

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

AMANDEEP GYANI, ABBY UTAL,
DEBORAH TOMAZ, PAULA MARTINEZ,
HECTOR ACOSTA, JULEZ BLAKE,
ALEXANDRIA REESE, and ROYA
SAYIED, individually and on behalf of all
others similarly situated,

Plaintiff,

v.

LULULEMON ATHLETICA INC. and
LULULEMON USA INC.,

Defendants.

Case No. 1:24-cv-22651-BLOOM/Elfenbein

CLASS ACTION

JURY TRIAL DEMANDED

FIRST AMENDED CLASS ACTION COMPLAINT

Plaintiffs Amandeep Gyani, Abby Utal, Deborah Tomaz, Paula Martinez, Hector Acosta, Julez Blake, Alexandria Reese, and Roya Sayied (collectively, “Plaintiffs”), individually and on behalf of all others similarly situated, file this First Amended Class Action Complaint against Defendants Lululemon Athletica Inc. and Lululemon USA Inc. (collectively, “Lululemon” or “Defendants”) and, based upon personal knowledge as to Plaintiffs and Plaintiffs’ own acts and experiences, and upon information and belief through the investigation of Plaintiffs’ counsel as to all other matters, alleges as follows:

NATURE OF THE ACTION

1. This putative consumer class action seeks to end a marketing campaign that goes too far by creating the general, express, and implied impression in consumers’ minds that the Defendant’s business practices, actions, and products positively contribute to the environment and

a healthier planet when, in reality, they are causing significant damage to the environment, which is only on track to get worse.

2. Lululemon is one of the world's largest and most popular "athleisure" fashion brands. Lululemon has publicly recognized that "[c]onsumers, particularly millennial and Gen Z consumers, are more likely to align themselves with brands who they *trust to make decisions* that reflect their values and *benefit people and the planet.*"¹

3. Lululemon has taken advantage of such consumers and their trust through a massive, global "greenwashing" campaign.

4. To attract consumers who are becoming increasingly concerned with the planet's environmental crisis, and to convince them to pay the exorbitant premiums that Lululemon charges for its products, Lululemon rolled out its Be Planet "greenwashing" campaign for purpose of misleading consumers to believe that Lululemon's business practices, products, and actions are sustainable and have a positive impact on the environment.

5. In October 2020, Lululemon announced its "Be Planet" marketing campaign, which detailed Lululemon's promises and express representations to "become a *more sustainable and equitable* business, *minimize its environmental impact*, and *accelerate positive change....*"² The Be Planet campaign included the following commitments by Lululemon:

- 100% of the Company's products will include sustainable materials and end-of use solutions by 2030;
- Ensure at least 75% of its products contain sustainable materials by 2025;

¹ Lululemon Athletica Inc., "2023 Carbon Disclosure Project Report" (2023) at 7 ("2023 Carbon Disclosure Project Report"), *available at* <https://corporate.lululemon.com/~media/Files/L/Lululemon/our-impact/reporting-and-disclosure/lululemon-cdp-cc-2023.pdf> (last visited Jul. 12, 2024) (emphasis added).

² lululemon athletica Inc. Releases Impact Agenda, Unveiling its Social and Environmental Goals and Strategies to Create a Healthier Future, Oct. 28, 2020) ("Impact Agenda"), *available at* <https://corporate.lululemon.com/media/press-releases/2020/10-28-2020-085826103> (last visited Jul. 12, 2024) (emphasis added).

- Offer guests new options to extend the life of its products by providing resell, repair, and/or recycle options by 2025;
- Source 100% renewable electricity to power the Company’s operations by 2021 and reduce carbon emissions across its global supply chain by 60% per unit of value added, meeting its Science-based Targets by 2030; and
- Reduce its freshwater use intensity by 50% to manufacture its products and reduce single-use plastic packaging by 50% by 2025.

6. Calvin McDonald, Chief Executive Officer of Lululemon, stated that, these are “more than a set of commitments. It’s a holistic approach that *reflects who we are*[.]”³

7. Lululemon pursued its extensive Be Planet greenwashing marketing campaign through express and implied statements and images on its website, throughout its hundreds of retail stores, and elsewhere, which all build upon and perpetuate the message that the company’s actions and products are not only environmentally friendly, but that they provide at positive improvement of the environment and the restoration of a healthy planet.

8. Lululemon’s marketing campaign messages are unfair, false, deceptive, and misleading to reasonable consumers as they portray Lululemon as something it is not. The apparel industry is a major contributor to the environmental crisis, and as one of the largest apparel companies in the world, Lululemon has a significant and growing climate and environmental footprint, and its actions and products directly cause harm to the environment and the deterioration of the planet’s health – the opposite of its Be Planet promises and representations.

9. Instead of sustaining and positively improving the planet, Lululemon is increasingly causing negative impact and harm.

10. Indeed, among other harms to the Planet, Lululemon is responsible for significant greenhouse gas emissions, landfill waste, and release of microplastics into the environment.

³. *Id.*

Microplastics from Lululemon’s products are polluting our oceans and inland waters; landfills in countries around the world are collecting Lululemon’s discarded, synthetic garments; fossil fuels are being used to power the factories of Lululemon’s suppliers and create their synthetic textiles; and the shipping of Lululemon’s products around the world is adding to greenhouse gas emissions and also damaging the marine environment.

11. Critically, in the face of a global climate crisis—and contrary to its express and implied commitments to reduce carbon emissions—***Lululemon’s greenhouse gas emissions have more than doubled*** since the start of the Be Planet campaign in 2020.

12. Lululemon’s marketing campaign is objectively false, deceptive, and misleading, and it violates virtually every single guideline for environmental marketing claims set forth in the Federal Trade Commission’s “Green Guides,” which “set forth the Federal Trade Commission’s current views about environmental claims” to “help marketers avoid making environmental marketing claims that are unfair or deceptive under Section 5 of the FTC Act, 15 U.S.C. § 45,” and they “provide the Commission’s views on how reasonable consumers likely interpret certain claims.”⁴

13. The seriousness of Lululemon’s misleading representations is amplified by its position as a market leader of apparel sales. The breadth and influence of Lululemon’s public messaging is significant, not only putting a great number of consumers at risk of being influenced, but also causing much unintended environmental damage from their purchases.

14. Notably, Canada’s Competition Bureau recently opened a formal investigation into Lululemon’s deceptive environmental marketing claims at issue here, and on July 24, 2024,

⁴ See generally 16 C.F.R. § 260 – Guides for the Use of Environmental Marketing Claims (“Green Guides”); see also § 260.1(a) & (d).

another complaint was filed with French regulators by an environmental advocacy group over Lululemon's greenwashing practices.

15. Plaintiffs bring this action individually and on behalf of a proposed class (the "Class," defined below) of American consumers who were misled by Lululemon's false, deceptive, unfair, and misleading misrepresentations and omissions regarding the sustainability and environmental impact of its products and actions. Plaintiffs, individually and on behalf of the Class, seek an injunction to end Lululemon's unlawful marketing campaign and ongoing deception of consumers. Plaintiffs, individually and on behalf of the Class, also seek an award of actual damages, prejudgment interest, reasonable attorneys' fees and costs, restitution and disgorgement of all benefits Lululemon has obtained through its unlawful conduct described herein.

JURISDICTION AND VENUE

16. This Court has subject matter jurisdiction under the Class Action Fairness Act, 28 U.S.C. § 1332(d), because (1) the amount in controversy exceeds \$5 million, exclusive of interest and costs; (2) the proposed Class includes more than 100 members; and (3) there is minimal diversity of citizenship between Plaintiffs and Defendants.

17. This Court also has subject matter jurisdiction under 28 U.S.C. § 1332(a) because the amount in controversy exceeds \$75,000, exclusive of interest and costs, and there is complete diversity of citizenship between Plaintiffs and Defendants.

18. This Court has personal jurisdiction over Defendants because Defendants have sufficient minimum contacts with Florida and purposely avail themselves of the Florida markets through the promotion, marketing, distribution, and sale of their products to Florida consumers in Florida, such that this Court's exercise of personal jurisdiction over Defendants is reasonable and comports with traditional notions of fair play and substantial justice.

19. Venue is proper in this District under 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to the claims alleged herein occurred in this District, including the promotion, marketing, distribution, and sale of its products in this District.

PARTIES

A. The Florida Plaintiffs

20. Plaintiff Amandeep Gyani is a natural person, a citizen of Florida and, at all relevant times, was a resident of Miami-Dade County, Florida. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's Lincoln Road location in Miami Beach, Florida.

21. Plaintiff Abby Utal is a natural person, a citizen of Florida and, at all relevant times, was a resident of Miami-Dade County, Florida. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various

times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's Lincoln Road location in Miami Beach, Florida.

22. Plaintiff Deborah Tomaz is a natural person, a citizen of Florida and, at all relevant times, was a resident of Broward County, Florida. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's location in Boca Raton, Florida

23. Plaintiff Paula Martinez is a natural person, a citizen of Florida and, at all relevant times, was a resident of Miami-Dade County, Florida. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's Brickell location in Miami, and its Aventura Mall location in Aventura, Florida.

24. Plaintiff Hector Acosta is a natural person, a citizen of Florida and, at all relevant times, was a resident of Miami-Dade County, Florida. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's Brickell location in Miami, and its Aventura Mall location in Aventura, Florida.

25. Plaintiff Julez Blake is a natural person, a citizen of Florida and, at all relevant times, was a resident of Palm Beach County, Florida. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's The Square and Gardens Mall locations in West Palm Beach, Florida.

B. The New York Plaintiff

26. Plaintiff Alexandria Reese is a natural person, a citizen of New York and, at all relevant times, was a resident of New York County, New York. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's location in Hoboken, New Jersey.

C. The California Plaintiff

27. Plaintiff Roya Sayied is a natural person, a citizen of California and, at all relevant times, was a resident of Los Angeles County, California. Plaintiff was exposed to the deceptive and misleading messages in Lululemon's marketing campaign and believed that Lululemon was an environmentally friendly company with a minimal environmental footprint that sold sustainably produced products, and that the company's actions and products contribute to improving the environment and the restoration of a healthy planet. Plaintiff relied on Lululemon's deceptive and misleading marketing messages in deciding to purchase its products. Plaintiff purchased Lululemon's products in reliance on its deceptive and misleading marketing messages at various times through the Class Period (defined below). Plaintiff made such purchases at Lululemon retail stores, including Lululemon's locations in Santa Monica and San Francisco, California.

D. Defendants

28. Defendant Lululemon Athletica Inc. is a Delaware corporation with its principal place of business in Vancouver, British Columbia. It is the corporate parent of Defendant Lululemon USA Inc.

29. Defendant Lululemon USA Inc. is a Nevada corporation with its principal place of business in Vancouver, British Columbia. It is a corporate subsidiary of Defendant Lululemon Athletica Inc.

30. Lululemon describes itself as “a technical athletic apparel, footwear, and accessories company for yoga, running, training, and most other activities[.]” It is estimated that Lululemon is valued at over \$58 billion USD,⁵ and in 2022, the company reported revenues of over \$8 billion USD.⁶ Lululemon operates over 670 retail stores worldwide, including in Florida,⁷ and it advertises, markets, distributes, and/or sells retail merchandise in Florida and throughout the world.

FACTUAL ALLEGATIONS

A. The apparel industry is a significant contributor to the planet’s environmental crisis.

31. The world faces severe environmental challenges associated with climate change, biodiversity loss, pollution and waste. The United Nations has acknowledged this growing crisis:⁸

⁵ Forbes, “Lululemon Athletica,” Feb. 2, 2024, *available at* <https://www.forbes.com/companies/lululemon-athletica/?sh=6c7e9382238c> (last visited Jul. 12, 2024).

⁶ Lululemon, “2022 Annual Report,” Jan. 29, 2023 (“2022 Annual Report”), *available at* <https://corporate.lululemon.com/~media/Files/L/Lululemon/investors/annual-reports/lululemon-2022-annual-report.pdf> (last visited Jul. 12, 2024).

⁷ Lululemon, “About Us,” <https://corporate.Lululemon.com/about-us> (last visited Jul. 12, 2024).

⁸ United Nations, “Ambitious Action Key to Resolving Triple Planetary Crisis of Climate Disruption, Nature Loss, Pollution, Secretary-General Says in Message for International Mother Earth Day,” Apr. 21, 2022, *available at* <https://press.un.org/en/2022/sgsm21243.doc.htm> (last visited Jul. 12, 2024).

Today, the Earth is facing a triple planetary crisis. Climate disruption. Nature and biodiversity loss. Pollution and waste. This triple crisis is threatening the well-being and survival of millions of people around the world.

32. The most recent report of the United Nation’s Intergovernmental Panel on Climate Change concludes that “[h]uman-caused climate change is already affecting many weather and climate extremes in every region across the globe” and that “[t]his has led to widespread adverse impacts on food and water security, human health and on economies and society and related losses and damages to nature and people[.]”⁹ At the recent the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (“COP28”), United Nations Secretary General Antonio Guterres spoke to the urgency of addressing this crisis, stating, “We are in a race against time...our planet is minutes to midnight for the 1.5 degree limit. And the clock keeps ticking.”¹⁰

33. Because of these on-going and ever-increasing environmental challenges, Lululemon’s greenwashing messaging is material to consumers and is important to their purchasing decisions.

34. The Organization for Economic Cooperation and Development (“OECD”) reports that the world is producing twice as much plastic as two decades ago, with the bulk ending up in landfills, incinerated, or leaking into the environment, and only 9% successfully recycled.¹¹ The

⁹. IPCC, “Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change” (Core Writing Team, H. Lee and J. Romero (eds.)) (2023) at 5, *available at* https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf (last visited Jul. 12, 2024).

¹⁰. United Nations Secretary General, “Secretary-General’s opening remarks at press encounter at COP28,” Dec. 11, 2023), *available at* <https://www.un.org/sg/en/content/sg/speeches/2023-12-11/secretary-generals-opening-remarks-press-encounter-cop28> (last visited Jul. 12, 2024).

¹¹. OECD, “Plastic pollution is growing relentlessly as waste management and recycling fall short, says OECD,” Feb. 22, 2022, *available at* <https://www.oecd.org/environment/plastic-pollution-is-growing-relentlessly-as-waste-management-and-recycling-fall-short.htm> (last visited Jul. 12, 2024).

World Health Organization identifies air pollution as one of the greatest environmental risks to health, with the main driver of the pollution, combustion of fossil fuels, also causing greenhouse gas emissions contributing to climate change.¹²

35. The apparel industry has a large global carbon and environmental footprint and is a major contributor to the environmental crisis. It is estimated that the industry is responsible for **11% of global plastic waste**,¹³ **between 1.8% to 8% of the world's greenhouse gas emissions**,¹⁴ about **20% of global clean water pollution** from dyeing and finishing products,¹⁵ and **35% of primary microplastics** released into the environment.¹⁶

36. The vast majority of the apparel industry's emissions are created by its value chains.¹⁷ The Greenhouse Gas Protocol, a global standardized framework to measure and manage emissions from private and public operations, classifies these value chain emissions as part of

^{12.} World Health Organization, "Air Pollution," *available at* https://www.who.int/westernpacific/health-topics/air-pollution#tab=tab_1 (last visited Jul. 12, 2024).

^{13.} OECD, "Plastic pollution is growing relentlessly as waste management and recycling fall short, says OECD," *supra*.

^{14.} Apparel Impact Institute, "Taking Stock of Progress Against the Roadmap to Net Zero," June 2023 ("Taking Stock of Progress Against the Roadmap to Net Zero") at 2, *available at* https://apparelimpact.org/wp-content/uploads/2023/06/Aii_RoadmapReport-752.pdf (last visited Jul. 12, 2024); McKinsey & Company, "Fashion on Climate: How the fashion industry can urgently act to reduce its greenhouse gas emissions" (2020) ("Fashion on Climate") at 5, *available at* <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf> (last visited Jul. 12, 2024); Quantis, "Measuring Fashion: Insights from the Environmental Impact of the Global" (2018) ("Measuring Fashion: Insights from the Environmental Impact of the Global") at 2, *available at* https://quantis.com/wp-content/uploads/2019/11/measuringfashion_globalimpactstudy_quantis_2018.pdf (last visited Jul. 12, 2024).

^{15.} European Parliament, "The impact of textile production and waste on the environment (infographics)" (last modified 15 November 2023), *available at* <https://www.europarl.europa.eu/news/en/headlines/society/20201208STO93327/the-impact-of-textile-production-and-waste-on-the-environment-infographics> (last visited Jul. 12, 2024).

^{16.} *Id.*

^{17.} Apparel Impact Institute and World Resources Institute, "Roadmap to Net Zero: Delivering Science Based Targets in the Apparel Sector," November 2021 at 7, *available at* <https://files.wri.org/d8/s3fs-public/2021-11/roadmap-net-zero-delivering-science-based-targets-apparel-sector.pdf?VersionId=LxrwUSv9dHytM7zybuQgoJ8LUHBZVgM1> (last visited Jul. 12, 2024).

“Scope 3 emissions.”¹⁸ Scope 3 emissions are all indirect greenhouse gas emissions (not including generation of purchased energy) that occur in the value chain of a company, including both upstream and downstream emissions. In the apparel industry, upstream emissions include emissions from an apparel company’s supply chain, such as the production of raw materials, transportation, and distribution. Downstream emissions include emissions from the use and disposal of apparel products.¹⁹

37. The Apparel Impact Institute and World Resources Institute calculated that **96% of the industry’s total greenhouse gas emissions are Scope 3** emissions, with 80% of those generated from upstream manufacturing, production, and raw materials.²⁰

38. Moreover, the heavy use of synthetic materials in textiles makes many apparel products impossible to recycle.²¹ It is estimated that the world produces 92 million tons of textile waste every year, with clothing and textiles making up at least 7% of the total amount of waste in

^{18.} Greenhouse Gas Protocol, “FAQ” at 1, *available at* https://ghgprotocol.org/sites/default/files/standards_supporting/FAQ.pdf (last visited Jul. 12, 2024). The GHG Protocol Corporate Standard classifies a company’s GHG emissions into three “scopes.” Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

^{19.} World Resources Institute and Science Based Targets initiative, “Apparel and Footwear Sector: Science-Based Targets Guidance” at 4 and 25, Figure 8, *available at* https://sciencebasedtargets.org/resources/files/SBT_App_Guide_final_0718.pdf (last visited Jul. 12, 2024).

^{20.} Apparel Impact Institute and World Resources Institute, “Roadmap to Net Zero: Delivering Science Based Targets in the Apparel Sector” (November 2021) at 7, *available at* <https://files.wri.org/d8/s3fs-public/2021-11/roadmap-net-zero-delivering-science-based-targets-apparel-sector.pdf?VersionId=LxrwUSv9dHytM7zybuQgoJ8LUHBZVgM1> (last visited Jul. 5, 2024).

^{21.} Concordia Precious Plastic Project, “Microplastic Pollution and the Fast Fashion Industry” *available at* <https://www.cp3montreal.com/articles/microplastic-pollution-and-the-fast-fashion-industry> (last visited Jul. 12, 2024).

global landfill space.²² Synthetic fibers are non-biodegradable and can sit in landfills for up to 200 years.²³

39. Water scarcity is also a growing global problem, with an estimated 2.3 billion people living in water-stressed countries in 2018,²⁴ and the textile sector was the third largest source of water degradation and land use in 2020.²⁵ The apparel industry compounds this problem by using large amounts of fresh water throughout the production and manufacturing process.²⁶

40. Marine freight transport of apparel products also causes significant damage to the planet's inland and ocean environments. According to the OECD:²⁷

Shipping poses threats to the environment both on inland waterways and on the ocean. These problems come from six major sources; *routine discharges of oily bilge* and ballast water from marine shipping; *dumping of non-biodegradable solid waste* into the ocean; *accidental spills of oil, toxics* or other cargo or fuel at ports and while underway; *air emissions* from the vessels' power supplies; port and inland *channel construction and management*; and *ecological harm* due to the *introduction of exotic species* transported on vessels.

^{22.} TheRoundup.org, "17 Most Worrying Textile Waste Statistics & Facts," (updated 11 April 2023), available at <https://theroundup.org/textile-waste-statistics/> (last visited Jul. 12, 2024).

^{23.} Concordia Precious Plastic Project, "Microplastic Pollution and the Fast Fashion Industry[.]" *supra*.

^{24.} United Nations Statistics Division, SDG 6 "Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all," available at <https://unstats.un.org/sdgs/report/2021/goal-06/#:~:text=In%202018%2C%202.3%20billion%20people,by%20over%20%20per%20cent> (last visited Jul. 12, 2024).

^{25.} European Parliament, "The impact of textile production and waste on the environment (infographics)" (last modified 15 November 2023), available at <https://www.europarl.europa.eu/news/en/headlines/society/20201208STO93327/the-impact-of-textile-production-and-waste-on-the-environment-infographics> (last visited Jul. 12, 2024).

^{26.} Lululemon, "2022 Impact Report" ("2022 Impact Report") at 66, available at https://corporate.lululemon.com/~/_media/Files/L/Lululemon/our-impact/reporting-and-disclosure/2022-lululemon-impact-report.pdf (last visited Jul. 12, 2024).

^{27.} OECD, "The Environmental Effects of Freight" (1997) at 11, available at <https://www.oecd.org/environment/envtrade/2386636.pdf> (last visited Jul. 12, 2024).

41. To be a part of the world’s climate change solution—as Lululemon explicitly claims to be—apparel companies must make significant cuts to their absolute emissions, including emissions from their supply chains.

B. The Green Guides: The FTC’s “greenwashing” guidance regarding “environmental claims.”

42. “Greenwashing” is the practice of making false or misleading statements about a product, policy, or activity to make it appear more environmentally friendly than it is.

43. Recognizing the rise in “greenwashing” campaigns that could deceive consumers, like Lululemon’s Be Planet campaign at issue here, the FTC created the “Green Guides,”²⁸ which “set forth the Federal Trade Commission’s current views about environmental claims” and “help marketers avoid making environmental marketing claims that are unfair or deceptive under Section 5 of the FTC Act, 15 U.S.C. § 45.”²⁹ The Green Guides “apply to claims about the environmental attributes of a product, package, or service in connection with the marketing, offering for sale, or sale of such item or service to individuals.”³⁰ They “apply to environmental claims in labeling, advertising, promotional materials, and all other forms of marketing in any medium, whether asserted directly or by implication, through words, symbols, logos, depictions, product brand names, or any other means.”

44. Examples in the Green Guides “provide the Commission’s views on how reasonable consumers likely interpret certain claims.”³¹ The Green Guides provide that, “Whether a particular claim is deceptive will depend on the *net impression* of the advertisement, label, or

^{28.} See generally 16 C.F.R. § 260 – Guides for the Use of Environmental Marketing Claims.

^{29.} *Id.*, § 260.1(a).

^{30.} *Id.*, § 260.1(c).

^{31.} *Id.*, § 260.1(d).

other promotional material at issue.”³² “To determine if an advertisement is deceptive, marketers must identify all express and implied claims that the advertisement reasonably conveys”³³ Critically, even if an “advertisement does not *expressly* claim that the product has environmental benefits,...featured images, in combination with the text, [could] convey that the product has far-reaching environmental benefits and may convey that the product has no negative environmental impact.”³⁴

45. “Marketers must ensure that all reasonable interpretations of their claims are truthful, not misleading, and supported by a reasonable basis before they make the claims.” *Id.* “In the context of environmental marketing claims, a reasonable basis often requires competent and reliable scientific evidence.”³⁵ “Such evidence consists of tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons and are generally accepted in the profession to yield accurate and reliable results.” *Id.*

46. The Green Guides provide general principles that all environmental marketing claims should comport with in order to not be deceptive:³⁶

- a. any “qualifications and disclosures should be clear, prominent, and understandable”;
- b. “Unless it is clear from the context, an environmental marketing claim should specify whether it refers to the product, the product’s packaging, a service, or just to a portion of the product, package, or service”;

^{32.} *Id.* § 260.2 (citing FTC Policy Statement Regarding Advertising Substantiation, 104 FTC 839 (1984)) (emphasis added).

^{33.} *Id.*

^{34.} *Id.* § 260.4(d), Example 3.

^{35.} *Id.* § 260.2.

^{36.} *Id.* § 260.3.

- c. “An environmental marketing claim should not overstate, directly or by implication, an environmental attribute or benefit”;
- d. “Marketers should not state or imply environmental benefits if the benefits are negligible”;
- e. “Comparative environmental marketing claims should be clear to avoid consumer confusion about the comparison”;

47. The Green Guides further provide that “*it is deceptive to misrepresent, directly or by implication, that a product, package, or service offers a general environmental benefit.*”³⁷

The FTC explains that “[u]nqualified general environmental benefit claims are difficult to interpret and likely convey a wide range of meanings.”³⁸ “In many cases, such claims likely convey that the product, package, or service has specific and far-reaching environmental benefits and may convey that the item or service has no negative environmental impact.”³⁹ “Because it is highly unlikely that marketers can substantiate all reasonable interpretations of these claims,” the FTC warns that “marketers should not make unqualified general environmental benefit claims.”⁴⁰

48. The Green Guides provide that “[m]arketers can qualify general environmental benefit claims to prevent deception about the nature of the environmental benefit being asserted” by using “clear and prominent qualifying language that limits the claim to a specific benefit or benefits.”⁴¹ However, the FTC warns that “[m]arketers *should not imply that any specific benefit is significant if it is, in fact, negligible.*”⁴² “If a qualified general claim conveys that a product is more environmentally beneficial overall because of the particular touted benefit(s), *marketers*

^{37.} *Id.* § 260.4(a) (emphasis added).

^{38.} *Id.* § 260.4(b).

^{39.} *Id.*

^{40.} *Id.*

^{41.} *Id.* § 260.4(c).

^{42.} *Id.* (emphasis added).

should analyze trade-offs resulting from the benefit(s) to determine if they can substantiate this claim.”⁴³ However, “[e]ven if a marketer explains, and has substantiation for, the product’s specific environmental attributes, this explanation will not adequately qualify a general environmental benefit claim if the advertisement otherwise implies deceptive claims.”⁴⁴ “Therefore, marketers should ensure that the advertisement’s *context* does not imply deceptive environmental claims.”⁴⁵

49. “Given the complexities of carbon offsets,” the Green Guides provide that “sellers should employ competent and reliable scientific and accounting methods to properly quantify claimed emission reductions and to ensure that they do not sell the same reduction more than one time.”⁴⁶ “It is deceptive to misrepresent, directly or by implication, that a carbon offset represents emission reductions that have already occurred or will occur in the immediate future.”⁴⁷

50. Regarding recycling claims, the Green Guides provide that “[i]t is deceptive to misrepresent, directly or by implication, that a product or package is recyclable...unless it can be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item.”⁴⁸ The Green Guides instruct that “[m]arketers should clearly and prominently qualify recyclable claims to the extent necessary to avoid deception about the availability of recycling programs and collection sites to consumers.”⁴⁹ “If any component significantly limits the ability to recycle the item, any recyclable claim would be deceptive.”⁵⁰ “An item that is made from recyclable material, but,

43. *Id.* (emphasis added).

44. *Id.* § 260.4(d).

45. *Id.* (emphasis added).

46. *Id.* § 260.5(a).

47. *Id.* § 260.5(b).

48. *Id.* § 260.12(a).

49. *Id.* § 260.12(b).

50. *Id.* § 260.12(d).

because of its shape, size, or some other attribute, is not accepted in recycling programs, should not be marketed as recyclable.”⁵¹

51. “It is deceptive to misrepresent, directly or by implication, that a product or package is made with renewable energy or that a service uses renewable energy.”⁵² “A marketer should not make unqualified renewable energy claims, directly or by implication, if fossil fuel, or electricity derived from fossil fuel, is used to manufacture any part of the advertised item or is used to power any part of the advertised service, unless the marketer has matched such non-renewable energy use with renewable energy certificates.”⁵³ According to the FTC, “[r]esearch suggests that reasonable consumers may interpret renewable energy claims differently than marketers may intend.”⁵⁴ “Unless marketers have substantiation for all their express and reasonably implied claims, they should clearly and prominently qualify their renewable energy claims.”⁵⁵

52. “It is deceptive to make an unqualified ‘made with renewable energy’ claim unless *all, or virtually all, of the significant manufacturing processes involved in making the product or package* are powered with renewable energy or non-renewable energy matched by renewable energy certificates. When this is not the case, marketers should clearly and prominently specify the percentage of renewable energy that powered the significant manufacturing processes involved in making the product or package.”⁵⁶

53. “It is deceptive to misrepresent, directly or by implication, that a product or package is made with renewable materials.”⁵⁷ “Research suggests that reasonable consumers may interpret

51. *Id.*
52. *Id.* § 260.12(a).
53. *Id.*
54. *Id.* § 260.12(b).
55. *Id.*
56. *Id.* § 260.12(c).
57. *Id.* § 260.16(a).

renewable materials claims differently than marketers may intend.”⁵⁸ “Unless marketers have substantiation for all their express and reasonably implied claims, they should clearly and prominently qualify their renewable materials claims.”⁵⁹ “For example, marketers may minimize the risk of unintended implied claims by identifying the material used and explaining why the material is renewable.”⁶⁰

54. “Marketers should also qualify any ‘made with renewable materials’ claim unless the product or package (excluding minor, incidental components) is made entirely with renewable materials.”⁶¹ “It is deceptive to misrepresent, directly or by implication, that a product or package has been reduced or is lower in weight, volume, or toxicity.”⁶² “Marketers should clearly and prominently qualify source reduction claims to the extent necessary to avoid deception about the amount of the source reduction and the basis for any comparison.”⁶³

C. Lululemon’s false, deceptive, and misleading “Be Planet” marketing campaign.

55. Consumers have become increasingly concerned about the environment. They seek to avoid brands that sell products that contribute to climate change or the degradation of the planet, and they are willing to pay premium prices for products that are sustainably produced, environmentally friendly, and positively restore the Planet. In other words, these issues are not only material to consumers’ purchasing decisions, but they are a priority. Lululemon knows this and exploits it.

⁵⁸. *Id.* § 260.16(b).

⁵⁹. *Id.*

⁶⁰. *Id.*

⁶¹. *Id.* § 260.16(c).

⁶². *Id.* § 260.17.

⁶³. *Id.*

56. In its 2023 Carbon Disclosure Project report, Lululemon notes that “Consumers, particularly millennial and Gen Z consumers, are more likely to align themselves with brands who they trust to make decisions that reflect their values and *benefit people and the planet*.”⁶⁴

57. To capitalize on consumers’ desire for sustainably produced and environmentally friendly products, some companies “greenwash” their products by making deceptive and misleading representations regarding the sustainability and environmental impact of a company’s products, policies, and actions. That is exactly what Lululemon did here to induce consumers into purchasing, and paying exorbitant prices for products that are not sustainably produced and cause significant harm to the environment.

58. On October 28, 2020, Lululemon issued a press release announcing its “Impact Agenda” and “Be Planet” campaign as part of its “the Company’s long-term strategy to become a *more sustainable* and equitable business, *minimize its environmental impact*, and *accelerate positive change* both internally and externally”.⁶⁵

lululemon athletica Inc. Releases Impact Agenda, Unveiling its Social and Environmental Goals and Strategies to Create a Healthier Future

Oct 28, 2020

Twelve commitments detail specific actions across a range of global issues including diversity and inclusion, mental wellbeing, climate change, and circularity.

VANCOUVER, British Columbia--(BUSINESS WIRE)-- lululemon athletica inc. (NASDAQ:LULU) today released its first-ever Impact Agenda detailing the Company’s long-term strategy to become a *more sustainable and equitable* business, *minimize its environmental impact*, and *accelerate positive change* both internally and externally.

^{64.} 2023 Carbon Disclosure Project Report at 7 (emphasis added), *supra*.

^{65.} Impact Agenda (emphasis added).

The Company's Impact Agenda outlines its multi-year strategies to address critical social and environmental issues with 12 goals to drive progress. These include targeting areas ranging from diversity and inclusion to mental wellbeing to climate change, with specific commitments to invest \$75 million USD into equitable wellbeing programs globally by 2025, expand gender pay equity to full pay equity for its employees, and ***make 100% of its products with sustainable materials and end-of-use solutions by 2030.***

"lululemon has a unique opportunity, responsibility and platform to drive meaningful change. We share our Impact strategy against the backdrop of the COVID-19 pandemic, a global climate crisis, and systemic inequities in our society," said Calvin McDonald, Chief Executive Officer. "As a global brand, industry, and as individuals, ***we must play a part to change the world for the better.***"

McDonald continued, "Our Impact Agenda is more than a set of commitments. It's a holistic approach that ***reflects who we are***, guided by our purpose to elevate the world by realizing the full potential within every one of us. I am grateful to everyone who has dedicated their knowledge and experience to help us define our approach."

Building on the Company's progress and learnings over the past two decades, lululemon's Impact Agenda brings a new level of ambition that will guide the way the Company approaches and measures its work across all aspects of its business, organized into three interconnected areas of focus:

Be Human

- **Inclusion, Diversity, Equity, and Action:** Reflect the diversity of the communities the Company serves and operates in around the world by 2025.
- **Employee Leadership Offerings:** Be the place where people come to develop and grow as leaders by 2023 including actions such as providing leading mental wellbeing training to all employees globally by 2021.
- **Employee Pay Equity:** Achieved 100% gender pay equity, and will expand to full pay equity for gender and race by 2022.
- **Supporting People Who Make Our Products:** Provide empowerment programs covering a range of issues, including human rights education, resilience and wellbeing practices to more than 100,000 workers across its supply chain by 2025.

Be Well

- **Wellbeing for All:** Provide access to tools that embrace mindfulness and movement practices for more than 10 million people globally by 2025.
- **Scale Here to Be and new programs:** Invest \$75 million USD in its global and local communities by 2025 to drive impact through direct funding, partnerships, and advocacy.
- **Create a Centre of Excellence:** Establish a Centre of Excellence for social impact by 2021.

Be Planet

- **Sustainable Product Innovation:** 100% of the Company's products will include sustainable materials and end-of use solutions by 2030.
- **Sustainable Materials:** Ensure at least 75% of its products contain sustainable materials by 2025.
- **Circularity:** Offer guests new options to extend the life of its products by providing resell, repair, and/or recycle options by 2025.
- **Climate Change:** Source 100% renewable electricity to power the Company's operations by 2021 and reduce carbon emissions across its global supply chain by 60% per unit of value added, meeting its Science-based Targets by 2030.
- **Water and Waste Reduction:** Reduce its freshwater use intensity by 50% to manufacture its products and reduce single-use plastic packaging by 50% by 2025.

59. Lululemon's marketing contains express misstatements and omissions of material fact and creates the net and general impression for reasonable consumers that Lululemon is a company whose operations and products are planet-friendly, and that its business practices, policies, and actions contribute to improving the environment and restoring the health of the planet.

60. Lululemon drives this general impression into consumer's minds through various statements and imagery throughout its websites, marketing materials and advertisements, and press releases, as well as throughout its retail stores and on its products, which build upon and perpetuate the message that the company's actions and products contribute to improving the environment and

the restoration of a healthy planet. For example, and demonstrative purposes, it's in-store advertising makes such as, "What you do to the earth you do to yourself":



61. Lululemon's Be Planet marketing campaign is false, deceptive, and misleading to consumers as it portrays Lululemon as something it is not. Lululemon's actions and products create substantial and increasing greenhouse gas emissions and cause significant environmental pollution. Critically, Lululemon's *greenhouse emissions have more than doubled* since the launch of its Be Planet campaign.

62. In fact, Canada's Competition Bureau recently opened a formal investigation into Lululemon's environmental claims in response to a complaint filed by Stand.earth, which alleged that Lululemon misleads customers about its environmental impact.⁶⁶ *See also IN THE MATTER OF: An application pursuant to s. 9(1)(b) of the Competition Act, RSC 1985, c C-34 requesting the Commissioner cause an inquiry to be made into the conduct of Lululemon Athletica Inc.*, Complaint, Feb. 8, 2024 (attached and incorporated as **Exhibit A**).

⁶⁶. Competition Bureau opens formal investigation into Lululemon in response to complaint filed by Stand.earth, May 6, 2024 *available at* <https://stand.earth/press-releases/competition-bureau-opens-formal-investigation-into-lululemon-in-response-to-complaint-filed-by-stand-earth/> (last visited Jul. 12, 2024).

63. On July 24, 2024, another complaint was filed with French regulators by an environmental advocacy group over Lululemon's greenwashing practices – “We are asking French officials to investigate how Lululemon can claim to ‘Be Planet’ while creating more planet-harming emissions every year than half a million cars,” – Stand Executive Director Todd Paglia.⁶⁷ *See REPORTING TO THE DIRECTORATE-GENERAL FOR COMPETITION, CONSUMER AFFAIRS AND FRAUD CONTROL, Greenwashing Practices Lululemon Athletica Inc. and Lululemon Athletica Fr SarL, filed July 24, 2024*) attached as **Exhibit B**).

64. In stark contrast to the company's ‘Be Planet’ slogan, Lululemon's [Impact Report](#) released in 2023 revealed another year of staggering growth in emissions – a 100% increase in climate pollution since deploying the slogan.

65. As one of the largest apparel companies in the world by market capitalization, Lululemon has a significant and growing climate and environmental footprint. Its actions and products directly cause harm to the environment and deterioration of the planet's health.

66. The great majority of Lululemon's greenhouse gas emissions—**99.7% of its total emissions**—are Scope 3 emissions created by its supply chain.⁶⁸ Significantly, many of Lululemon's products are made with polyester and nylon, which are manufactured from fossil fuels.⁶⁹ Further, **over 80%** of Lululemon's manufacturers and suppliers are located in countries with significant fossil fuel reliance and minimal grid renewables, including Vietnam, Cambodia,

^{67.} Stand.Earth Press Release, available at <https://stand.earth/press-releases/multinational-athletic-clothing-giant-lululemon-hit-with-french-complaint-over-greenwashing/> (last visited Sept. 16, 2024)

^{68.} Based on information in Lululemon's 2022 Impact Report, it was calculated that Lululemon's Scope 3 emissions comprised 99.7% of its total emissions. 2022 Impact Report at 50, *supra*.

^{69.} Gelfand Center, Carnegie Melon University, “Natural vs. Synthetic Polymers” *available at* <https://www.cmu.edu/gelfand/lgc-educational-media/polymers/natural-synthetic-polymers/index.html> (last visited Jul. 12, 2024).

Sri Lanka, Bangladesh, and Indonesia.⁷⁰ Vietnam is the location from which Lululemon sources most of its products (39%).⁷¹ Vietnam, however, is reported to have the fastest growth in coal use of all countries in Southeast Asia, at an annual growth rate of 11%.⁷² It is also reported that in 2021, coal accounted for 47% of the country's electricity generation mix⁷³ and, from 2017 to 2020, Vietnam's carbon emissions increased by over 50%.⁷⁴

67. Lululemon represents that it is committed to working with its suppliers to increase use of renewable energy and eliminate on-site coal boilers,⁷⁵ but such representations are not verifiable as many of Lululemon's largest suppliers do not publish information relating to their coal usage or plans to switch to renewable energy. For example, Tan De Co Ltd., which is one of Lululemon's largest suppliers, does not publicly report using any renewable energy to power its factories, has not set public targets to reduce its emissions, and does not have a published plan to phase out coal use.

68. Since Lululemon announced its Be Planet marketing campaign in 2020, rather than reducing its greenhouse gas emissions, ***Lululemon's Scope 3 emissions have more than doubled***, as confirmed by Lululemon's own reporting:⁷⁶

^{70.} 2022 Annual Report at 5, *supra*. In 2022, approximately 39% of its products were made in Vietnam, 14% in Cambodia, 12% in Sri Lanka, 8% in Bangladesh, and 7% in Indonesia, and the remainder in other regions.

^{71.} *Id.*

^{72.} Thang Nam Do and Paul J. Burke, "Phasing out coal power in a developing country context: Insights from Vietnam" (2023) 176 *Energy Policy* ("Phasing out coal power in a developing country context: Insights from Vietnam") at 1, *available at* <https://www.sciencedirect.com/science/article/pii/S0301421523000976?via%3Dihub> (last visited Jul. 12, 2024).

^{73.} *Id.* at 2.

^{74.} MacroTrends, "Vietnam Carbon (CO₂) Emissions 1990-2024" ("Vietnam Carbon (CO₂) Emissions 1990-2024") *available at* <https://www.macrotrends.net/countries/VNM/vietnam/carbon-co2-emissions> (last visited Jul. 12, 2024).

^{75.} 2022 Impact Report at 51, *supra*.

^{76.} Lululemon's reporting omits certain Scope 3 emissions categories and therefore these values do not represent the entirety of the company's emissions. *See* 2022 Impact Report at 79, *supra*.

- 2020: 829,456 tCO₂e⁷⁷
- 2021: 1,343,649 tCO₂e⁷⁸
- 2022: 1,691,009 tCO₂e⁷⁹

69. Lululemon’s 2022 emissions are the equivalent of burning of over 720 million liters of gasoline, over 3.8 million barrels of oil or the fueling of over 518,000 passenger vehicles for a year.⁸⁰ To make matters worse, Lululemon’s emissions are on track to continue to increase significantly as the company has a stated goal of doubling its 2021 revenue by 2026,⁸¹ which will mean increased apparel manufacturing through its supply chain, with a corresponding increase in the company’s Scope 3 emissions.

70. The detrimental impact of Lululemon’s products and actions on the environment is made worse by the company’s use of air and marine freight to transport its products. Air freight creates approximately forty-seven times more CO₂ emissions than marine freight per ton-mile.⁸² Notably, a study that assessed the use of air freight by major companies in the apparel industry

^{77.} Lululemon, “2020 Impact Report” at 59, *available at* <https://corporate.lululemon.com/~media/Files/L/Lululemon/our-impact/our-impact-agenda/2020-full-impact-report.pdf> (last visited Jul. 12, 2024).

^{78.} 2022 Impact Report at 67, *supra*.

^{79.} *Id.* at 79.

^{80.} Natural Resources Canada, “Greenhouse Gas Equivalencies Calculator” *available at* <https://oee.nrcan.gc.ca/corporate/statistics/neud/dpa/calculator/ghg-calculator.cfm#results> (last visited Jul. 12, 2024).

^{81.} Lululemon, “lululemon Announces Five-Year Growth Plan to Double Revenue by 2026 to \$12.5 Billion” (April 20, 2022) (“lululemon Announces Five-Year Growth Plan to Double Revenue by 2026 to \$12.5 Billion”) *available at* <https://corporate.lululemon.com/media/press-releases/2022/04-20-2022-113017957#:~:text=Leveraging%20its%20proven%20formula%20and%20supported%20by%20the,includ%20product%20innovation%2C%20guest%20experience%2C%20and%20market%20expansion> (last visited Jul. 12, 2024).

^{82.} Vitality, “Air Freight vs Sea Freight Carbon Footprint: Which is Lower?” (2022), *available at* <https://vitality.io/air-freight-vs-sea-freight-carbon-footprint/#:~:text=Airfreight%20generates%2047%20times%20more,10%2D40%20grams%20per%20kilometer> (last visited Jul. 12, 2024).

highlighted Lululemon's high use of air freight.⁸³ The study found that Lululemon transports by air freight approximately 30% of its products manufactured in Vietnam and Sri Lanka. In contrast, competitors such as Nike, Adidas and Puma transported less than 5% of their products from Vietnam by air. In other words, while Lululemon's competitors achieve some balance between the use of environmentally harmful air freight and protection of the planet, Lululemon pursues a significantly more aggressive air freight strategy, despite its purported commitments to the improvement of the environment.

71. A company such as Lululemon that represents itself as taking actions which not only avoid harming the planet but actively contribute to a healthy planet would minimize the use of air freight to prioritize the health of the planet. However, when faced with supply chain difficulties, Lululemon chose to significantly increase its use of air freight, in disregard for the increased detrimental impacts on the environment. Lululemon admits to its increased reliance on air freight in its 2022 Impact Report.⁸⁴

Early in 2022, the COVID-19 pandemic contributed to ongoing supply chain disruptions. As a result, we experienced longer lead times and delivery challenges, including pressure on ocean freight and seaports. This meant continued use of increased air freight in the first half of 2022, impacting our Scope 3 target performance.

72. Further, the manufacture, transport, and use of Lululemon's products continues to create significant environmental harm: microplastics from Lululemon's products are polluting our oceans and inland waters; landfills in countries around the world are collecting Lululemon's discarded garments; fossil fuels are being used to power the factories of Lululemon's suppliers

^{83.} PublicEye, "Following in Zara's slipstream: the airborne fashion of other brands", (December 18, 2023) *available at* <https://www.publiceye.ch/en/news/detail/following-in-zaras-slipstream-the-airborne-fashion-of-other-brands> (last visited Jul. 5, 2024).

^{84.} 2022 Impact Report at 52, *supra*.

and create their synthetic textiles; and the shipping of Lululemon's products around the world is adding to greenhouse gas emissions as it also damages the marine environment.

D. Lululemon makes numerous false, deceptive, and misleading environmental marketing claims.

73. Lululemon's Be Planet campaign uses a combination of false, deceptive, and misleading representations, omissions of material facts, and "green" imagery on its website, throughout its hundreds of retail stores, and elsewhere, which, both individually and collectively, perpetuate the false message that the company's actions and products contribute to improving the environment and the restoration of a healthy planet.

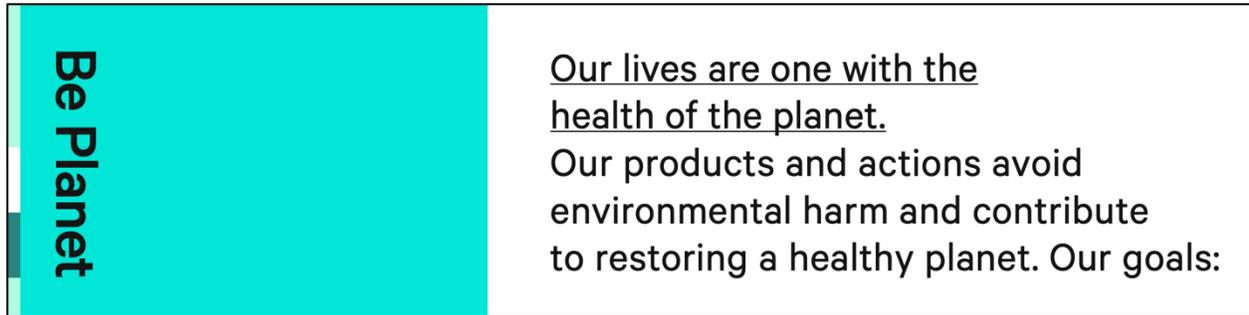
74. Lululemon intended for consumers to rely on its greenwashing campaign for the purpose of increasing sales, driving profits, and decreasing the sales or taking market share away from its competitors products.

a. Lululemon's false, deceptive, and misleading unqualified environmental claims about the company's products and actions.

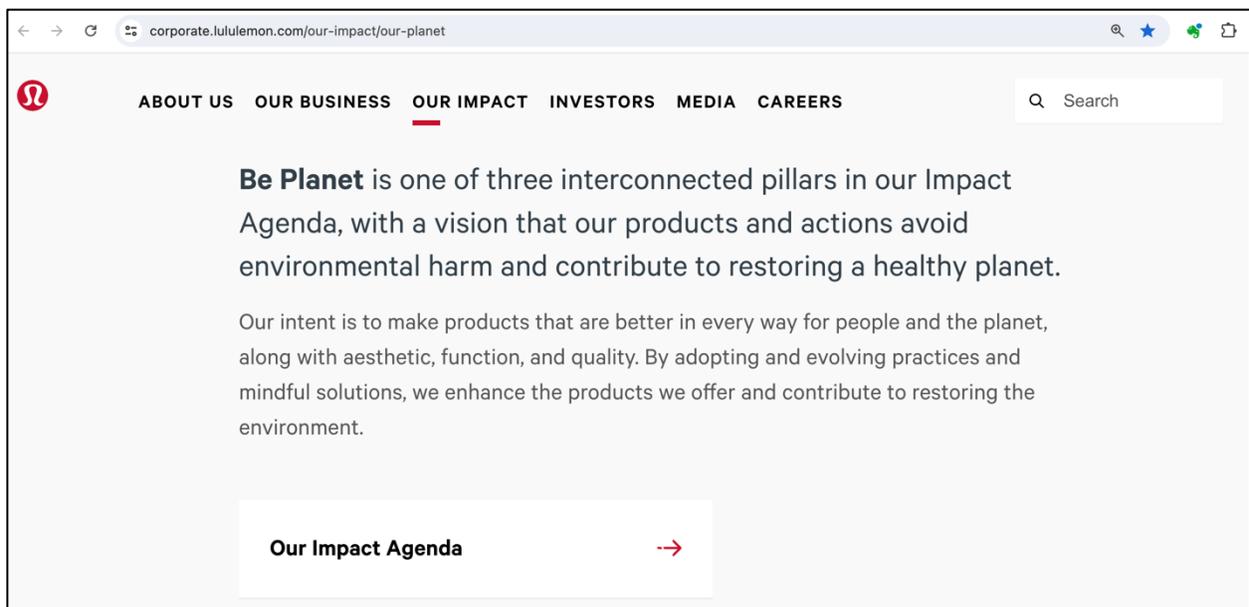
75. As part of its Be Planet campaign, Lululemon makes a number of direct, unqualified environmental claims about the company's products and actions that are false, deceptive, and/or misleading.

76. For example, in its 2020 Impact Summary, Lululemon states, "Our lives are one with the health of the planet. Our products and actions *avoid environmental harm* and *contribute to restoring a healthy planet.*"⁸⁵

^{85.} Available at <https://corporate.lululemon.com/%7E/media/Files/L/Lululemon/our-impact/reporting-and-disclosure/lululemon-2020-impact-summary-en110521.pdf>, at p. 9 (last visited Jul. 12, 2024) (emphasis added).



77. On its website, Lululemon states, “By adopting and evolving practices and mindful solutions, we enhance the products we offer and *contribute to restoring the environment*.”⁸⁶



78. In its Impact Report 2022, under the heading, “Our lives are *interconnected* with the health of the planet,” Lululemon states, “We work across our value chain to *reduce our carbon and water footprint, improve chemical management*, develop and sell products that *reflect the values of our guests*, and *contribute to a healthier environment*.”⁸⁷

^{86.} Available at <https://corporate.lululemon.com/our-impact/our-planet> (last visited Jul. 12, 2024) (emphasis added).

^{87.} 2022 Impact Report at 46, *supra* (some emphasis added).

Our lives are *interconnected* with the health of the planet.

* * *

The potential of people is limitless, but the planet—our home—is not. At lululemon, we are on a journey to become a net-zero company and have set science-based targets that are the foundation for our climate action goals. We seek to lead in innovating preferred materials and create a circular ecosystem by designing out waste and keeping materials in use for as long as possible. We work across our value chain to reduce our carbon and water footprint, improve chemical management, develop and sell products that reflect the values of our guests, and contribute to a healthier environment.

79. Lululemon also states in its Impact Agenda 2020, under the heading, “Our lives are one with the health of our planet,” that “We envision a future where we thrive within the limits of our one planet. That is why *we act to avoid environmental harm and contribute to restoring a healthy planet.*”⁸⁸

Our lives are one with the health of our planet.

We envision a future where we thrive within the limits of our one planet. That is why we act to avoid environmental harm and contribute to restoring a healthy planet.

At lululemon, we create products and experiences that reflect the values of our guests and our aspirations for a healthier world.

We will work to be part of a circular ecosystem, based on principles of designing out waste and pollution, keeping products and materials in use, regenerating natural systems, and using clean renewable energy.⁶ Underlying is the

imperative to act on climate change, and we’ve set ambitious, science-based carbon targets that are linked to all of our Be Planet goals.

By transforming our materials and products, guest experience models, and supply chains and by partnering with our collective, suppliers, and industry stakeholders, we take responsibility to help evolve our industry toward a more sustainable future—one that is truly better for our planet.

We know we have a long way to go, but we’re committed to accelerating our progress and being part of the solution.

^{88.} Impact Agenda 2020 available at https://pnimages.lululemon.com/content/dam/lululemon/www-images/Footer/Sustainability/lululemon_ImpactAgenda_October202023.pdf, at p. 25 (last visited Jul. 12, 2024) (some emphasis added).

80. These public statements by Lululemon represent to consumers, and cause them to believe, that the company's practices, solutions, products, and actions (1) avoid environmental harm; (2) reduce the company's carbon and water footprint; (3) contribute to restoring the environment and a healthy planet; and (4) that the products it develops and sells reflect the values of its customers.

81. These statements are false, deceptive, and likely to mislead reasonable consumers. The imagery in its stores and website that Lululemon uses in combination with its messaging contributes to the false and misleading messaging of its Be Planet marketing campaign. Pictures of rivers, healthy forests and nature do not accurately reflect the nature of Lululemon's business or the impact of its activities and products on the environment and, thus, reinforce and perpetuate a false, deceptive, and misleading message to consumers that Lululemon is a sustainable and environmentally friendly brand, when it clearly is not.

82. The true facts are that Lululemon is part of a global industry that contributes between 1.8% to 8% of the world's greenhouse gas emissions,⁸⁹ the vast majority of which are created by its value chains.⁹⁰

83. Lululemon specifically has an enormous supply chain that produces substantial greenhouse gas emissions. The great majority of Lululemon's supply chain is located in countries with a heavy fossil fuel reliance and minimal grid renewables, including Vietnam, Cambodia, Sri Lanka, Bangladesh, and Indonesia.⁹¹ Vietnam is the location from which Lululemon sources *most* of its products (39%).⁹² Vietnam is reported to have the *fastest growth in coal* use of all countries

^{89.} Taking Stock of Progress Against the Roadmap to Net Zero, *supra*, at 2; Fashion on Climate, *supra*, at 5; "Measuring Fashion: Insights from the Environmental Impact of the Global," *supra*, at 2.

^{90.} Taking Stock of Progress Against the Roadmap to Net Zero, *supra*, at 7.

^{91.} See 2022 Annual Report, *supra*.

^{92.} *Id.*

in Southeast Asia, at an *annual growth rate of 11%*.⁹³ In 2021, *coal accounted for 47%* of the country's electricity generation.⁹⁴ Further, from 2017 to 2020, Vietnam's *carbon emissions increased by over 50%*.⁹⁵

84. Critically, *since making its Be Planet commitments in 2020, the company's Scope 3 emissions*—which make up more than 99% of the company's carbon footprint—*have more than doubled* to 1,691,009 tCO₂e.⁹⁶ And *these emissions are on track to continue to increase* as Lululemon has a stated goal of doubling its 2021 revenue by 2026.⁹⁷ Notably, Lululemon's products most heavily rely on polyester and nylon—materials that are *produced from fossil fuels*. In addition, Lululemon chooses to transport *a higher percentage of its products by air freight* than its competitors, despite the fact that *air freight generates significantly more greenhouse gas emissions* than marine shipping.⁹⁸

85. Lululemon's supply chain operations also used more than 29 billion liters of freshwater in 2022.⁹⁹ And the polyester and nylon materials so heavily relied on by Lululemon are *known to release significant amounts of microplastics into the planet's oceans and inland waters* when washed. And a significant amount of Lululemon's garments and packaging end up in landfills each year.

^{93.} Phasing out coal power in a developing country context: Insights from Vietnam, *supra*, at 1.

^{94.} *Id.*

^{95.} Vietnam Carbon (CO₂) Emissions 1990-2024, *supra*.

^{96.} 2022 Impact Report, *supra*, at 79.

^{97.} lululemon Announces Five-Year Growth Plan to Double Revenue by 2026 to \$12.5 Billion, *supra*.

^{98.} PublicEye, "Following in Zara's slipstream: the airborne fashion of other brands," (Dec. 18, 2023) available at <https://www.publiceye.ch/en/news/detail/following-in-zaras-slipstream-the-airborne-fashion-of-other-brands> (last visited Jul. 12, 2025).

^{99.} 2022 Impact Report, *supra* at 46.

b. Lululemon’s false, deceptive, and misleading environmental claims that overemphasize minor environmental benefits.

86. Separate and apart from the false, deceptive, and misleading representations above, Lululemon makes false, deceptive, and misleading representations that overemphasize the significance of certain environmental initiatives that provide only minor improvements or benefit relative to the company’s overall climate and environmental footprint. The effect of this type of marketing deflect attention away from the significant environmental harm caused by Lululemon’s business, and leaves consumers with the general impression that Lululemon is a planet-friendly company when it is not.

87. In an April 20, 2021, Press Release, Lululemon announced its “recommerce” program called lululemon *Like New* as “the latest efforts from the brand under its Be Planet pillar, which is focused on making products that are better in every way for people and the planet[.]” stating that Lululemon “is *actively working to help create a healthier future*[.]”¹⁰⁰

lululemon Delivers on its Impact Agenda Commitments with Two New Sustainability Initiatives Launching in May

Apr 20, 2021

lululemon Like New recommerce program and Earth Dye product capsule reinforce the brand’s focus on creating product experiences that are better for people and the planet

VANCOUVER, British Columbia--(BUSINESS WIRE)-- lululemon athletica inc. (NASDAQ:LULU) today announced two new initiatives that underscore lululemon’s commitment to its Impact Agenda and deliver on its future-facing commitments toward sustainability: lululemon*Like New*, the brand’s first-ever recommerce program, and Earth Dye, a new, limited-edition collection made with earth-friendly dyes, both launching this May. *The new initiatives are the latest efforts from the brand under its Be Planet pillar, which is focused on making products that are better in every way for people and the planet.*

^{100.} Available at <https://corporate.lululemon.com/media/press-releases/2021/04-20-2021-085727212> (last visited Jul. 12, 2024) (emphasis added).

“lululemon is actively working to help create a healthier future, and we are focused on meeting the goals detailed in our Impact Agenda, including making 100 percent of our products with sustainable materials and end-of-use solutions by 2030,” said lululemon CEO Calvin McDonald. “Our lululemon *Like New* and Earth Dye initiatives are both meaningful steps towards a circular ecosystem and demonstrate the sustainable innovation underway in product development and retail.”

Released in Fall 2020, lululemon’s Impact Agenda marked the brand’s stake in the ground toward an equitable, sustainable future, and outlined its vision to minimize environmental impact and contribute to a better world. Developing products with sustainable materials and end-of-use solutions are central to the multi-year strategy.

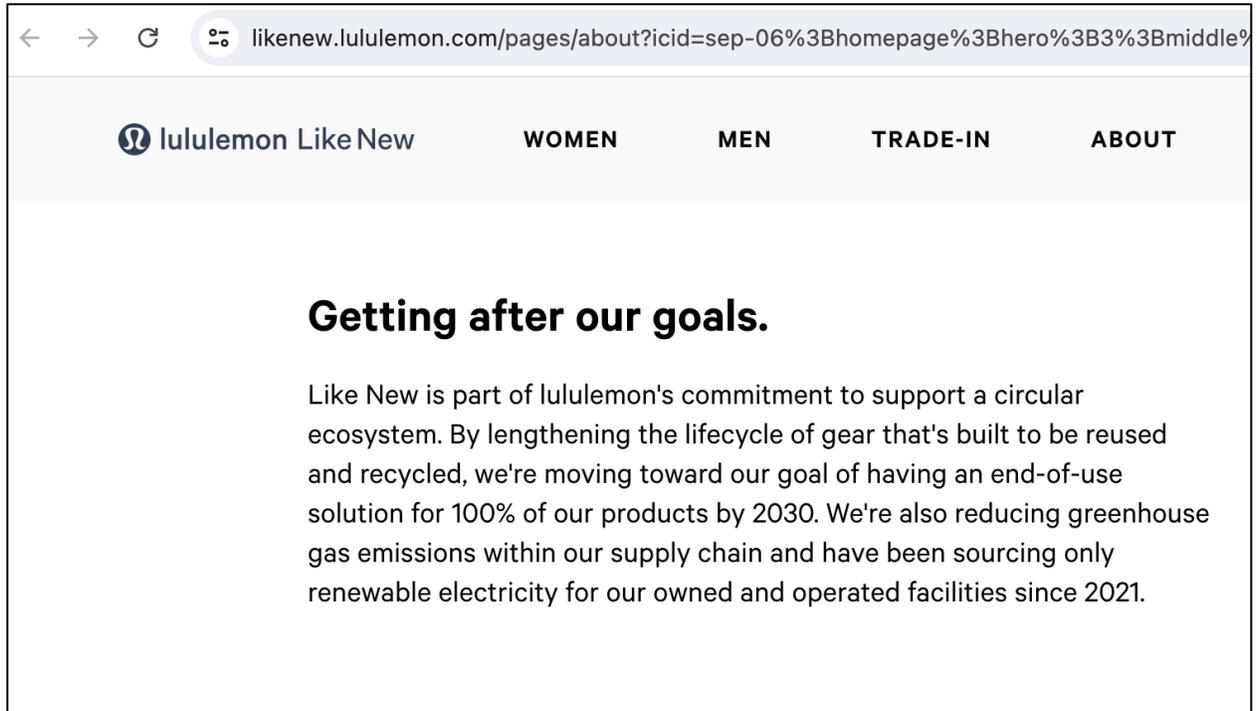
lululemon *Like New* is a creative and regenerative guest model, and one way the brand is extending the life of product that has been designed to last. lululemon also continues to innovate better materials. The lower impact dyes featured in the new Earth Dye collection follow the introduction of solution-dyed nylon, as well as recycled polyester and FSC® (Forest Stewardship Council®) certified rubber materials, among others. lululemon is a founding member of the Mylo™ Consortium as well, a group of forward-thinking global companies focused on contributing to a more sustainable future for fashion. Mylo™ is a sustainable alternative to leather made from renewable mycelium.

88. On its website, Lululemon states, “We also are on track to *make 100% of our products with sustainable materials* by 2030, and as of 2021, we’re *sourcing 100% renewable electricity* for our owned and operated facilities.”¹⁰¹

¹⁰¹.

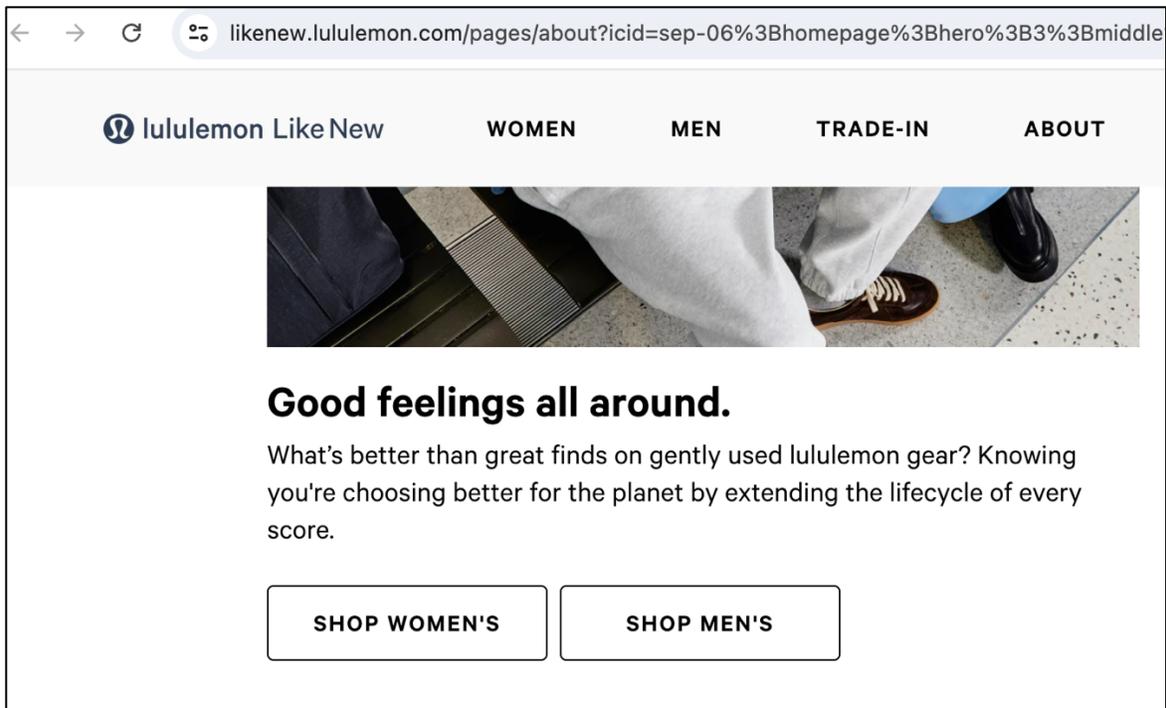
See

<https://likenew.lululemon.com/pages/about?icid=sep-06%3Bhomepage%3Bhero%3B%3Bmiddle%3Babout%3A1p> (last visited Jul. 12, 2024).



89. Lululemon also states on its website that “Good feelings all around. What’s better than great finds on gently used lululemon gear? Knowing you're helping restore a healthier planet.”¹⁰²

^{102.} *Id.*



90. The foregoing statements are unfair, false, deceptive, and misleading to reasonable consumers because they overemphasize the company’s environmental harm reduction efforts by using the relatively minor harm reduction benefits of this program to repeat and emphasize the false message that Lululemon is “helping restore a healthier planet.”¹⁰³ Even if the program could hypothetically lead to some relatively minor reductions in the environmental harm caused by the company—which, as noted above, is significant and growing—it is false and misleading to suggest that a consumer who takes part in the program—and chooses to pay the premium prices for Lululemon products—is “helping restore a healthier planet.”

91. Significantly, the “Like New” program is not well-designed to achieve its stated goals as Lululemon requires products to be returned in “like new” condition, and gift cards given in exchange for “like new” products can only be used on new items. In other words, while potentially promoting the use of some clothes for longer periods of time, the program is also

^{103.} *Id.*

promoting increased consumption of new clothes. While some discarded clothing might avoid the landfill for a few years, nothing about the program will “restore a healthier planet,” and Lululemon omits material facts regarding the total amount of the Company’s products sold in the U.S. or worldwide that are disposed into landfills, or the relative proportion of products returned through this program that are resold.

92. Lululemon’s statement that “we’re sourcing 100% renewable electricity for *our* owned and operated facilities” is misleading because Lululemon fails to disclose that that the company’s *owned and operated* facilities have only ever made up an extremely small percentage of the company’s greenhouse gas emissions, whereas the company’s Scope 3 greenhouse gas emissions made up *over 99.7% of the company’s emissions in 2022,¹⁰⁴ and are increasing.*

93. Lululemon’s statement that its Like New program will “restore the environment” is misleading because nothing about the program will *restore* the environment. At best, the program could only hypothetically cause some reduction to the tones of Lululemon apparel products that will end up in landfills.

94. Lululemon’s statement that it is “on track to make 100% of our products with sustainable materials by 2030” is misleading because it suggests that *each of its products* will be 100% made from “sustainable” products without disclosing the extent of “sustainable” material that will be used in each product. Further and for the reasons discussed above, Lululemon’s products, even if made with recycled polyester or nylon will still cause environmental harm.¹⁰⁵

^{104.} See 2022 Impact Report, *supra* at 50.

^{105.} If Lululemon includes rPET (recycled polyester) material within its definition of sustainable material, there are significant environmental issues with its use as discussed above.

95. Both individually and taken together, the foregoing misrepresentations and omissions mislead consumers by creating the false net and general impression that Lululemon is positively contributing to a healthier planet when it is not.

c. Lululemon’s false, deceptive, and misleading environmental claims relating to the company’s greenhouse gas emission targets.

96. Lululemon’s campaign also makes materially unfair, false, deceptive, and misleading representations and omissions regarding its plans to reduce its greenhouse gas emissions.

97. On its website, under the heading, “Climate Action,” Lululemon introduces its purported “2030 science-based climate targets,” which include “achieving: **60% absolute reduction of greenhouse gas (GHG) emissions** in all owned and operated facilities (Scope 1 and 2)” and **60% intensity reduction of GHG emissions** across our global supply chain (Scope 3)[.]”¹⁰⁶

^{106.} See <https://corporate.lululemon.com/our-impact/our-planet> (last visited Jul. 12, 2024).

A CAREERS SHOP

Climate Action

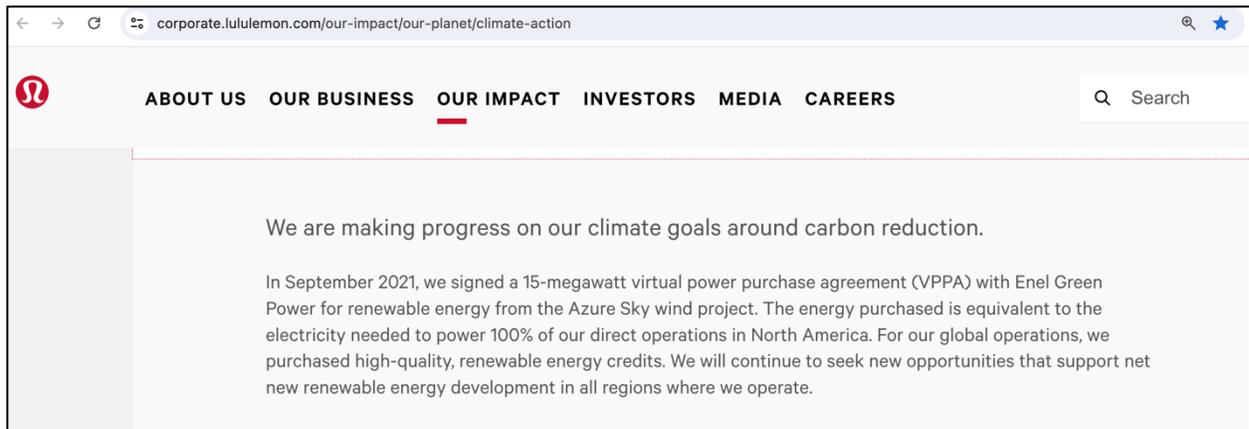
- Meet our science-based climate targets by achieving:
 - 60% absolute reduction of greenhouse gas (GHG) emissions in all owned and operated facilities² (Scope 1 and 2) by 2030
 - 60% intensity reduction of GHG emissions across our global supply chain³ (Scope 3) by 2030
 - Become a net-zero company by 2050⁴
- Goal Met: Achieve 100% renewable electricity to power owned and operated facilities by 2021

² Owned and operated refers to where lululemon has direct operational control. This goal refers to Scope 1 and 2 emissions.

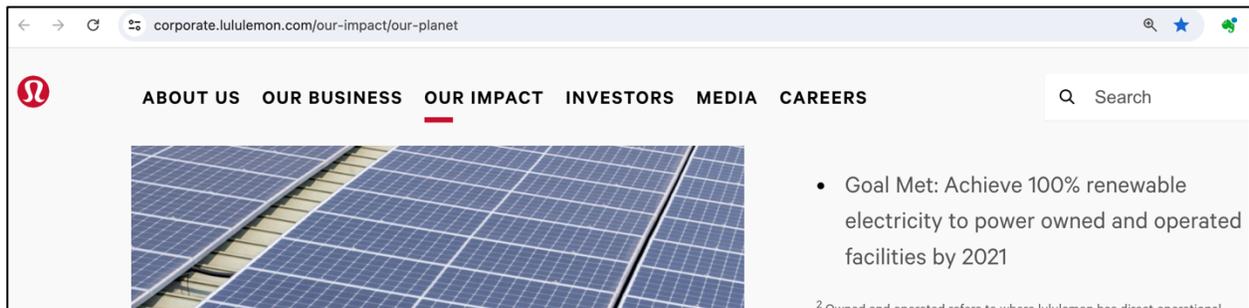
³ Includes purchased goods and services, and upstream transportation and distribution only. Intensity reduction is per net revenue from operations.

⁴ The Science Based Target Initiative's (SBTi) Net-Zero standard requires companies to cut emissions by >90% and use permanent carbon removal and storage to counterbalance the final <10% of residual emissions that cannot be eliminated. [SBTi](#) validated our target in 2024

98. Lululemon claims on its website that “We are making progress on our climate goals around carbon reduction.”¹⁰⁷



99. Lululemon represents on its website that the company met its goal to “[a]chieve *100% renewable electricity* to power owned and operated facilities by 2021.”¹⁰⁸



100. In its Impact Agenda 2020, Lululemon states, “We’re working toward a carbon-neutral future, starting with cutting our own emissions across our value chain and supporting a global movement for action.”¹⁰⁹

^{107.} See <https://corporate.lululemon.com/our-impact/our-planet/climate-action> (last visited Jul. 5, 2024).

^{108.} See <https://corporate.lululemon.com/our-impact/our-planet>

^{109.} See Impact Agenda 2020, *supra* at 32



Act on climate change and renewable energy.

Climate change is the defining challenge of our time. Humans produce more carbon dioxide than nature can absorb, and the apparel industry contributes to this problem. We're working toward a carbon-neutral future, starting with cutting our own emissions across our value chain and supporting a global movement for action.

BE PLANET.
32

101. Lululemon in its Impact Agenda 2020 makes the statement that, “By 2030, we will decarbonize our value chain, meeting ambitious science-based targets.”¹¹⁰



GOALS

By 2021, we will source 100 percent renewable electricity for our own operations.

By 2030, we will decarbonize our value chain, meeting ambitious, science-based targets.

LULULEMON 2020 IMPACT AGENDA

102. These representations are unfair, false, deceptive, and misleading to reasonable consumers.

103. First, Lululemon’s representations regarding its target to achieve 60% reduction in Scope 1 and 2 emissions is misleading because Lululemon fails to disclose that these emissions comprise only about 0.3% of Lululemon’s total greenhouse gas emissions. In other words, achieving this goal will, at best, have a negligible impact on Lululemon’s overall greenhouse gas

^{110.} *Id.* at 32.

emissions. Instead, by presenting the Scope 1 and 2 emission reduction targets in this manner, Lululemon creates the general (and false) impression that it is targeting significant greenhouse gas reductions.

104. Second, Lululemon’s representations regarding its target to reduce Scope 3 emissions is misleading because Lululemon presents the target as “intensity” based rather than absolute, and as the ultimate stated goal of the company is to become a net-zero company by 2050, it creates the misleading impression on consumers that Lululemon’s greenhouse gas emissions will be reducing towards net-zero when they are, in fact, increasing if Lululemon attains its revenue growth targets for 2026.¹¹¹ The problems and controversial nature of “intensity-based” emission reduction targets is well-recognized, as the Columbia Center on Sustainable Development reports:¹¹²

GHG reduction targets set by companies can be based on absolute emissions or on emissions intensity. An absolute target consists of a set number of metric tons of emissions, usually expressed in CO₂-equivalent (CO₂e) to account for CO₂ as well as other GHGs. Often this number is indicated as a percentage of emissions relative to a selected base year. For example, a cement company analyzed set a 2030 goal to reduce its GHG emissions by 28% relative to its selected base year of 2007. In turn, intensity-based targets measure metric tons of CO₂e per unit of production. Another cement company pledged to reduce its emissions intensity to below 520 kg CO₂e per metric ton of output by 2030. ***Intensity-based decarbonization goals are controversial, as they do not guarantee absolute emissions reductions.*** If a company’s emissions intensity decreases, but its production volume increases at a greater rate, its annual GHG emissions may still increase. Accordingly, absolute targets are preferable: a company that sets and achieves an absolute emissions target will shrink its carbon footprint, even if its production increases.

^{111.} lululemon Announces Five-Year Growth Plan to Double Revenue by 2026 to \$12.5 Billion, *supra*, at 38.

^{112.} Jack Arnold and Perrine Toledano, “Corporate Net-Zero Pledges: The Bad and the Ugly” *Columbia Center on Sustainable Development*, (1 December 2021), *available at* <https://ccsi.columbia.edu/news/corporate-net-zero-pledges-bad-and-ugly> (last visited Jul. 5, 2024) (emphasis added).

105. Finally, despite Lululemon’s many representations about being committed to restoring a healthy planet, Lululemon is not even on track to meet its own Scope 3 emission reduction target. In its most recent Impact Report, Lululemon reports that progress towards the target is not on track. The intensity of the company’s Scope 3 emissions has only decreased by 7%. The report notes that this environmental initiative “needs acceleration.”¹¹³ Despite these admissions, Lululemon made the marketing decision to continue with its Be Planet greenwashing campaign.

106. Lululemon’s numerous general claims regarding its carbon emissions, including that it is working toward a carbon-neutral future, that it is decarbonizing its value chain, and that it is making progress on its climate goals are also deceptive and misleading because they create the misleading impression that Lululemon is reducing carbon emissions across its supply chain. This impression is directly contrary to the fact that Lululemon’s carbon emissions increased significantly since the Be Planet marketing campaign was announced, with its total Scope 3 emissions having doubled between 2020 and 2022.

d. Lululemon’s false, deceptive, and misleading environmental claims about the company’s “vision,” “goals,” and “commitments.”

107. Lululemon’s marketing campaign also makes deceptive and misleading claims about the company’s “vision,” “goals,” and “commitments” that perpetuate the false impression in consumer’s minds regarding the sustainability and environmental impact of Lululemon’s products and actions.

108. In its Impact Agenda 2020, Lululemon states, “Our products and actions *avoid environmental harm* and *contribute to restoring a healthy planet.*”¹¹⁴

^{113.} 2022 Impact Report, *supra*, at 66.

^{114.} Impact Agenda 2020, *supra*, at 4 (emphasis added).

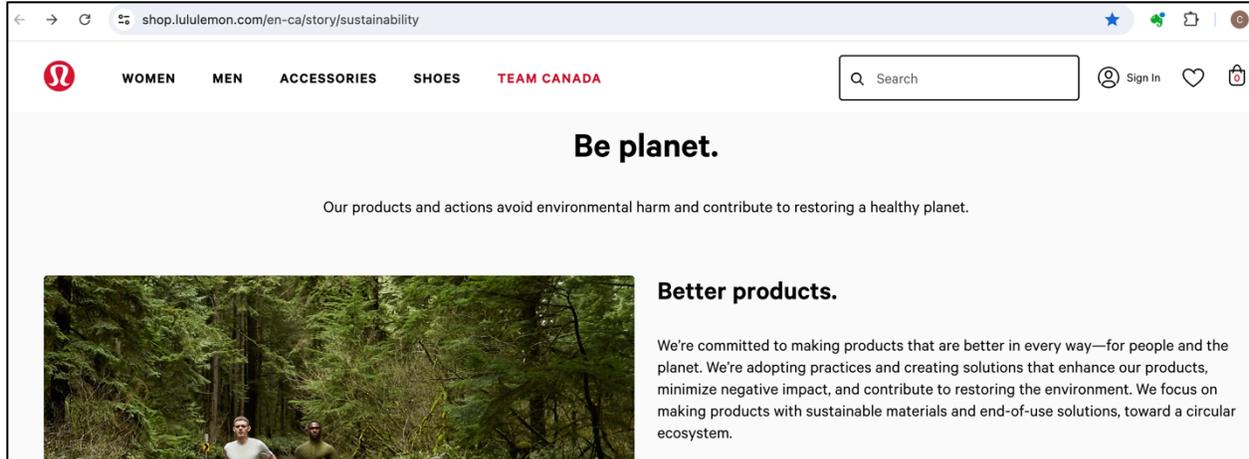
Our Impact Agenda is organized into three interconnected pillars, each with a vision for success, goals, and commitments and strategies:

Be human. Our people succeed because we create an environment that is equitable, inclusive, and fosters growth.

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

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

109. On its website, Lululemon states, “We’re committed to making products that are *better in every way-for...the planet.*”¹¹⁵



110. The foregoing statements are deceptive and misleading to reasonable consumers because, through these statements, Lululemon promises consumers that the company’s products and actions avoid environmental harm, contribute to the restoration of a healthy planet and are

^{115.} See <https://shop.lululemon.com/en-ca/story/sustainability> (last visited Jul. 12, 2024).

better in every way for the planet, but Lululemon’s actions and products, in fact, cause harm to the environment in ways discussed above. Lululemon is an apparel company with an enormous supply chain based in countries such as Vietnam, Cambodia, Sri Lanka, Bangladesh, and Indonesia, that produces substantial, and increasing, amounts of greenhouse gas emissions in the course of manufacturing millions synthetic textile apparel products that are packaged and transported to Lululemon’s many stores around the world. Not only does combustion of coal emit greenhouse gases, but it also emits toxic and carcinogenic pollutants into the air, water, and land. In fact, coal is so detrimental to the environment that the UN Secretary General António Guterres has urged governments and private companies alike to end their reliance on coal, calling this “the single most important step to get in line with the 1.5-degree goal of the Paris Agreement.”¹¹⁶

111. Lululemon relies heavily on synthetic fabrics in its products, with polyester and nylon representing over 60% of the company’s material mix, which release significant amounts of microplastics. Further, while Lululemon claims that it is converting to recycled polyester and nylon in its products,¹¹⁷ experts do not consider these products to be a truly sustainable alternative as they are energy intensive to manufacture, do not biodegrade and still release microplastics.¹¹⁸ A 2021 study found that washing knitted recycled polyester fabric, which is used by Lululemon,¹¹⁹

^{116.} United Nations Climate Change, “UN Chief Calls for Immediate Global Action to Phase Out Coal” (March 2, 2021), *available at* <https://unfccc.int/news/un-chief-calls-for-immediate-global-action-to-phase-out-coal> (last visited Jul. 12, 2024).

^{117.} *See* 2022 Impact Report, *supra*, at 55.

^{118.} Veronica Bates Kassatly and Dorothee Baumann-Pauly, “The Great Greenwashing Machine - Part 2: The Use and Misuse of Sustainability Metrics In Fashion” *Eco-Age*, *available at* https://eco-age.com/wp-content/uploads/2022/03/Great-Green-Washing-Machine-Report-Part-2_FINAL.pdf, at p. 33-39 (last visited Jul. 12, 2024).

^{119.} *See, e.g.,* Shop.Lululemon.com, “Boxy Knit T-Shirt” *available at* https://shop.lululemon.com/p/womens-t-shirts/Boxy-Knit-T-Shirt-MD/_/prod11450233 (last visited Jul. 12, 2024). This Boxy Knit T-shirt is described as smooth, knit fabric and is made with 100% recycled polyester.

shed 2.3 times more microfibers than virgin polyester.¹²⁰ It is also likely that many millions of Lululemon's products also end up in landfills. Additionally, in 2022, Lululemon reported that its priority suppliers, which produce approximately 84% of Lululemon's production value, used 29.2 billion liters of freshwater.¹²¹

CLASS ALLEGATIONS

112. Plaintiffs bring this action individually and as a class action under Fed. R. Civ. P. 23 on behalf of the following proposed Classes:

Nationwide Class: All persons who purchased any Lululemon branded product at a Lululemon retail location for personal use and not for resale in the United States since October 28, 2020.

Florida Subclass: All persons who purchased any Lululemon branded product at a Lululemon retail location for personal use and not for resale in Florida since October 28, 2020.

New York Subclass: All persons who purchased any Lululemon branded product at a Lululemon retail location for personal use and not for resale in New York since October 28, 2020.

California Subclass: All persons who purchased any Lululemon branded product at a Lululemon retail location for personal use and not for resale in California since October 28, 2020.

113. The proposed Classes defined above are, at times, collectively referred to as, the "Class."

114. Plaintiffs reserve the right to expand or narrow the definitions of the Class following discovery, including by narrowing the nationwide class to specific States whose consumer protection laws present common and predominant issues.

^{120.} İlkan Özkan & Sedat Gündoğdu, "Investigation on the microfiber release under controlled washings from the knitted fabrics produced by recycled and virgin polyester yarns" (2021) *The Journal of The Textile Institute*, 112:2, 264-272, available at <https://www.tandfonline.com/doi/full/10.1080/00405000.2020.1741760> (last visited Jul. 12, 2024).

^{121.} 2022 Impact Report, *supra*, at 66.

115. Excluded from the Classes are Defendants and their employees and agents.

116. Excluded from the Classes is any person who solely purchased a Lululemon branded product from Lululemon online via its website or online application.

117. Excluded from the Classes is any person whom an arbitrator finds is subject to Lululemon's Terms and Condition, and that the Terms and Conditions prohibit any such person from pursuing any remedy in Court, including for in-store purchases.

118. **Numerosity.** The members of the Class are so numerous that individual joinder is impracticable. Plaintiffs cannot know the exact number of Class members affected by Defendant's conduct, but Plaintiffs allege upon information and belief, that each Class includes, thousands of members and, at a minimum, at least 40 members. The members of the Class are ascertainable because they are defined by reference to objective criteria. The exact number and identities of the Class members are unknown at this time but can be ascertained through discovery, and identification of the Class members is a matter capable of ministerial determination from Defendant's records. Nevertheless, despite the estimated size of the Class, members of the Class may be notified of the class certification and pendency of this action by recognized, Court-approved notice dissemination methods, which may include U.S. Mail, electronic mail, Internet postings, and/or published notice through the assistance of a Class Action Administrator.

119. **Common questions of law and fact predominate.** There are numerous questions of law and fact common to the Classes that predominate over any questions affecting only individual members of the Classes, which will produce common answers that will drive resolution of the litigation, and they include, but are not limited to, the following:

- a. Whether Lululemon misrepresented facts related to the sustainability and environmental impact of its actions and products;

- b. Whether Lululemon omitted facts related to the sustainability and environmental impact of its actions and products;
- c. Whether Lululemon's misrepresentations and omissions were material;
- d. Whether Lululemon's misrepresentations and omissions would deceive a reasonable consumer;
- e. Whether Lululemon's misrepresentations and omissions violate the Florida Deceptive and Unfair Trade Practices Act;
- f. Whether Lululemon's misrepresentations and omissions violate Florida's misleading advertising law;
- g. Whether Lululemon was unjustly enriched;
- h. Whether the Class was damaged by Lululemon's conduct and the amount of such damages;
- i. Whether Lululemon should be enjoined from engaging in the conduct alleged herein; and
- j. For Class Members whom Lululemon contends are subject to Lululemon's Terms and Conditions, whether those Class Member are prohibited from pursuing any remedy in Court, including for their in-store purchases

120. **Typicality.** Plaintiffs' claims are typical of the claims of the members of the Class because they are based on the same factual and legal theories, Plaintiffs and the Class members were harmed by Defendants in the same way, and Plaintiffs are not subject to any unique defenses.

121. **Adequacy of Representation.** Plaintiffs will fairly and adequately protect the interests of the Class. Plaintiffs have retained counsel highly experienced in complex consumer

class action litigation, and Plaintiffs intend to vigorously prosecute this action. Further, Plaintiffs have no interests that are antagonistic to those of the members of the Class.

122. **Superiority.** A class action is superior to all other available methods for the fair and efficient adjudication of this lawsuit because individual litigation of the claims of all members of the Class is economically unfeasible and procedurally impracticable. While the aggregate damages sustained by members of the Class are in the millions of dollars, the amount of individual damages to each member of the Class resulting from Defendant's wrongful conduct does not warrant the expense of individual lawsuits. The likelihood of individual members of the Class prosecuting their own separate claims is remote and, even if every member of the Class could afford individual litigation, the court system would be unduly burdened by individual litigation of such cases.

123. The prosecution of separate actions by members of the Class would create a risk of establishing inconsistent rulings and/or incompatible standards of conduct for Defendant. For example, one court might enjoin Defendants from performing the challenged acts, whereas another may not.

CAUSES OF ACTION

COUNT I

Violation of the Florida Deceptive and Unfair Trade Practices Act, Fla. Sta. §§ 501.201, *et seq.*

(On behalf of the Florida Plaintiffs, the Nationwide Class, and the Florida Subclass)

124. Plaintiffs reallege and incorporate by reference the allegations in the above paragraphs 1 through 123, as though fully set forth herein.

125. FDUTPA “shall be construed liberally to promote the following policies: (1) To simplify, clarify, and modernize the law governing consumer protection, unfair methods of

competition, and unconscionable, deceptive, and unfair trade practices; (2) To protect the consuming public and legitimate business enterprises from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices in the conduct of any trade or commerce; [and] (3) To make state consumer protection and enforcement consistent with established policies of federal law relating to consumer protection. Fla. Stat. § 501.202(2).

126. Plaintiffs and the Class members are each a “consumer” within the meaning of the FDUTPA.

127. Defendants sells “goods” within the meaning of the FDUTPA.

128. Defendants are engaged in “trade or commerce” within the meaning of the FDUTPA.

129. Fla. Stat. § 501.204(1) declares unlawful “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce.”

130. Fla. Stat. § 501.204(2) states that “it is the intent of the Legislature that, in construing subsection (1) due consideration and great weight shall be given to the interpretations of the Federal Trade Commission and the federal courts relating to [section] 5(a)(1) of the Federal Trade Commission Act.”

131. As alleged herein, Defendants violated the FDUTPA by knowingly and intentionally misrepresenting and concealing and/or failing to disclose material facts regarding the sustainability and environmental impact of Lululemon’s actions and products.

132. By knowingly and intentionally misrepresenting, omitting, concealing, and failing to disclose material facts regarding the sustainability and environmental impact of Lululemon’s actions and products, as detailed above, Defendants engaged in unfair methods of competition,

unconscionable acts or practices, and unfair or deceptive acts or practices prohibited by the FDUTPA.

133. Defendants' unfair or deceptive acts or practices, including their misrepresentations, concealments, omissions, and suppression of material facts, as alleged herein, had a tendency or capacity to mislead and create a false impression in consumers' minds, and were likely to and, in fact, did deceive reasonable consumers, including Plaintiffs and the Class members, about the sustainability and environmental impact of Lululemon's actions and products.

134. The facts that Defendants knowingly and intentionally misrepresented, omitted, concealed, and/or failed to disclose would be considered material by a reasonable consumer, and were, in fact, material to Plaintiffs and the Class members, who consider such facts to be important to their decision to pay substantial premiums to purchase products they believed to be sustainably produced with a positive impact on the environment, from a company that falsely claimed to be environmentally conscious and to be taking active steps to improve the environmental crisis.

135. Defendants owed Plaintiffs and Class members a duty to not create an unfair, false, deceptive, or misleading impression concerning the sustainability and environmental impact of Lululemon's products and actions. Defendants possessed exclusive knowledge of the true facts, but intentionally concealed those facts from Plaintiffs and the Class members, and/or they made misrepresentations that were rendered misleading because they were contradicted by undisclosed facts.

136. Defendants have violated FDUTPA by engaging in its unfair and deceptive greenwashing campaign, which offends public policies and is immoral, unethical, unscrupulous and substantially injurious to consumers.

137. Plaintiffs and the Class members were aggrieved by Defendants' violations of the FDUTPA because they suffered ascertainable loss and actual damages as a direct and proximate result of Defendants' knowing and intentional misrepresentations, omissions, concealments, and failures to disclose material facts, as alleged herein.

138. Plaintiffs and the Class members purchased Lululemon products for a premium in reliance on Defendant's misrepresentations, omissions, concealments, and/or failures to disclose material facts, as alleged herein.

139. But for Defendant's deceptive acts and practices alleged herein, Plaintiffs and the Class members would not have purchased Lululemon products, or they would not have paid as much for such products and, thus, they did not receive the benefit of the bargain, and they suffered out-of-pocket loss.

140. Defendant's violations of the FDUTPA present a continuing risk of future harm to Plaintiffs and the Class members as Plaintiffs would like to purchase sustainable and environmentally friendly products Lululemon promises, but only if they can rely on Defendants to be truthful in their marketing statements regarding the sustainability and environmental impact of Lululemon's products and actions.

141. Defendants should also be ordered to conduct corrective advertising to remove the halo imprinted in consumers' minds regarding Defendant's environmental actions and products.

142. Pursuant to Fla. Stat. §§ 501.211(2) and 501.2105, Plaintiffs and the Class seek an award of damages, attorneys' fees, and costs.

143. Pursuant to Fla. Stat. § 501.211(1), Plaintiffs and the Class seek a declaratory judgment and injunction of Defendant's unlawful acts and practices alleged herein, and an order of restitution and disgorgement." ("Without regard to any other remedy or relief to which a person is

entitled, anyone aggrieved by a violation of this part may bring an action to obtain a declaratory judgment that an act or practice violates this part and to enjoin a person who has violated, is violating, or is otherwise likely to violate this part”).

WHEREFORE, the Florida Plaintiffs, individually and on behalf of their respective putative Classes, seek actual damages, injunctive relief, equitable relief including declaratory relief, restitution, pre- and post-judgment interest, reimbursement of costs, attorneys’ fees, and for any other relief that this Court deems just, appropriate, and proper.

COUNT II

Violation of the New York General Business Law N.Y. Gen. Bus. Law § 349, *et seq.* (On behalf of Plaintiff Reese and the New York Subclass)

144. Plaintiff Reese realleges and incorporates by reference the allegations in the above paragraphs 1 through 123, as though fully set forth herein.

145. New York General Business Law § 349(a) (“NY GBL”) declares unlawful “[d]eceptive acts or practices in the conduct of any business, trade, or commerce or in the furnishing of any service in this state.”

146. Plaintiff Reese and the New York Subclass members are each a “person” within the meaning of the NY GBL.

147. Defendants are engaged in “business, trade, or commerce” within the meaning of the NY GBL.

148. As alleged herein, Defendants violated the NY GBL by knowingly and intentionally misrepresenting and concealing and/or failing to disclose material facts regarding the sustainability and environmental impact of Lululemon’s actions and products.

149. By knowingly and intentionally misrepresenting, omitting, concealing, and failing to disclose material facts regarding the sustainability and environmental impact of Lululemon's actions and products, as detailed above, Defendants engaged in deceptive acts or practices prohibited by the NY GBL.

150. Defendants' deceptive acts or practices, including their misrepresentations, concealments, omissions, and suppression of material facts, as alleged herein, had a tendency or capacity to mislead and create a false impression in consumers' minds, and were likely to and, in fact, did deceive reasonable consumers, including Plaintiff Reese and the New York Subclass members, about the sustainability and environmental impact of Lululemon's actions and products.

151. The facts that Defendants knowingly and intentionally misrepresented, omitted, concealed, and/or failed to disclose would be considered material by a reasonable consumer, and were, in fact, material to Plaintiff Reese and the New York Subclass members, who consider such facts to be important to their decision to pay substantial premiums to purchase products they believed to be sustainably produced with a positive impact on the environment.

152. Thus, Plaintiff Reese and the New York Subclass members were injured by Defendants' violations of the NY GBL.

153. Defendants' violations of the NY GBL present a continuing risk of future harm to Plaintiff Reese and the New York Subclass members as they would like to purchase sustainable and environmentally friendly products Lululemon promises, but only if they can rely on Defendants to be truthful in their marketing statements regarding the sustainability and environmental impact of Lululemon's products and actions.

154. Defendants should also be ordered to conduct corrective advertising to remove the halo imprinted in consumers' minds regarding Defendants' environmental actions and products.

155. Plaintiff Reese and the New York Subclass seek an award of damages, attorneys' fees, and costs pursuant to New York General Business Law § 349(h), which allows for the recovery of "actual damages or fifty dollars, whichever is greater," as well as treble damages and attorneys' fees.

WHEREFORE, Plaintiff Reese, individually and on behalf of the putative New York Subclass, seeks actual damages, injunctive relief, equitable relief including declaratory relief, restitution, pre- and post-judgment interest, reimbursement of costs, attorneys' fees, and for any other relief that this Court deems just, appropriate, and proper.

COUNT III

**Violation of the California Consumer Legal Remedies Act,
Cal. Civ. Code § 1770, et seq.
(On behalf of Plaintiff Sayied and the California Subclass)**

156. Plaintiff Sayied realleges and incorporates by reference the allegations in the above paragraphs 1 through 123, as though fully set forth herein.

157. The California Consumer Legal Remedies Act ("CLRA") prohibits "unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer." Cal. Civ. Code § 1770.

158. Plaintiff Sayied and the California Subclass members are each a "consumer" within the meaning of the CLRA, as they purchased goods for personal, family, or household purposes.

159. Defendants sell "goods" within the meaning of the CLRA.

160. Defendants are engaged in "transactions" within the meaning of the CLRA.

161. As alleged herein, Defendants violated the CLRA by knowingly and intentionally misrepresenting and concealing and/or failing to disclose material facts regarding the sustainability

and environmental impact of Lululemon's actions and products.

162. By knowingly and intentionally misrepresenting, omitting, concealing, and failing to disclose material facts regarding the sustainability and environmental impact of Lululemon's actions and products, as detailed above, Defendants engaged in unfair or deceptive acts or practices prohibited by the CLRA.

163. Specifically, Defendants violated the following unfair methods of competition and unfair or deceptive acts or practices prohibited by the CLRA:

- a. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have. Cal. Civ. Code § 1770(5);
- b. Representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another. Cal. Civ. Code § 1770(7); and
- c. Advertising goods or services with intent not to sell them as advertised. Cal. Civ. Code § 1770(9).

164. Defendants' unfair or deceptive acts or practices, including their misrepresentations, concealments, omissions, and suppression of material facts, as alleged herein, had a tendency or capacity to mislead and create a false impression in consumers' minds, and were likely to and, in fact, did deceive reasonable consumers, including Plaintiff Sayied and the California Subclass members, about the sustainability and environmental impact of Lululemon's actions and products.

165. The facts that Defendants knowingly and intentionally misrepresented, omitted, concealed, and/or failed to disclose would be considered material by a reasonable consumer, and were, in fact, material to Plaintiff Sayied and the California Subclass members, who consider such facts to be important to their decision to pay substantial premiums to purchase products they believed to be sustainably produced with a positive impact on the environment.

166. Thus, Plaintiff Sayied and the California Subclass members were damaged as a result of Defendants' violations of the CLRA.

167. Defendants' violations of the CLRA present a continuing risk of future harm to Plaintiff Sayied and the California Subclass members as they would like to purchase sustainable and environmentally friendly products Lululemon promises, but only if they can rely on Defendants to be truthful in their marketing statements regarding the sustainability and environmental impact of Lululemon's products and actions.

168. Defendants should also be ordered to conduct corrective advertising to remove the halo imprinted in consumers' minds regarding Defendants' environmental actions and products.

169. Plaintiff Sayied and the California Subclass members seek an award of damages, attorneys' fees, and costs pursuant to Cal. Civ. Code § 1780(d), which provides for recovery of "actual damages, punitive damages, and restitution," as well as attorneys' fees and costs.

WHEREFORE, Plaintiff Sayied, individually and on behalf of the putative California Subclass, seeks actual damages, injunctive relief, equitable relief including declaratory relief, restitution, pre- and post-judgment interest, reimbursement of costs, attorneys' fees, and for any other relief that this Court deems just, appropriate, and proper.

COUNT IV

**Violation of the California Unfair Competition Law,
Cal. Bus. & Prof. Code § 17200, et seq.
(On behalf of Plaintiff Sayied and the California Subclass)**

170. Plaintiff Sayied realleges and incorporates by reference the allegations in the above paragraphs 1 through 123, as though fully set forth herein.

171. The California Unfair Competition Law (“UCL”) prohibits “unfair competition,” which includes any “unlawful, unfair, or fraudulent business act or practice.” Cal. Bus. & Prof. Code § 17200.

172. Plaintiff Sayied and the California Subclass members are each a “person” within the meaning of the UCL.

173. As alleged herein, Defendants violated the UCL by knowingly and intentionally misrepresenting and concealing and/or failing to disclose material facts regarding the sustainability and environmental impact of Lululemon’s actions and products.

174. By knowingly and intentionally misrepresenting, omitting, concealing, and failing to disclose material facts regarding the sustainability and environmental impact of Lululemon’s actions and products, as detailed above, Defendants engaged in unlawful, unfair, and fraudulent business acts or practices prohibited by the UCL.

175. Defendants’ unlawful, unfair, and fraudulent acts or practices, including their misrepresentations, concealments, omissions, and suppression of material facts, as alleged herein, had a tendency or capacity to mislead and create a false impression in consumers’ minds, and were likely to and, in fact, did deceive reasonable consumers, including Plaintiff Sayied and the California Subclass members, about the sustainability and environmental impact of Lululemon’s actions and products.

176. The facts that Defendants knowingly and intentionally misrepresented, omitted, concealed, and/or failed to disclose would be considered material by a reasonable consumer, and were, in fact, material to Plaintiff Sayied and the California Subclass members, who consider such facts to be important to their decision to pay substantial premiums to purchase products they believed to be sustainably produced with a positive impact on the environment.

177. Thus, Plaintiff Sayied and the California Subclass members were injured as a result of Defendants' violations of the UCL.

178. Defendants' violations of the UCL present a continuing risk of future harm to Plaintiff Sayied and the California Subclass members as they would like to purchase sustainable and environmentally friendly products Lululemon promises, but only if they can rely on Defendants to be truthful in their marketing statements regarding the sustainability and environmental impact of Lululemon's products and actions.

179. Defendants should also be ordered to conduct corrective advertising to remove the halo imprinted in consumers' minds regarding Defendants' environmental actions and products.

180. Plaintiff Sayied and the California Subclass members seek an award of restitution, injunctive relief, and attorneys' fees and costs pursuant to Cal. Bus. & Prof. Code § 17203, which provides for the recovery of "any money or property, real or personal, which may have been acquired by means of such unfair competition" and for any other relief the court deems appropriate.

WHEREFORE, Plaintiff Sayied, individually and on behalf of the putative California Subclass, seeks restitution, injunctive relief, equitable relief including declaratory relief, restitution, pre- and post-judgment interest, reimbursement of costs, attorneys' fees, and for any other relief that this Court deems just, appropriate, and proper.

COUNT V

Unjust Enrichment (On behalf of Plaintiffs and the Classes)

181. Plaintiffs reallege and incorporate by reference the allegations in the above paragraphs 1 through 123 as though fully set forth herein.

182. Plaintiffs plead this claim in the alternative should they have no adequate remedy at law.

183. Defendants requested and knowingly and voluntarily received a monetary benefit from Plaintiffs and the Class members in the form of payments to purchase Defendants' deceptively marketed products, as alleged herein.

184. If Defendants had not misrepresented, omitted, concealed, and/or failed to disclose material facts regarding the sustainability and environmental impact of Lululemon's products and actions, Plaintiffs and the Class members either would not have purchased Defendant's products, or purchased them at the price they paid.

185. Additionally, Defendants sold more products and made more revenue than they otherwise would have but for their misleading Be Planet campaign. Because consumers purchased Defendants' products over its competitors' products due to the Be Planet campaign, Defendants' campaign was harmful to competition and unfairly took away market share from companies that did not engage in greenwashing practices.

186. Under such circumstances, it would be unfair for Defendants to reap the benefit of unjust profits without compensating Plaintiffs and the Class members for their value.

187. As such, Defendants were unjustly enriched, and Plaintiffs and the Class members are entitled to restitution and disgorgement in an amount to be determined at trial.

WHEREFORE, Plaintiffs, individually and on behalf of the putative Classes, seek restitution, disgorgement, pre- and post-judgment interest, reimbursement of costs, and for any other relief that this Court deems just, appropriate, and proper.

JURY TRIAL DEMAND

Plaintiffs demand a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of the proposed Classes, pray for the following relief:

- A. An Order certifying the Classes, appointing Plaintiffs as Class Representatives, and Plaintiffs' counsel as Class Counsel;
- B. An award of actual damages, compensatory damages, and punitive damages, as provided by law;
- C. An award of restitution to in an amount to be determined at trial;
- D. Disgorgement of Defendants' profits;
- E. An award of pre-judgment interest, in accordance with law;
- F. Appropriate preliminary and/or final injunctive or equitable relief;
- G. An award of the costs of suit and reasonable attorneys' fees as provided by law; and
- H. An award of such further and additional relief as is necessary to redress the harm caused by Defendants' unlawful conduct and as the Court may deem just and proper under the circumstances.

Dated: September 16, 2024

Respectfully submitted,

/s/ Chris Gold
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*Counsel for Plaintiffs and the Proposed
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on September 16, 2024, a true and correct copy of the foregoing was filed through the CM/ECF system which will send an electronic notification to all counsel of record on the service list below.

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