

2024 lululemon Supporting Statement

lululemon wants shareholders to believe that supplier assurances negate any need to assess the relationship between consumer beliefs about animal welfare and company performance. But this overlooks two important points: 1. Industry standards and supplier reassurances consistently fail to protect animals, and 2. Research shows that most consumers overwhelmingly prioritize peer recommendations, social media, and online reviews over a company's own marketing when deciding which brands to patronize or avoid.

Consumer demand for ethical fashion has escalated and shows no signs of slowing. By some estimates, the global vegan fashion market will top \$800 billion by 2030, and it's no wonder: Animal-derived materials are environmentally destructive *and* horrifically cruel.

PETA entities have investigated hundreds of operations producing animal-derived materials, including those certified as "responsible." These exposés show that animal welfare policies cannot prevent animals from being routinely beaten, burned, mutilated, slashed, skinned, and ultimately slaughtered in terrifying and violent ways.

A potential customer who searches for "Is cashmere ethical?" will inevitably come across video of goats screaming as hair is ripped from their skin with sharp metal combs. Further reading will reveal how the cashmere industry is quickly turning Mongolian grasslands into desert. Anyone who searches for "What is the Responsible Down Standard?" will see a worker tying ducks' legs together, stabbing them through the neck, throwing them on the ground, and cutting off their legs. Earlier this spring, PETA's landmark investigation of the alpaca industry made the news yet again when five shearers were charged by the Policía Nacional del Perú with cruelty to animals.

lululemon argues that animal-derived materials comprise only 1% of its materials portfolio by weight, but we live in an era in which a single social media post can incite public backlash. Is 1% worth risking our company's reputation and losing potential customers? We believe it is not.

Accordingly, we urge all shareholders to vote "FOR" this ethically and economically responsible resolution.