; our compliance with privacy and data protection laws; any material disruption of our technology systems; our ability to have technology-based systems for our e-commerce business function effectively; imitation by our competitors; our ability to protect our intellectual property rights; conflicting trademarks and patents and the prevention of sale of certain products; actions by stockholders, activists, or consumers; our exposure to various types of litigation; climate change and related pressures; heightened scrutiny and legal risks from competing pressures regarding ESG; and other risks and uncertainties set out in filings made from time to time with the United States Securities and Exchange Commission.

You are urged to consider these factors carefully in evaluating the forward-looking statements in this report, and not to place undue reliance on them. Forward-looking statements in this report speak only as of the date this report is first published. We undertake no obligation to update these forward-looking statements, except as required by law. We do intend to share updates on our progress in future Impact Reports. For additional information about risk factors, please refer to our most recent reports filed with the U.S. Securities and Exchange Commission, including our Form 10-Q and Form 10-K.



the artist



Alexis Jamet

The artwork in this report was designed by Alexis Jamet. He is a graphic designer and visual artist whose practice spans illustration, animation, and art direction. His work explores the relationship between texture, abstraction, and emotion, combining analog and digital techniques to create layered visual narratives. Drawing inspiration from movement, nature, memory, and atmosphere, his compositions balance structure with spontaneity, often blurring the line between graphic design and contemporary art. He collaborates with brands, institutions, and cultural projects across editorial, spatial, and visual identity work, with a practice that is both experimental and constantly evolving.

contact

We welcome your thoughts and ongoing dialogue.
Email us at sustainability@lululemon.com