

Lowes Merchandise Sourcing Guidelines.

As a leader in the retail industry, Lowes takes its ethical and social responsibilities seriously. We are committed to upholding human rights and fair working conditions and ensure that our suppliers adhere to our legal, moral and ethical standards.

We ensure that all products we purchase come from ethical sources and that we, by association or otherwise, are not party to any illegal or unethical manufacturing practices.

We have a range of measures in place that form our responsible sourcing guidelines. All employees of Lowes, or agents working for Lowes, must comply with these guidelines at all times. They must ensure that any supplier, either local or offshore, must fully comply at all times.

The following represents the minimum requirements Lowes requires in regards to all our suppliers.

- All suppliers, either local or offshore, must comply with all laws, regulations, building codes, and industrial regulations of the country or countries in which they operate, at all times.
- Every factory that produces garments for Lowes must provide Lowes or its agents with their annual compliance certificate.
- Work conducted for Lowes cannot be subcontracted to another supplier. To ensure this every production run is checked both during manufacturing and at the time of shipping to ensure compliance as part of our quality assurance process.
- Lowes staff members conduct inspections of the facilities and working conditions for all suppliers in the countries we source from.

Lowes will not accept, under any circumstances, any of the following practices from the suppliers we deal with:

- Child labour
- Unsafe working conditions
- Illegal conduct
- Corruption
- Excessive work hours
- Discrimination
- Forced labour of any kind
- Denial of the right of freedom of association and of collective bargaining.
- Inhumane treatment

Lowes' goal is to only engage suppliers who operate under acceptable human rights conditions and protect workers' human rights. To monitor this, every supplier is subject to an independent audit on an annual basis. Audits conducted under the Business Social Compliance initiative (BSCI) which is initiative of the Foreign Trade Association (FTA) are an example.

This audit covers the following areas.

- Producer's background
- Management practise
- Health and social facilities
- Occupational Health and Safety
- Dormitories (if applicable)

- Environment
- Documentation
- Working hours
- Compensation
- Child labour
- Young Workers
- Forced labour
- Disciplinary measures
- Prison labour
- Freedom of association
- Collective bargaining
- Discrimination/harassment and abuse
- Working conditions.

Lowes will not source from a manufacturer who fails one of these annual audits.

Lowes seeks to form close, long-term relationships with its providers to better enable us to ensure that these guidelines are enacted.

Any staff member who fails to ensure these guidelines are adhered to will be subject to Lowes disciplinary procedures.