



KNOWTHECHAIN APPAREL & FOOTWEAR BENCHMARK

lululemon athletica inc.

Abstract

Commitments and programs targeted at addressing human trafficking and forced labor in our supply chain

Esther Speck

VP of Global Sustainability



Company Engagement Questions:

KnowTheChain Apparel & Footwear benchmark

Companies can use these questions to provide additional information relevant to KnowTheChain's benchmarking of companies' commitments and programs targeted at addressing human trafficking and forced labor in the supply chain.

Please note that answers to these questions will be made publicly available on the [website of Business & Human Rights Resource Centre \(BHRRRC\)](#), one of the partners in KnowTheChain. The project will maintain a strict standard of only including information provided via a company's public website or BHRRC's website in the evaluation.

Please send your answers to Felicitas Weber, KnowTheChain project lead: weber@business-humanrights.org, with a cc to Megan Wallingford, Senior Advisor, Advisory Services, Sustainalytics: megan.wallingford@sustainalytics.com.

We encourage companies to answer as many of the questions as possible. You may wish to focus particularly on those for which your company currently does not have information available on its website.

Name of company: lululemon athletica inc.

Name of respondent: Esther Speck

Position of respondent: VP of Global Sustainability

Respondent's contact information (email): especk@lululemon.com, 604.732.6124

Note: For companies with vertically integrated supply chains, any reference to 'suppliers' in the following questions includes manufacturing and production sites owned by the company.



Documents

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

Note: You may be aware that the Corporate Human Rights Benchmark (CHRB) is analyzing companies' broader human rights policies and performance. Where the KnowTheChain benchmark indicators are related to indicators of the CHRB, this is indicated under each engagement question.

We welcome that some companies have disclosed information on their human rights policies and practices for the Corporate Human Rights Benchmark (CHRB). Where companies have disclosed information on specific CHRB indicators, as well as any links available from the company website, these will be considered in the KnowTheChain analysis. Third party information and links to third parties websites will not be considered.

Public demonstration of awareness of and commitment to addressing human trafficking and forced labour

- Our commitment to, first and foremost, select vendor partners that share our values: "Our partners around the globe make it possible for us to develop and create beautiful products. Because we don't own our manufacturing facilities, we take great care in selecting our vendors through a screening process that helps to identify and vendors that share our company values and screen out any that don't." See Responsible Supply Chain: <http://info.lululemon.com/sustainability/responsible-supply-chain>
- Our commitment to responsible supply chain including addressing forced labour is set out on our website. See Responsible Supply Chain: <http://info.lululemon.com/sustainability/responsible-supply-chain>
- Our **Vendor Code of Ethics (VCoE)** is the cornerstone of our approach to a responsible supply chain, outlining our legal, humane and ethical standards of production. Any form of forced labour is a zero tolerance Code violation.
 - It applies to all Vendors, their employees and supply chains, is reviewed annually, and approved by the CEO.
 - As stated in the Code "The Vendor must ensure there is no use of Forced Labour, including but not limited to involuntary overtime and prison, indentured, trafficked or bonded labour. All work must be completed on a voluntary and legal basis and in good faith."
 - See our VCoE: http://info.lululemon.com/content/dam/lululemon/www-images/Footer/Sustainability/Responsive%20Supply%20Chain/lululemon_vendor_CoE_EN_05_2016.pdf
- See our VCoE management approach: <http://info.lululemon.com/sustainability/responsible-supply-chain/vendor-code-of-ethics>
 - Our assessment process helps us to maintain our standards by auditing all of our potential partners before starting a business relationship together, and then on an ongoing basis. See our assessment process: <http://info.lululemon.com/sustainability/responsible-supply-chain/assessment-process>
- Our **Foreign Migrant Worker (FMW) Standard** details our zero tolerance VCoE expectations with respect to a most vulnerable group; migrant workers who have traveled within country or from overseas to obtain employment.
 - Although developed for Taiwan in its first version, the standard states: "lululemon is committed to eradicating all forms of Human Trafficking and Forced Labour in our company's supply chain."
 - Our FMW Standard is incorporated into our Vendor Code of Ethics (VCoE) through our VCoE Manual
 - See Appendix A - Foreign Migrant Worker Standard
- Our **Global Code of Business Conduct and Ethics** sets out lululemon's values.
 - It applies to all officers, directors and employees, is reviewed annually, and approved by the Audit Committee of the Board of Directors.
 - The Code states: "we will not use forced or involuntary labour, child labour, or engage in human trafficking - nor will we tolerate any other individual or organization who engages in such practices. We are committed



- to a responsible supply chain, and all vendors must agree to uphold our ethical standards of production and adhere to our Vendor Code of Ethics.”
- See our Code:
<http://investor.lululemon.com/corporate-governance-document.cfm?documentid=2420>

 - Our **California Transparency In Supply Chains Act (SB-657) disclosure** outlines the steps we’re taking to prevent human trafficking and modern day slavery in our supply chain, ensuring our vendors meet internationally recognized standards and our Vendor Code of Ethics requirements. Our commitment is detailed here:
<http://info.lululemon.com/sustainability/responsible-supply-chain/human-rights-and-working-conditions/california-transparency-in-supply-chains-act>



Commitment and governance

Awareness and commitment

2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment, and provide information on how frequently it is updated

Related to indicator A.1.2 of the CHRB

Supply Chain Commitments and Governance

lululemon’s supply chain governance framework helps us uphold workers’ fundamental rights and eliminate forced labour in our supply chain. The framework consists of six key elements:

Policy/ Code	Application	Commitment	Location	Review and Approval
<i>Global Code of Conduct and Business Ethics</i>	lululemon’s highest ethical policy for directors, officers and employees (public)	“We will not use forced or involuntary labour, child labour, or engage in human trafficking - nor will we tolerate any other individual or organization who engages in such practices. We are committed to a responsible supply chain, and all vendors must agree to uphold our ethical standards of production and adhere to our Vendor Code of Ethics.”	http://investor.lululemon.com/corporate-governance-document.cfm?documentid=2420	annually review by Audit Committee of the Board of Directors last updated June 2016
<i>Vendor Code of Ethics</i>	lululemon’s highest policy for Vendors and their supply chains	Forced or bonded labour is a zero tolerance issue “The Vendor must ensure there is no use of Forced Labour, including but not limited to involuntary overtime and prison, indentured, trafficked or bonded labour. All work must be completed on a voluntary and legal basis and in good faith.”	http://info.lululemon.com/content/dam/lululemon/www-images/Footer/Sustainability/Responsiveness%20Supply%20Chain/lululemon_vendor_CoE_EN_05_2016.pdf	annually reviewed approved by CEO, EVP Operations last updated December 2015
<i>Foreign Migrant Worker Standard</i>	Cascading from our Vendor Code of Ethics, our FMW standard sets forth minimum requirements and provides clarity to Vendors and their third party Labour Brokers for ethical recruitment and management of Foreign Migrant Workers, a vulnerable population	“lululemon is committed to eradicating all forms of Human Trafficking and Forced Labour in our company’s supply chain.”	See Appendix A - Foreign Migrant Worker Standard Note: the FMW Standard is embedded in our VCoE manual.	annually approved by VP Global Sustainability last updated August 2015
Certificate of Compliance	a document certifying that the vendor conforms to the requirements set out in the Vendor Code of	“If the Vendor Facility fails to comply with the VCoE’s zero tolerance requirements, lululemon may in its sole discretion determine if the	Internal	annually or as required approved by VP Global Sustainability



Policy/ Code	Application	Commitment	Location	Review and Approval
	Ethics and Vendor Code of Ethics Manual	business relationship will continue.”		
Supplier Agreement	lululemon’s legal vendor contract between lululemon and suppliers, which includes acknowledgement of implementation of the Vendor Code of Ethics and expectation that the Supplier will provide a Certificate of Compliance	“Supplier understands the VCoE and VCoE Manual and will strictly comply with its terms and any amendments thereto provided by lululemon from time to time hereafter. Supplier will require and certify that all of its facilities, suppliers, contractors, subcontractors, employees and vendors that manufacture or assemble the Products or components of the Products comply with this VCoE and VCoE Manual.”	Internal	as required

Additional Policies and Commitments:

- *California Transparency In Supply Chains Act (SB-657)*
 - Our disclosure outlines the steps we’re taking to prevent human trafficking and modern day slavery in our supply chain, ensuring our vendors meet internationally recognized standards and our Vendor Code of Ethics requirements. Our commitment is detailed here: <http://info.lululemon.com/sustainability/responsible-supply-chain/human-rights-and-working-conditions/california-transparency-in-supply-chains-act>

Supply chain standards

3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.

Related to indicator A.1.2 of the CHRB

Supply Chain Standards

The table provided in the above question sets out our supply chain framework and commitments to upholding workers’ fundamental rights and freedoms, with respect to forced labour. An overview our responsible supply chain at lululemon can be found here:

<http://info.lululemon.com/sustainability/responsible-supply-chain>

Additional details on our key supply chain components are provided below

- First and foremost, we select vendor partners that share our values. See Responsible Supply Chain: <http://info.lululemon.com/sustainability/responsible-supply-chain>
- *Vendor Code of Ethics (VCoE)* is our main policy outlining our global compliance expectations to ensure that all our suppliers and their supply chains adhere to a single set of policies.
 - The VCoE is based on industry-recognized principles and standards, including the International Labour Organization’s conventions, the Universal Declaration of Human Rights, the United National Global Compact Principles, and the California Transparency Act.



- It provides the foundation for our vendor partners and us to evaluate facilities' social and ethical performance and progress, including forced labour.
- It is reviewed and updated annually.
- Compliance with the zero tolerance requirements on forced or bonded labour is a condition to either start or maintain a business relationship with lululemon. Additional requirements for the protection of worker rights such as freedom of association and collective bargaining, health and safety and working hours are also set out in the VCoE. Vendors must implement the VCoE and applicable laws into procedures and submit to verification and monitoring upon the request.
- To engage in business with us, suppliers must agree to our VCoE requirements as a condition of their legal contract with lululemon (Supplier Agreement) and by signing a Certificate of Compliance. These legal agreements commit them to upholding the fundamental rights and freedoms of their workers. All new garment factories and raw material mills must pass an in-depth (at least two days) on-site VCoE performance audit before we will engage in bulk business.
- See the VCoE:
http://info.lululemon.com/content/dam/lululemon/www-images/Footer/Sustainability/Responsive%20Supply%20Chain/lululemon_vendor_CoE_EN_05_2016.pdf
- See an overview of our VCoE Program: <http://info.lululemon.com/sustainability/responsible-supply-chain/vendor-code-of-ethics>
- *Foreign Migrant Worker Standard*
 - In July 2015, lululemon published a Foreign Migrant Worker (FMW) Standard to address forced labour issues for a particularly vulnerable group. With an initial focus on Taiwan, a region that is reliant on foreign migrant workers and produces a high proportion of our fabrics, the standard commits suppliers to specific policies, procedures and protection for migrant workers. In December 2015, the standard was updated to apply to all facilities with foreign migrant workers, including those outside of Taiwan (Version 1.1).
 - It is reviewed and updated annually.
 - See the FMW Standard at Appendix A.



Management

4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe the scope of their responsibility and how they interact with other internal teams, groups or departments

Related to indicator B.1.1 of the CHRB

Supply Chain Management and Accountability

- Our Chief Financial Officer and EVP, Operations is ultimately accountable for our VCoE performance.
- Our VP Global Sustainability oversees lululemon's Vendor Code of Ethics Program and is responsible for the Code and standards, strategy and management approach, implementation and performance. The VP Global Sustainability reports to the VP Legal and Corporate Secretary and EVP, Brand and Community to maintain independence, and leads the Sustainability department including Social Compliance.
- Our Partner Sustainability team, led by the Global Manager of Partner Sustainability, and reporting to the VP of Global Sustainability, leads social compliance implementation. The team is responsible for conducting supplier assessments, managing performance improvement, and building capacity within the supply chain. The team is responsible for implementing our Foreign Migrant Worker Standard and program.
- The Sustainability department collaborates with Sourcing, Quality, Production and Raw Materials teams. A cross-functional Supply Chain Sustainability working group meets monthly to discuss issues and progress, and our Global Partner Sustainability Manager participates in monthly cross-functional leadership meetings at our Asia liaison office, and bi-weekly meetings with the Sourcing team.
- Additional sustainability roles at head office are accountable for tracking: emerging issues; evolving our Code, programs and management approaches; education and capacity building; managing internal and external reporting; and leading disclosure.
- Performance against our Vendor Code of Ethics is reported to our Chief Financial Officer and EVP, Operations, Board Audit Committee, and Supply Chain Risk Management Committee.
 - The Supply Chain Risk Management Committee is chaired by our Chief Supply Chain Officer and includes executives from Product, Quality, Legal, Sustainability and Internal Audit functions.



Training

5. Does your company conduct training programs for internal decision-makers and suppliers' management teams on risks, policies and standards related to human trafficking and forced labor (this may include training on elements such as passport retention, payment of wages, and vulnerable groups such as migrant workers)? Please describe.

Related to indicator B.1.5 (internal training) and B.1.7 (training of suppliers) of the CHRB

Training of Decision Makers

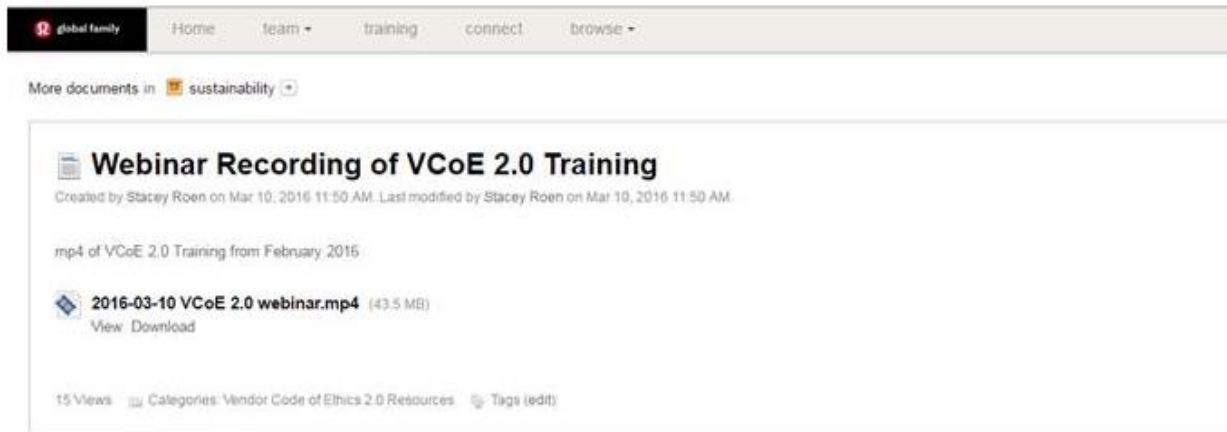
- We conduct formal trainings on our VCoE program for our senior leaders in sourcing, quality, and procurement departments, as well as all decision makers at our liaison offices at least on an annual basis. Training focus areas include building understanding of VCoE expectations, why these expectations exist, how we implement them, as well as procedures and actions for resolution. This training includes forced labour and what constitutes forced labour practices. A webinar version of this training is recorded and may be accessed by suppliers or employees.
- We conduct issue-specific training on emerging issues and risk. For example, in 2015, we conducted training on our Foreign Migrant Worker Standard (for Taiwan) with the same teams as noted above. We will continue to conduct foreign migrant worker-specific training and launch additional issue-specific training programs as required.

Training and Capacity Building of Suppliers

- New vendors - To engage in business with lululemon, vendors sign our Certificate of Compliance and undergo a two-day social compliance assessment. Prior to this in-person assessment, all potential suppliers are educated on our VCoE expectations and rationale, as well as highlights of likely issues they may encounter and best practice expectations, including a focus on forced labour practices. After this training, the VCoE assessment is conducted and Corrective and Preventative Action (CAPA) plans are developed. If the potential supplier passes the assessment, our business team completes the business engagement process. Once engaged, all new vendor partners complete online anti-bribery training and undergo lululemon's week-long onboarding process, which includes social compliance and sustainability training.
- Existing vendors - Existing supply chain partners are trained annually on general expectations with deep-dive training in key focus areas. In January 2016, we conducted five full-day training sessions on our updated VCoE program in Taiwan, China, Vietnam and Cambodia, as well as online webinar sessions. Over 85% of our finished goods factories and fabric vendor base participated, totaling 114 individuals. Expectations and best practices for engaging with foreign migrant workers was a core element of the training, and content included fabric mills sharing best practices from their facilities. We also conduct regionally-relevant, issue-specific training. For example, in Vietnam we recently hosted, in collaboration with one of our supplier partners, a training to interpret changes to labour laws. Webinars were recorded and are available on lululemon's intranet for suppliers.
- Foreign migrant worker-specific training - In July 2015, we introduced suppliers in Taiwan to our Foreign Migrant Worker Standard through a full day training. All active vendors participated, representing 24 Supplier facilities. The objective of the meeting was to train on intention, expectations, best practices and next steps. As a result, by the end of 2015 suppliers were able to implement the first level of our expectations, including returned passports, elimination of required savings and ensuring that labour brokers' fees to workers were not beyond legal expectations. The next iteration of our standard will have a deeper focus on recruitment fee practices, and will be launched in October 2016.



Image: Screenshot of Supplier Training posted on lululemon's Supply Chain Intranet



Stakeholder engagement

6. In the last three years, has your company engaged on human trafficking and forced labor, especially as it relates to the supply chain a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives? Please describe with whom your company has engaged, the purpose of the engagement and how it relates to forced labor and human trafficking in the supply chain, and your company's role and level of engagement.

Related to indicator A.1.4 of the CHRB

Engagement with Stakeholders on Human Trafficking and Forced Labour

- Our key area of engagement with stakeholders, including NGOs, IGOs and industry, has been around the issue of forced labour as it pertains to foreign migrant workers.
- In 2014, lululemon engaged in dialogue with the International Labour Organization, Better Work, and cross-industry leaders to build knowledge and discuss solutions to forced labour issues. From this dialogue, existing leading practices review, and an internal risk assessment, we made the decision to develop a standard, initially focused on foreign workers in Taiwan, where a high proportion of our fabric mills are located.
- In 2015, we then engaged with stakeholders (including Taiwan's workforce development agency, Taiwan's foreign migrant worker office, other industries, several progressive brands, and our Taiwanese Vendor Partners) to understand migrant workers' rights and current reality, develop a vision for what success might look like, and identify steps for progress. We developed and launched our Version 1.0 of lululemon's Foreign Migrant Worker Standard in July 2015 with the intention of achieving practical steps in the first year, and developing an updated standard the following year. We updated the standard to apply to all facilities with foreign migrant labour in December 2015 (v1.1), and are now initiating engagement with stakeholder to develop the second iteration of our standard, to be launched in October 2016.
- In parallel to updating our standard, we continue to engage with stakeholders toward a collaborative approach for addressing Foreign Migrant Labour issues. We are active participants in an informal collaborative of brands seeking to develop a systemic approach to foreign migrant worker issues, and are partnering with specific brands to share best practices and resolve issues in shared facilities. As stated in our Foreign Migrant Worker Standard: *"We acknowledge that reaching and maintaining these standards is a long-term and ongoing commitment by our Vendors. Lululemon will encourage and support our vendors toward continuous and sustainable improvement over time. Furthermore, we will seek partnerships with key stakeholders such as government, NGOs, local communities and other brands in order to make system-wide change that will have impact beyond our supply chain."*



- In addition to the multi-stakeholder initiatives noted above, we participate in several multi-stakeholder initiatives tackling supply chain issues, including traceability and worker rights. We are members of the Sustainable Apparel Coalition and American Apparel & Footwear Association, and buyer partners with Better Work Cambodia and Vietnam.

Traceability and risk assessment

Traceability

7. Please describe your company's supply chain tracing processes.

Does your company publicly disclose a) the names and locations of first-tier suppliers, and b) some information on suppliers beyond the first tier? If yes, please provide a URL.

Related to indicator D.2.3 of the CHRB

Supply Chain Tracing Process

- We work with a select vendor base and trace all tier 1 (finished goods), tier 2 (fabric mills) and their subcontractor suppliers and facilities. Our Sourcing Department is accountable for vendor onboarding and management; the Sustainability and Quality departments collaborate actively with Sourcing. lululemon holds direct relationships with all finished goods and raw material vendors and vendor facilities.
- All subcontractors must be declared and approved by lululemon. As outlined in our Certificate of Compliance “at all times, manufacturing Vendor Facility must keep lululemon informed about the current location/s of the production facilities where products for lululemon are manufactured, as well as provide contact details and locations of its subcontractors and on request, main suppliers of raw materials.”

First-Tier Supplier Disclosure

- We publicly disclose the names and locations of our first tier supplier facilities through the KnowTheChain disclosure.
- We work with 48 garment facilities in regions throughout the world, 26 of which belong to our top 10 vendor partners. See Appendix B for lululemon’s list of garment facility names and locations.

Suppliers Beyond First-Tier

- We publicly disclose information beyond our first tier suppliers through the KnowTheChain disclosure.
- We work with 57 material suppliers. The highest proportion of fabric suppliers are based in Taiwan. Other locations include Southeast Asia (Japan, Australia, New Zealand, South Korea, Vietnam, Sri Lanka, Indonesia), China, Europe (Italy, Austria), North America (USA), and South America (El Salvador).

Risk assessment

8. Please describe your companies’ risk assessment processes. Please include specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group (e.g. migrant workers in a specific context), as well as the forced labor risks identified through these risk assessment processes (e.g. high risk commodities or high risk sourcing countries).

For examples of commodities where forced labor risks have been identified - such as cotton from Brazil, silk from Uzbekistan or leather from the Bangladesh - see Verite (2016) - “Strengthening protections Against Trafficking in Persons in Federal and Corporate Supply Chains Research on Risk in 43 Commodities Worldwide”.

Related to indicator B.2.1 of the CHRB



Forced Labor Risk or Impact Assessment(S)

We have a multi-pronged risk assessment process that includes the following components:

- Vendor Code of Ethics:
 - First and foremost, we work with vendor partners that align with our values. Through partnership, we can better understand and address risks and opportunities for the present and future.
 - Risk assessments are a key component of our approach to responsible supply chain. VCoE assessments are conducted upon engagement and at least every 18 months. These assessments consider 120 questions that include forced labour practices. If any issues arise, suppliers must resolve the issue. In addition, all suppliers must declare if they employ foreign migrant labour, which triggers the application of our Foreign Migrant Worker Standard. The VCoE assessment findings help us identify and evaluate risk.
- Annual Planning and Business processes:
 - On an ongoing basis and as part of our annual planning process, we assess risk by external issues (through stakeholders, third party risk assessment tool, in-the field teams), by supplier VCoE assessments, by sourcing location and volume, and by process.
 - As an example of how emerging risks informs business processes, we tracked forced labour as a growing concern in our and other industries. Through our VCoE findings, country practices, and business volume, Taiwan was prioritized as a country of focus due to high likelihood of vulnerable populations (foreign migrant workers) and the scope of our operations (a high proportion of our raw materials are sourced from Taiwan). Our response was to develop a Foreign Migrant Worker standard, initially focused on Taiwan. Based on implementation learnings, the standard was updated to apply to all facilities with foreign migrant workers in December 2016.
- Supply Chain Risk Management Committee:
 - Supply chain risks are assessed holistically by our Supply Chain Risk Management Committee, which includes executive representatives in Product, Quality, Legal, Sustainability, Logistics and Internal Audit.
- Enterprise Risk Management:
 - lululemon's enterprise risk management (ERM) process prioritizes top risks across the business. The VP Global Sustainability participates in the ERM process. Supply chain risks are considered through the ERM process. Risks and mitigation approaches are presented to the Executive and Board.

Public Disclosure of Risks

- Supply chain risks are publicly disclosed in our 10-K and forced labour risks on our Sustainability site.
- Our California Transparency In Supply Chains Act (SB-657) disclosure outlines the steps we're taking to prevent human trafficking and modern day slavery in our supply chain. See California Transparency Act disclosure: <http://info.lululemon.com/sustainability/responsible-supply-chain/human-rights-and-working-conditions/california-transparency-in-supply-chains-act>

Purchasing practices

9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.

Related to indicator D.2.2 of the CHRB



Awareness of Purchasing Practices' Influence on Forced Labour

- lululemon recognizes that practices such as short-term contracts, excessive price pressure and order volatility increase the risk of human right and labour violations, including forced labour practices. Our long-standing commitment to fostering a supply chain that shares our values, that is resilient, responsible and able to deliver quality and innovation, drives a partner-centric and long-term approach.

Mitigating Risk of Forced Labour Caused by Purchasing Practices

- We take steps to mitigate risks caused by certain purchasing practices by:
 - Taking a long term view - Our vendor partnerships are based on long term relationships, not short-term contracts. The stability of our vendor base is a reflection of this approach. We foster deep relationships with top 10 vendor partners in finished goods and raw materials, which produce a majority of our products and fabrics. We engage in annual multi-year planning discussions (5year, 3year and 1year/3seasons). We review capacity on an ongoing basis, at least quarterly.
 - Understanding and addressing root causes of overtime - Overtime is often a symptom of sudden changes in workload due to order volatility, which may increase risk of forced labour practices. To better understand reasons for overtime (or other undesirable practices), we have implemented a process requiring vendors to request approval and provide a rationale for overtime. We track rationales, identify systemic issues and work internally and with our vendors to address them. For example, the most common rationales for overtime are production planning in peak season, and unforeseen circumstances (e.g. natural disaster, raw material issues). In response, we work to allocate capacity in ways that minimize volatility. (Additional details are provided in our response to the next question.)
 - Conducting quarterly self-assessments of purchasing practices - As part of our quarterly vendor reviews, we also assess our own practices and implement actions for continual improvement. While our Sourcing team works to plan accurate production based on the capacity our vendors have for lululemon production, order volatility is a challenge. We are taking action to continually improve order stability and operational excellence through cross-functional work with Sourcing, Design and Merchandising.
 - Avoiding excessive price pressures - We work with our vendor partners to understand costs and identify solutions for mutually elevated performance and operational efficiencies, which result in cost savings.

Supplier selection

10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them (this may include aspects such as passport retention and payment of wages)? Please describe.

Related to indicator B.1.7 of the CHRB

Advanced Assessment of Forced Labour Risks

- First and foremost, we select vendor partners that share our values. See Responsible Supply Chain: <http://info.lululemon.com/sustainability/responsible-supply-chain>
- Engaging new suppliers involves an in-depth assessment process. Our sourcing team initiates the onboarding process of a potential new supplier (as partners, they consider potential sustainability issues). Once supplier capabilities are confirmed, the Partner Sustainability team is engaged and a 120-point Vendor Code of Ethics (VCoE) assessment is conducted. The VCoE includes questions on forced labour practices.



- Compliance with our VCoE is a non-negotiable pre-condition to start and maintain a business partnership with us. All manufacturing partners, including garment facilities, fabric mills and subcontractors are required to uphold our VCoE requirements. Facility assessments are done by an in-house team of experts and/or third party assessment partners.
- Our initial VCoE assessment of all product suppliers involves at least two days to review documentation, conduct visual inspections and interview workers and managers, and consider all elements of our VCoE and our Foreign Migrant Worker standard, if applicable.
- Read more about our assessment process:
<http://info.lululemon.com/sustainability/responsible-supply-chain/assessment-process>

11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands (to reduce the risk of undeclared subcontracting)?

- Our Sourcing team works with our suppliers closely to understand their capacity and capabilities. When certain processes are not possible in-house, the supplier must declare specific subcontractors that they intend to use and gain lululemon authorization. This expectation is part of our Supplier Agreement, and a key area of management focus.
- On an ongoing basis, Sourcing meets with our suppliers to review and align on future business demands, reviewing capacity on a seasonal basis and supplier performance on a quarterly basis. Capacity is allocated across other vendors when we encounter challenges.
- Our supply chain, sustainability and quality processes result in strong supplier relationships, resulting in a reduced risk of undeclared subcontracting. We work closely with our suppliers, and have Quality and Sustainability field teams who are regularly in supplier facilities.

Integration into supplier contracts

12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

Related to indicator B.1.4.b of the CHRB

Integration into Supplier Contracts

- Yes, we integrate our supply chain standards addressing forced labour and human trafficking into supplier contracts.
- We do this through our Supplier Agreement which states “Supplier understands the Vendor Code of Ethics and the Vendor Code of Ethics Manual and will strictly comply with its terms and amendments thereto provided by lululemon from time and time hereafter. Supplier will require and certify that all of its facilities, suppliers, contractors, subcontractors, employees and vendors that manufacture or assemble the Products or components of the Products comply with this Vendor Code of Ethics and Vendor Code of Ethics Manual.” The Supplier Agreement is the contract between lululemon and our suppliers.



Cascading standards

13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

Related to indicator A.1.2 of the CHRB

Extending Standards Beyond First-Tier Suppliers

- We require our first-tier suppliers to ensure that their own suppliers implement standards aligned with our Vendor Code of Ethics. As noted in our Supplier Agreement “Suppliers will require and certify that all of its facilities, suppliers, contractors, subcontractors, employees and vendors that manufacture or assemble the Products or components of the Products comply with this Vendor Code of Ethics and Vendor Code of Ethics Manual.” Further, we have agreements in place with our nominated suppliers, which require compliance with our VCoE.
- We require that all subcontractors for lululemon production be approved by our VP Global Sustainability and VP Sourcing. Further, we conduct VCoE audits with subcontractors that have foreign migrant workers and/or deliver processes that may pose risk to workers or the environment.
- With respect to suppliers who hire foreign migrant labour, we require that they have a policy that is aligned with our expectations, and communicate this with labour brokers in legally binding service contracts.
- As noted in our Foreign Migrant Worker Standard “the Vendor must develop a written corporate policy for the hiring and employment of Foreign Migrant Workers (the FMW Policy), which at minimum sets out specific policy, procedures and protection for migrant workers throughout the employment cycle in accordance with applicable laws, the lululemon VCoE and the lululemon FMW standard.” Further, “the Vendor’s FMW Policy must be communicated in written form and included in legally binding service contracts with all third party Labour Brokers involved in the recruitment and employment of FMW.”

Recruitment approach

14. Please describe your company's recruitment approach, including a) whether your company requires recruitment agencies in its supply chain to uphold workers' rights (this may include aspects such as written contracts, access to passports, and regular payment of wages), b) whether it has a policy on direct employment (i.e. a policy prohibiting suppliers in its supply chain from using recruitment agencies), and c) whether it requires suppliers to disclose to the company the recruiters that they use.

Related to indicator D.2.5.b of the CHRB

Awareness of Risk of Exploitation by Recruitment Agencies and Brokers

- Awareness of the risk of exploitation of foreign migrant workers led lululemon to develop a Foreign Migrant Worker (FMW) Standard for Taiwan in July 2016, and update this to apply to all facilities with foreign migrant workers in December 2016.
- See the FMW Standard in Appendix A.

Policy Requiring Recruitment Agencies to Uphold Worker Rights

- The FMW Standard includes expectations requiring recruitment agencies in our supply chain to uphold worker rights. It sets forth the requirements and provides clarity to Vendors and their third party Labour Brokers for the appropriate and ethical, fair recruitment and management of foreign migrant workers by, or on behalf of Vendors doing business with



lululemon. These provisions are a culmination of legal requirements and international standards established by widely-recognized and credible organizations such as the United Nations' International Labour Organization (ILO), the Institute for Human Rights and Businesses, The Fair Labor Association and Verité. Expectations for the recruitment process and pre-employment, during employment and after employment are spelled out in detail in our standard.

- As noted in our Foreign Migrant Worker standard *“the Vendor must develop a written corporate policy for the hiring and employment of Foreign Migrant Workers (the FMW Policy), which at minimum sets out specific policy, procedures and protection for migrant workers throughout the employment cycle in accordance with applicable laws, the lululemon VCoE and the lululemon FMW standard.”* With respect to 1.4 Forced, Bonded or Involuntary Labour, *“Workers, including FMWs, must not be subject to any form of forced, compulsory or indentured labour. All work must be voluntary and all workers must be free to terminate their employment any time, without penalty. Prison or indentured labour must not be used.”*
- With respect to 1.2 Communication to third party Labour Brokers/agents, *“the Vendor’s FMW Policy must be communicated in written form and included in legally binding service contracts with all third party Labour Brokers involved in the recruitment and employment of FMW.”* Further, *“the Vendor must have a written and documented process to in place to monitor its own and third party Labour Broker’s compliance with the FMW policy.”*

Policy Requiring Direct Employment

- Direct employment is our preference as outlined in our FMW Standard *“where practicable, the Vendor will directly recruit and hire FMW.”*

Recruiter Disclosure

- We require the vendor to use only licensed recruitment agencies, and our Vendor Code of Ethics (VCoE) transparency expectations require that we have access to the legal service agreements. As part of our VCoE and our FMW Standard assessment, suppliers are asked to disclose the names of their recruitment agencies. We regularly review legal service agreements with Recruitment Agencies as part of our VCoE assessments, and actively follow up on any violations.

Recruitment fees

15. Please describe your company’s approach to recruitment fees in the supply chain, including whether your company requires that no fees be charged to supply chain workers during recruitment processes, and whether and how your company ensures that fees paid by workers are reimbursed.

Related to indicator D.2.5.b of the CHRB

Recruitment Fees

- As mentioned in responses to previous questions, recognizing that foreign migrant workers are a population vulnerable to forced labour practices, lululemon initiated a dialogue on potential solutions and approaches in 2014. As a first step, we decided to focus on Taiwan, which relies on foreign migrant workers and constitutes the highest proportion of our fabric vendor base. We developed a Foreign Migrant Worker (FMW) Standard in collaboration with our vendor partners and other stakeholders. It is updated at least annually.
- Version 1.0 of the Standard was launched in July 2015 focusing on Taiwan, and updated to Version 1.1 to include all facilities with foreign migrant workers. The first version of the standard requires that suppliers abide by their country’s or state’s legal fee requirement and that no fees shall be charged in advance. Since launch, all existing Vendor Partners have remediated recruitment and bonded labour practices to align with the standard.
- After one year of implementation, we are initiating the development of version 2.0 of the FMW standard. In the next version, we will evolve our requirement to contractors and vendors being responsible for recruitment fees of foreign



workers. As with version 1.0, lululemon will consult with stakeholder to develop the expectation and collaborate with vendor partners to achieve compliance over an appropriate time period.

Reimbursement of Inappropriate Fees

- If a situation is found where workers are charged excessive fees, whether in the worker's home or work country, we require our Vendor to take action to prevent it from happening again and to ensure the worker is reimbursed the full fees.
- In 2015, we found two instance of agencies that charged fees beyond legal expectations. In one instance, our vendor partner worked with their agent to resolve the issues and reimburse overcharged fees. In the other instance, at a subcontractor facility, our vendor no longer uses the subcontractor for our products for multiple reasons.

Recruitment audits:

16. Does your company audit recruiters used in its supply chain, to assess risks of forced labor and human trafficking, and/or require suppliers to audit their recruiters?

For further information, see Verité - [Fair Hiring Toolkit. Conducting Interviews with Labor Recruiters.](#)

At this time, we do not have this requirement.

Worker voice

Communication of policies to workers

17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain, and whether your company makes its policies and standards available in the languages of suppliers' workers (including migrant workers).

Related to indicator B.1.4.b of the CHRB

- As noted in our Vendor Code of Ethics Manual regarding an informed workplace: "The Vendor must communicate information on employee rights and obligations defined by this Code and applicable laws both orally and through the posting of the lululemon Code of Ethics in the language of employees."
- We require all vendors to post our Vendor Code of Ethics (VCoE), containing a zero tolerance requirement for forced labour, in the facilities in prominent areas and in languages understood by local and foreign workers. The VCoE is translated into Bengali, French, Cantonese, Indonesian, Khmer, Mandarin, Sinhala, Spanish, Tagalog, Thai and Vietnamese. The VCoE contains an email address for workers to reach out to us, a method that is actively used by workers.
- We further communicate our expectations during on-site assessments during interviews with workers. We also pass out our business cards, and have found SMS messages to be a well-used way of reaching us.

Worker voice

18. Please describe how your company engages with workers in its supply chain on labor related issues and rights outside of the context of the factories/farms in which they work? (whether directly or in partnership with stakeholders).

[Example available here](#)

Related to indicator B.1.8 of the CHRB



Worker Voice

- Workers can reach us by email or SMS, as indicated above. Our Regional Partner Sustainable Managers are in active contact with workers, who reach out to us to communicate issues that require improvement.
- lululemon is passionate about our vendor partner communities. We have a partnership program called “Metta”, where, on an annual basis, our vendors submit projects that are important in their communities. We invest dollars and other resources to help build local community health and wellbeing. Examples include:
 - In Sri Lanka - Funds and product to Vendor Partners for projects that include: a higher education scholarship program for disadvantaged children; funds to help build and cover operating costs of a pre-school for factory employees’ children that also houses an adult counseling center; a community support network focusing on family life that helps factory employees overcome day to day issues that hinder their personal and career growth; financial management and health programs for workers.
 - In Cambodia - Funds to a Vendor Partner for a Girl’s Education Program in partnership with Room to Read

We are committed to assessing and evolving this program in 2017 in order to elevate support for and positive impact in our vendor workers’ communities.

Worker empowerment

19. Please explain how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing, where there are regulatory constraints on freedom of association.

For additional information on worker empowerment, see context in “Responding to Challenges of Freedom of Association” chapter of Ethical Trading Initiative’s practical guide on “Freedom of Association in Company Supply Chains”, and related company example on page 35

Related to indicator D.2.6.b of the CHRB

- As noted in our Vendor Code of Ethics “The Vendor must allow employees the right to choose, form, belong or not belong to a union, or any other type of employee organization, and take part in related activities.”
- In worker interviews and through other channels, we assess whether workers are able to pursue alternative forms of organizing. Efforts to enable alternative forms of organizing include our buyer membership with Better Work (Cambodia and Vietnam) who engage with facilities to understand and support their needs, including opportunity for alternative forms of organizing.

Grievance mechanism

20. Please describe your company’s grievance mechanism, and clearly indicate whether it is available to workers in the supply chain, and how it is communicated to workers in the supply chain. Please also note whether you require your suppliers to establish a grievance mechanism, and to convey the same expectation to their suppliers.

Related to indicator C.1 and C.5 of the CHRB

- lululemon does not yet have a formal procedure that allows workers to report grievances to an impartial entity. We are committed to establishing an independent grievance mechanism for suppliers’ workers by 2017.
- A number of our supplier facilities have independent grievance mechanisms available to workers.



Monitoring

Auditing process

21. Please describe your company's supplier auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents (documents may include wage slips, information on labor recruiters, contracts, etc.)¹, and c) interviews with workers.

For further details on document reviews see Verite - [Fair Hiring Toolkit. Conducting a Review of Documentation.](#)

Related to indicator B.1.6 of the CHRB

Audits and assessments are key components of our approach to a responsible supply chain.

Scheduled and Non-Scheduled Visits

- We audit all garment factory and raw material vendor partner facilities going into production together and regularly thereafter, at least every 18 months depending on facility risk and performance (in addition to ongoing follow up).
- We conduct scoped assessments of high risk subcontractors (high risk as defined by countries that have foreign migrant workers, and high exposure processes), and expect our suppliers to conduct assessments of all subcontractors and supply us with findings prior to our independent assessment.
- Assessments are conducted using our in-house team of experienced experts, and commission third party assessments when we require capacity and to maintain independence.
- As per our Supplier Agreement, we have the right to conduct both announced and unannounced assessments. See our website for further detail at:
<http://info.lululemon.com/sustainability/responsible-supply-chain/assessment-process>

Document Review and Worker Interviews

- Full assessments are typically two in-person days, and include meetings with facility management, site visit (including dormitories and canteens, locations for independent storage of and access to identification documents), document reviews (from policy to payroll documents), and interview of employees at all levels of the organization.
 - Document reviews include: contract reviews, payment records, wage slips, information on/contracts of recruiters, training and grievance and disciplinary action records and response.
 - Worker interviews include: questions on the recruitment process and contract terms, identification documents, wage processes, and regular questions with respect to human rights and labour practices. A typical assessment includes interviews with at least 20 workers.
- A 120-point questionnaire guides our assessment, which is expanded in cases of Foreign Migrant Labour. All assessments end in closing meetings with facility senior management to present findings and agreed-upon timeframe for implementation of a corrective action plan, if necessary.

Audit disclosure

22. Does your company disclose: a) the percentage of suppliers audited annually b) the percentage of unannounced audits c) the information on who carried out the audits, and d) a summary of findings, including details of any violations revealed? Please provide a URL with the relevant information.

Related to indicator B.1.6 of the CHRB



For 2016, our audit disclosures will be reported through this KnowTheChain assessment. We are committed to disclosing additional information on our website in 2017, including:

Percentage of Suppliers Audited Annually

- We assess all new supplier facilities and reassess facilities at least every 18 months. We have developed a focused and strategic vendor base, where our top ten vendors account for a majority of our purchase orders in both finished goods and raw materials.
- In the past year (ending May 31st 2016), we assessed:
 - Finished goods suppliers - Of our tier one suppliers, we assessed 73% of our total top ten vendor base (19 of 26 facilities), and 67% of total finished goods facilities (32 of 48 facilities)
 - Fabric suppliers - of our tier two suppliers, we assessed 92% of our top ten raw material facilities and 40% of our total raw material facilities (57 facilities)

Percentage of Unannounced Audits

- As our approach is to build partnerships based on shared values, we typically we do not conduct unannounced audits although we have the legal right to do so as per our Supplier Agreement. In the past year (ending May 31st 2016), we did not conduct any unannounced audits.

Information on Auditors

- Our assessments are conducted by a combination of in-house experts as well as vendor partners with qualified third party auditors when we require external capacity and to maintain independence. In the past year (ending May 31st 2016), 15% of total assessments were conducted by 3rd party.
 - **In-house team** - Our audit team consists of in-the field assessors who report to the Global Manager of Partner Sustainability. Each team member has at least ten years of experience with combined qualifications that include SA 8000, ICTI, EICC, and WRAP.
 - **Third-party** - Elevate is our primary 3rd-party social compliance audit vendor. We ensure our assessors are qualified and have appropriate certifications, including SA 8000, ISO14001, OHSAS18000.

Summary of Findings

- Findings fall into areas that are typically found in progressive supply chains: recruiter fees, hiring ethics, bonded practices and living conditions.
- Since launching the FMW Standard in July 2015, we have achieved resolution in almost identified issue areas. For example, all Taiwan vendors have returned identification documents to workers (note: in-person verification with one mill is still outstanding).

Remedy

Corrective action plans

23. Does your company have a process for creating corrective action plans when violations are discovered through an auditing process? Please describe this process and the elements of a corrective action plan.

Related to indicator B.1.6 of the CHRB

Actions Taken in Case of Non-Compliance

- Our zero-tolerance policies need to be followed at all times, without exception.



- We know that most vendors will not achieve 100% rating across all other assessment criteria and in the spirit of continuous improvement, when in non-compliance, our partners develop Corrective and Preventative Action plans (CAPAs) with our support that blend training, consulting, and coaching to help them meet our standards. Zero tolerance expectations must be addressed immediately (30 days or less, depending on the issue).
- The CAPAs include root cause analysis, agreed-upon solutions, a timeframe for implementation and key responsibilities. This helps create change and rewards vendors who improve conditions at their facilities.

Implementation of Corrective Action Plans (CAPAs)

- In cases of non-compliance, suppliers are provided with a timeline to develop their CAPAs, which must be reviewed and approved by the assessor and Global Manager for Partner Sustainability.
- Progress is reviewed on an ongoing basis and reported to Sourcing and Production through scorecards, quarterly vendor reviews and meetings as required. Issues are raised during quarterly vendor review meetings.
- Remediation/implementation of CAPAs is reviewed through in-person visits, or where appropriate, through desktop reviews.
- For example, upon release of our FMW Standard, we identified a number of issues including processes to ensure identification documents are held by workers. By December 2015, 100% of existing fabric mills had returned documents to workers (in-person verification for 1 mill is pending).

Consequences of Non-Adherence to CAPAs

- If CAPA implementation timelines continue to be missed or issues persist, capacity allocations are adjusted, as with other performance issues.
- In worst cases, lululemon has the right to divest from the vendor partner.

More information on our assessment process can be found here:

<http://info.lululemon.com/sustainability/responsible-supply-chain/assessment-process>

Remedy

24. Does your company have a process to provide remedy to workers in its supply chain in cases where violations are discovered, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes.

Related to indicator C.7 of the CHRB

Process for Responding to Complaints/Reported Violations

- Complaints and/or violations of policies and standards are received through email, SMS or indirect sources. All complaints are immediately assessed by the Partner Sustainability team. The complainant and the facility, and in some cases, other stakeholders (e.g. brands with whom we share the facility, or independent NGOs) are contacted. Issues are assessed by the independent internal team. Where complaints violate our VCoE policy, CAPAs are developed and resolved.

Examples of Outcomes from Remedy Process

- For example, upon release of our FMW Standard, we identified a number of issues including processes to ensure that identification documents are held by workers. By December 2016, 100% of existing fabric mills had returned documents to workers (in-person verification for 1 mill is pending).



APPENDIX A: lululemon athletica inc. Foreign Migrant Worker Standard

- Version 1.1 released December 2015
- Version 2.0 to be released in October 2016 including changes to expectations regarding payment of recruitment fees, among other things.



lululemon athletica foreign migrant worker standard

VERSION 1.1 | December 18, 2015 | ISSUED BY: VP OF GLOBAL SUSTAINABILITY | REPLACES: FOREIGN MIGRANT WORKER STANDARD 1.0

I. Background & Overview

At lululemon our values of personal responsibility, honesty, entrepreneurship, connection and courage are more than words; they are the foundation of our social and environmental work and are embedded in everything we do. Our values help guide us when choosing our partners and setting expectations. We work with Vendors who share our values - who are accountable; who recognize and uphold legal, humane and ethical standards of production and care for the environment. A commitment to these internationally recognized principles is only the beginning and lululemon is dedicated to moving the bar on our **lululemon athletica inc. vendor code of ethics** program beyond the legally required codes of conduct.

lululemon's commitment statement

lululemon is committed to eradicating all forms of Human Trafficking and Forced Labour in our company's supply chain. Recognizing that some of the most vulnerable groups are migrant workers who have traveled within country or from overseas to obtain employment, we have established a Foreign Migrant Worker Standard that we require all of our Vendor partners to adhere to in order to offer the greatest protection for this class of workers.

We acknowledge that reaching and maintaining these standards is a long-term and ongoing commitment by our Vendors. lululemon expects and will support our vendors to achieve continuous improvements over time. Furthermore, we seek partnerships with key stakeholders such as government, NGOs, local communities and other brands to make system-wide change that will have an impact beyond our supply chain.

lululemon athletica's vendor code of ethics

Further to our commitment, our existing **lululemon athletica inc. vendor code of ethics** (VCoE) states: "the Vendor must ensure there is no use of forced labour, including but not limited to involuntary overtime and prison, indentured, trafficked or bonded labour. All work must be completed on a voluntary and legal basis and in good faith."

Objective

The objective of the lululemon Foreign Migrant Worker Standard is to set forth the minimum requirements and provide clarity to Vendors and their third party Labour Brokers for the appropriate and ethical, fair recruitment and management of FMWs by, or on behalf of Vendors doing business with lululemon. These provisions are a culmination of legal requirements and international standards established by widely-recognized and credible organizations such as the United Nations' International Labour Organization (ILO), the Institute for Human Rights and Businesses, The Fair Labor Association and Verité.

We recognize that some of the standards listed herein may exceed the countries' national laws or cover elements that are not legislated. When this is the case, the FMW standard is intended to ensure that, despite cultural and legal differences among countries where we produce or source goods, the Vendors and their third party Labour Brokers/agents, will comply with the lululemon FMW standard and/or law that offers the most benefit and protection to the worker. If a situation arises where this may be unclear, the Vendor is asked to contact lululemon's sustainability department at sustainablepartner@lululemon.com.



Scope

All Vendors and Vendor facilities globally that are involved in manufacturing lululemon's products, materials, parts, components, subassemblies, and/or involved in processes related to that manufacturing or on behalf of lululemon.

Vendor responsibilities

Vendors are expected to comply with the FMW Standards contained herein and to maintain appropriate documentation in order to demonstrate compliance. Vendors that employ FMWs will be audited by lululemon or any designated third party firm for compliance with these standards, typically as part of the regular VCoE audits. Through the implementation and strengthening of management systems, Vendors can ensure they hire FMWs in a manner that is legally compliant and conforms to all local, national and international legal standards.

For this standard to be successfully implemented, proactive company engagement on Foreign Migrant Worker issues requires a willingness to address, change and improve working conditions and forms of hiring FMWs. Vendors must be committed at all levels of the organization.

How to use this standard

1. Refer to **the lululemon athletica inc. vendor code of ethics** manual (VCoE): the VCoE contains the description of lululemon's requirements for Vendors when recruiting and employing domestic or Foreign Migrant Workers and all other labour issues are addressed within.



The lululemon responsible supply chain Foreign Migrant Worker standard

The lululemon Foreign Migrant Worker standard (the “FMW Standard”) expressly forbids any forced, bonded, indentured, involuntary prison labour, slavery or trafficking of persons. Recognizing the particular vulnerability of FMWs to exploitative labour practices and risks of Forced Labour, this FMW Standard sets out the minimum requirements for the recruitment, selection, hiring and management of FMWs by, or on behalf of Vendors doing business with lululemon.

Vendors must comply with all applicable national and local labour laws, together with the lululemon FMW Standard. Where this standard and the national or local laws and/or guidelines have requirements in the same area, Vendors shall meet the more stringent requirements.

All work must be voluntary and FMWs must be free to terminate their employment with a Vendor upon reasonable notice without penalty, as set out in chapter 3.

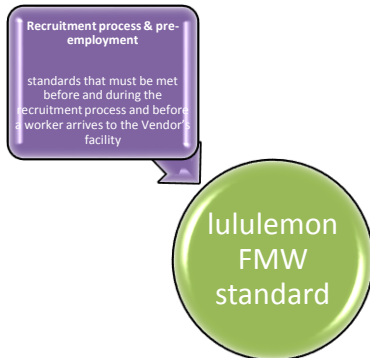
There shall be no fraud, deception, bribery or coercion in the recruitment, placement, transportation or management of FMWs. Vendors and their third party Recruitment Agents/brokers must be transparent at all times with FMWs about all aspects of employment terms and conditions. All FMWs must be employed and paid directly by the Vendor, not by agents, Sub-agents, or third parties. All FMWs must be provided a written employment contract, in their Native Language, prior to departure from the Sending Country that describes all the terms and conditions of their employment with the Vendor.

Vendors, Recruitment Agents or any other third parties shall not hold original Foreign Migrant Worker identification documents, passports, travel papers or other personal documents, except as required by law or with the express written consent of the migrant worker, as documented by a process and procedure in the Foreign Migrant Worker’s Native Language. Where the personal documents are held with the FMW’s consent, the Vendor must, upon the Foreign Migrant Worker’s request, return the documents.

Vendors shall establish appropriate due diligence and monitoring programs to screen and manage all third party labour Recruitment Agents/brokers used to select, recruit and/or transport FMWs. Vendors shall also establish systems to oversee the training and management of FMWs on equal terms with local workers, consistent with local law and the requirements in the lululemon FMW Standard.

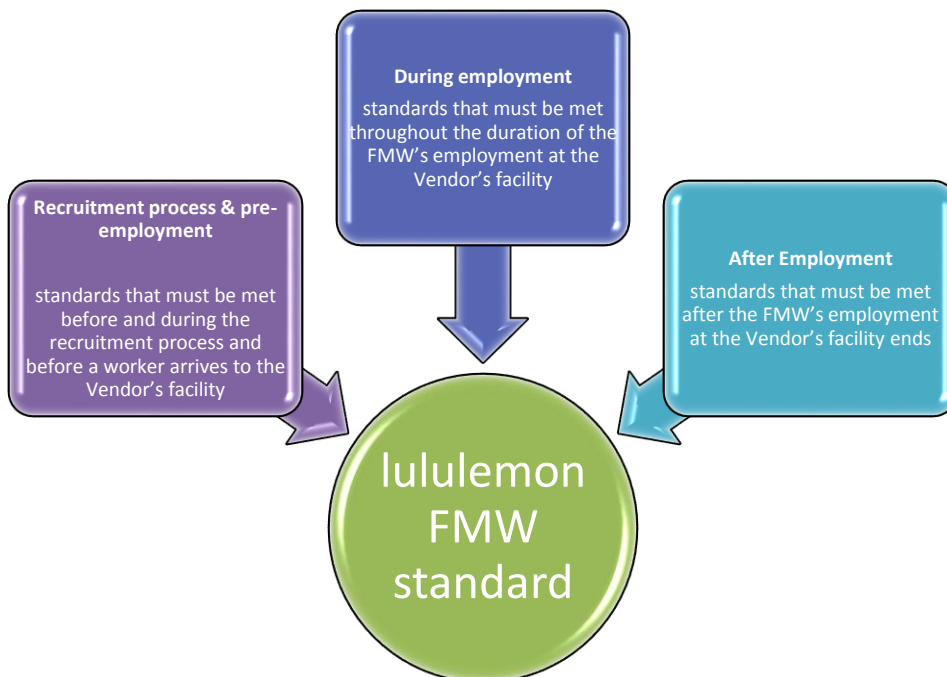


II. lululemon FMW standard



This section details the standards for the ethical and fair employment of FMWs. The Vendor is responsible for ensuring that these standards are fully implemented and fulfilled by its company, subcontractors, and for the companies that it hires to recruit and employ FMWs.

The standard is divided into three distinct parts reflecting the recruiting and employment cycle of a FMW and each part contains the following elements, which are explained in greater detail in this section:



1. **Recruitment process and pre-employment** - standards that must be met before and during the recruitment process and before a worker arrives to the Vendor's facility
2. **During Employment** - standards that must be met throughout the duration of the FMW's employment at the Vendor's facility
3. **After Employment** - standards that must be met after the FMW's employment at the Vendor's facility ends

Chapter 1: Recruitment before employment

1. Policy

The following standard provides Vendors and their third party Labour Brokers with a responsible and accountable standard to ensure that FMWs are ethically and fairly recruited and managed. These provisions are a culmination of legal requirements



and international standards established by widely-recognized, credible organizations such as the United Nations' International Labour Organization (ILO), the Institute for Human Rights and Businesses, The Fair Labor Association and Verité. When the lululemon FMW standard differs from local or country law, the more stringent requirements will apply. Vendors that recruit or employ foreign contract workers must comply with all of the following provisions, except to the extent any term is expressly prohibited by local law.

1.1 Written FMW Employment Policy

The Vendor must develop a written corporate policy for the hiring and employment of FMWs (the "FMW Policy"), which at a minimum sets out specific policy, procedures and protection for migrant workers throughout the employment lifecycle in accordance with all applicable laws, the lululemon VCoE and the lululemon FMW standard.

At a minimum, the Vendor's policy shall meet and/or exceed standards included in this document.

1.2 Communication to third party Labour Brokers/agents

The Vendor's FMW Policy must be communicated in written form and included in legally binding service contracts with all third party Labour Brokers involved in the recruitment and employment of FMWs.

1.3 Monitoring Compliance to Policy

The Vendor must have a written and documented process in place to monitor its own and third party Labour Broker's compliance with the FMW's Policy to ensure at a minimum:

- that all recruitment Fees set out by agents and brokers do not exceed legal limits and are abided by; and
- all recruitment and hiring of FMW's is in accordance with the law.

1.4 Forced, Bonded, Involuntary Labour

Workers, including FMWs, must not be subject to any form of forced, compulsory, bonded, or indentured labour. All work must be voluntary and all workers must be free to terminate their employment at any time, without penalty. Prison or indentured labour must not be used.

FMWs (and/or any of their family members) must not be threatened with denunciation to authorities to coerce them into taking up employment or preventing them from voluntarily terminating their employment, at any time, without penalty.

1.5 Discrimination

FMWs must not be subject to any discrimination in any aspect of the employment relationship including recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, discipline or termination.

All workers, irrespective of their nationality or employment status, shall be treated fairly and equally in the workplace and in dormitories (where applicable).



FMWs must be provided terms and conditions of employment that are no less favorable than those available to country nationals.

Third Party Brokers & Recruiting Agents

1.6 Policy

Where practicable, the Vendor will directly recruit and hire FMWs. If third party Labour Brokers are utilized, the Vendor must ensure that they operate ethically at all stages of the recruitment and selection process in accordance with both sending and Receiving Country laws, the lululemon VCoE and the lululemon FMW Standards contained herein, and that they do not engage in deceptive, fraudulent, corrupt, or collusive conduct.

1.7 Pre-Selection Due Diligence

The Vendor must conduct pre-selection due diligence of all third party Labour Brokers/agents involved in the recruitment of FMWs to ensure their capacity and willingness to comply with relevant sending and Receiving Country laws and regulations.

To achieve and maintain this standard, Vendors at a minimum must ensure that all third party Labour Brokers/agents:

- are fully licensed
- have a history of ethical and lawful operation
- have a demonstrated commitment to uphold social responsibility standards
- where applicable, are government approved and not blacklisted
- contractually commit to abide by the Receiving Country's laws and regulations in addition to the lululemon FMW Standard.

1.8 Service Agreements

The Vendor must implement a legally binding, written service contract with all applicable third party Labour Brokers acting on the Vendors behalf, whether directly or indirectly, that includes at a minimum:

- the country of origin Labour Brokers and the FMW
- the receiving counties Labour Brokers and the FMW
- the country of origin and the Receiving Country

All service agreements must comply with all applicable laws in both receiving and sending countries.

To achieve and maintain the FMW standard, the service contract must incorporate the following provisions from the FMW Standard:

- no forms of bribery and corruption
- no discrimination in hiring
- no forced and bonded practices
- adherence to the legal mandated hiring Fees and Expenses set out in both receiving and sending countries
- contracts of employment in local languages , if applicable
- pre- departure briefing, if applicable
- arrival orientation, if applicable
- onsite management of migrant workers, if applicable
- onsite translator at the factory to support the FMWs (as required by law and detailed in this standard)



- right to audit, record keeping, and ethical conduct

1.9 Ethical Conduct

The Vendor must at all times conduct business with FMWs, third party Labour Brokers and manage relationships with government officials in an ethical fashion.

To achieve and maintain this standard, the Vendor (or any third party acting on behalf of the Vendor) must not solicit or accept improper payments from third parties involved in the recruitment of FMWs. The Vendor must also ensure that any employee or third party interacting with government officials in order to facilitate the recruitment of FMWs complies with all applicable anti-corruption laws and regulations, including the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act* (USA), and the *Bribery Act* (UK), and all applicable international anti-corruption conventions.

Employee contract, Fees, benefits, processes

1.10 Employment Contracts

The Vendor must ensure that prior to deployment from the FMW Sending Country, every FMW is provided with a written contract that they voluntarily sign.

The employment contract between the Vendor and the FMW must be clearly communicated, in writing and documented for FMWs in a language they understand, and be submitted to the authority prior to the approval and departure of the FMW to the Receiving Country. All FMWs must have valid visas and work permits before commencing work.

Contract substitution is prohibited. Any amendments to the employment contract after arrival of the FMW in the Receiving Country must be in line with all local labour laws, clearly explained and documented to the FMW in a language that is understood, and must be fully and freely consented to. If an amendment is for materially worse terms and the FMW does not consent to the change they must be provided the choice to terminate their contract without penalty and be provided return transportation to the Sending Country.

Any variation or amendment of the contract (e.g., requiring the employee to purchase his/her own air-ticket back home as contrary to the original employment contract) shall not be effective unless it is documented in a language understood by the FMW and is mutually consented and agreed to by both parties without penalty and in compliance with the laws in both the sending and Receiving Country.

The contract must at a minimum meet all legal requirements and include but not limited to the following items:

- Vendor name and address
- Employee emergency contact information
- Name, address, and other contact details of the Labour Broker signing the contract of employment
- Nature of work and address where it will be performed
- Vendor policies and procedures regarding:
 - forced or involuntary labour
 - recruitment Fees and Expenses
 - identity document retention policy and procedures and safekeeping
 - any deposits or security payments mandated by Receiving Country law
 - contract start and end dates
 - provisions for contract renewal, if applicable
 - provisions for repatriation (payment of home trip)



- provisions for voluntary early termination of contract by worker with and without reasonable notice
- grounds for involuntary termination by supplier
- detailed summary of living conditions, including costs (if any) for meals and accommodation
- expected regular working hours, overtime hours; frequency of rest days and holidays that comply with the requirements of applicable laws and regulations
- clearly defined regular, overtime, and holiday wage rates; including maximum allowable overtime hours that comply with the requirements of applicable laws and regulations
- clearly defined criteria for yearly bonus, allowances, or other cash compensation
- pay practices including frequency, methods, and pay slips
- descriptions of work-related benefits, including medical and social insurance benefits, and sick, emergency, and annual leave
- estimates of the minimum net pay the migrant worker can expect to receive each month. Minimum net pay shall be based on an upper limit of 60 hours per week.

1.11 Fees and Expenses

The Vendor and the third party Labour Brokers/agents must clearly communicate and document to FMW in a language they understand, all the Fees and Expenses they will be required to pay for the duration of their employment contract at the beginning of the recruitment process and prior to departure from their home country.

The Vendor must not apply any deductions other than the deductible amount as defined by law (read the details in section 2.3).

1.12 Wages

The employee's wage must not fall below the legally mandated minimum wage published by the Ministry of Labour.

All FMW's and employee's wages must include the basic wage, bonuses, allowances and any other regular payments received by an employee for regular working hours, whether computed on an hourly, daily, monthly and/or piecework basis.

Pre-departure briefing

1.13 Policy

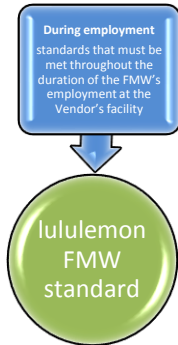
The Vendor must require all third party Labour Brokers, on their behalf, using the Vendor provided content, to implement a process to ensure that every FMW attends an in-depth briefing in a language they understand prior to signing a contract of employment and departure from the Sending Country.

To achieve and maintain the same standard of awareness, the pre-departure briefing must cover, but not limited to:

- Information about the Vendor and the Vendor workplace
- Vendor policies regarding:
 - forced or involuntary labour
 - recruitment Fees and Expenses
 - identity document retention policy, procedure and safekeeping
 - freedom of movement
 - freedom of association
 - workplace equality



- harassment, abuse and discipline
- grievance procedures
- travel and repatriation arrangements
- terms and conditions of employment
- photos or a video of the workplace and surroundings



- accommodation arrangements and living conditions
- transportation details
- Receiving Country legal protections
- social conventions and cultural practices sending (or home) country Embassy or Consulate information
- visa, work permit, and medical examination requirements
- any other information that is deemed necessary

Chapter 2: During Employment

The lululemon VCoE was created to ensure that, despite cultural and legal differences among countries where we produce or source goods, all of our business partners interpret and adhere to the lululemon VCoE in the same manner. When the Code differs from local law, the more stringent requirements will apply.

The Vendors workplace policies and procedures must ensure all employees including FMWs are protected against human rights violations and promote due diligence. Respect for all employees and their rights are essential to any successful employment relationship. The lululemon VCoE is based on the International Labour Organization (ILO)'s core conventions, the Universal Declaration of Human Rights (UDHR) and the United Nations - Global Compact (UNGC) Principles.

As with all things, lululemon strives to exceed expectations and thus lends our support to continual progress and greatness in these areas. Compliance with and excelling beyond the minimum requirements is mutually beneficial for both lululemon and our Vendors. It helps improve the lives of people manufacturing our product, and healthier, happier people perform better.

FMW Arrival orientation

2.1 Policy

The Vendor must implement a process to ensure that every FMW attends a comprehensive orientation in a language they understand after arrival in the Receiving Country and before they commence work. The orientation must be conducted by the Vendor at the workplace and all training time is recorded as paid working hours.

To achieve and maintain this standard, the arrival orientation must include at a minimum the Vendor's policies, practices and procedures regarding:

- forced or involuntary labour
- recruiters, employment agents, Labour Brokers
- recruitment Fees and Expenses
- access to translators at the facility
- support with bank account set up
- identity document retention policy and procedure and safekeeping
- deposits or security payments mandated by Receiving Country law



- freedom of movement
- working hours
- wages and benefits including piecework, regular, overtime, and holiday rates
- pay practices
- bonuses (if applicable)
- descriptions of work-related benefits, including medical and social insurance benefits, and sick, emergency, and annual leave
- accommodations, meals, and transportation
- arrangements for medical care, including procedures in the event of pregnancy
- health and safety rules and procedures
- lululemon's VCoE
- other Vendor policies, practices and procedures that are deemed necessary

2.2 Onsite translators or services for Foreign Migrant Workers

The Vendor must hire onsite translator to support the migrant worker's communication. If there's no legal requirement, at least 1 translator per nationality of the migrant worker.

2.3 Deposits and Deductions

Except where expressly required by the Receiving Country's law, the Vendor must not deduct or require workers to lodge deposits or security payments. If the Receiving Country's law requires a deposit, the Vendor must issue a receipt for any deposit deducted from the wages of, or otherwise logged by, workers.

The Vendor must not apply any monetary deductions to payroll for penalties or other disciplinary action, deposits for equipment used at work, forced savings or any sum other than the deductible amount as defined by law that constitute as a benefit to the FMW.

Note: If the Vendor intends to apply a payroll deduction for poor workmanship and lateness, it must comply with the local law and the Vendor must have a written policy and procedure that describes when deductions can be made for poor workmanship and such policy must be clearly communicated to the workers. The deductions cannot affect their legally mandated min wage.

2.4 Saving Accounts and Bank Accounts

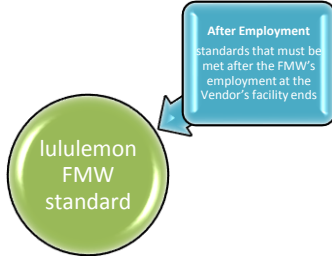
The Vendor shall not, nor shall any third party recruiter, employment agent, and/or Labour Broker have access to, or control of, FMW's bank accounts, except to directly deposit wages or compensation payments in accordance with the written contract of employment.

Mandatory or forced savings schemes are expressly prohibited.

2.5 Identity Documents

All employees and FMWs shall retain possession and control of their personal identity documents, such as passports, identity papers, travel documents, bank books and other personal legal documents at all times.

Third party recruiters, employment agents, and Labour Brokers are prohibited from holding the FMW/employees identity



documents.

2.6 Personal leave

FMWs must be free to return to their home country during their employment period with the ability to take annual or personal leave without having to pay any form of deposit, and free from the threat of termination or other penalty.

The Vendor must not prevent any FMW from contacting his or her Embassy or Consulate during their employment period.

2.7 Defined Working Hours and Overtime

The Vendor may establish an ordinary or flexible working schedule in accordance with the law. Any work beyond such a schedule shall be counted as overtime.

2.8 Overtime Payment

Overtime pay must be calculated based on the regular hourly rate of the employee's, or FMW's wages, which includes the basic wage, bonuses, allowances and any other regular payments received by an employee/FMW for regular working hours, whether computed on an hourly, daily, monthly and/or piecework basis.

2.9 Payment Records

For FMWs, the Vendor must provide a payroll stub in a language understood by the FMW, indicating the amount and items to be paid (i.e., basic wage, bonuses, allowances and other regular payments, including variable pay component), the deductible amount as defined by law, the total amount of the payroll and method of payment (i.e., in cash or by wire transfer

Chapter 3: After Employment

The Vendor is required to have a written policy commitment to the protection of foreign migrant contract workers in all phases of Vendors operations, including resignation, termination and repatriation of FMWs. The Vendor must communicate the policy to all FMWs in a language they understand.

3.1 Repatriation

The Vendor must arrange and pay for the repatriation of FMWs at the conclusion of their contract so they can return to their home country, or in the event that the Vendor terminates the contract for any reason, except due to documented gross misconduct or illegality, before the contract end date.

Note: the Vendors repatriation at a minimum should include ground transfers, airfare, accommodation, and reasonable meal Expenses until the Foreign Migrant Worker arrives back at the original embarkation point.



3.2 Early Termination of Contract by Foreign Migrant Workers without Reasonable Notice

The Vendor must not penalize FMWs for voluntarily terminating their employment contract at any time. Examples of penalties include, but are not limited to, withholding of wages, bonuses, or allowances already earned, early termination fines or deductions, or the forfeiture of lawful deposits or any savings accounts.

If the FMW voluntarily terminates the contract of their employment prior to the contract end date without providing reasonable notice as set forth within the employment contract or as required by the law, the Vendor will not be responsible for paying for all repatriation costs, unless the FMW terminated their contract due to harassment, abuse or other serious violation to the FMW's rights by the employer.

If the FMW voluntarily terminates the contract of their employment prior to the contract end date due to extenuating circumstances such as the death or serious illness of a family member or other family emergency, the Vendor must pay for the cost of repatriation and other Fees as noted in section 3.1.

Reasonable notice is defined as the lesser of that provided for in the contract of employment or minimum notice provided for by Receiving Country law, but in no case shall it exceed 30 days.

3.3 Involuntary Termination of Foreign Migrant Workers Contract by the Vendor

Where a FMW is dismissed for gross misconduct, illegality or otherwise involuntarily terminated for cause in accordance with Vendors written and communicated disciplinary procedures, the Vendor will not be responsible for paying for the FMW's repatriation.

3.4 Foreign Migrant Workers Contract Renewal by the Vendor

When the Vendor renews a FMW, the Vendor must at minimum pay all the legally mandated FMW's costs associated with repatriation to home country and back to host country in addition to all other associated costs of employment.

References

Business for Social Responsibility, Migrant Worker Management Toolkit, 2010
(http://www.bsr.org/reports/BSR_Migrant_Worker_Management_Toolkit.pdf)

International Labour Organization, Forced Labour Convention 29, 1930
(http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029)

International Labour Organization, Private Employment Agencies Convention 181, 1997
(http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312326)

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United Nations, International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families 1990 (<http://www2.ohchr.org/english/bodies/cmw/cmw.htm>)

United Nations Global Compact, *Addressing the Retention of Identity Documents*, 2013
(http://www.globalcompact.de/sites/default/files/themen/publikation/addressing_the_retention_of_identity_documents.pdf)

United Nations Global Compact, Principle 4 (Forced and Compulsory Labour), 2009
(<https://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/Principle4.html>)



Verité, Fair Hiring Toolkit 2011 (<http://www.verite.org/helpwanted/toolkit>)

Responsible Supply Chain FMW Standard Vendor Toolkit-- Glossary

Fees are a legally mandated charge for the service of a public officer.

Expenses are charges for particular service fee which not legally mandated or required.

Foreign Migrant Worker is an individual that migrates from his or her home country to another country for specific purposes of employment.¹

Recruitment Agents and/or Labour Brokers mean government or private employment agencies (PEA), labour recruiters, Labour Brokers, and any other third parties involved in the recruitment, selection, hiring, transportation, and/or in some cases management of Foreign Migrant Workers in either sending or receiving countries.

Recruitment Agents and/or Labour Brokers operate in both the sending and receiving countries. Receiving Country brokers typically work with Sending Country brokers in the country of origin or residence of migrant workers to identify and recruit potential job candidates.

Sub-agents are any third parties used by a Recruitment Agent to help facilitate the recruitment, selection, hiring, and/or transportation of Foreign Migrant Workers.

Sending Country is the Foreign Migrant Worker's country of origin and citizenship.

Receiving Country is the country where the Vendor's facility or business operation is located and where the Foreign Migrant Worker is working.

Native Language is the language of the Foreign Migrant Worker's country of origin or a language that the Foreign Migrant Worker speaks and understands.

Human Trafficking is the recruitment and transportation of people from one place to another, or one country to another by use of deception, threat or force for the purpose of exploitation, including Forced Labour. The United Nations expands this definition even further but we will use this to describe how the act is most often portrayed in the supply chain.

Forced Labour is any work or services which people are forced to do against their will under the threat of some form of punishment. It contains three main elements:

1. some form of work or service must be provided by the individual concerned to a third party;
2. the work is performed under the threat of a penalty, which can take various forms, whether physical, psychological, financial or other; and
3. the work is undertaken involuntarily, meaning that the person either became engaged in the activity against their free will or, once engaged, finds that he or she cannot leave the job with a reasonable period of notice, and without forgoing payment or other entitlements.

¹ Excludes FMWs with permanent residency and/or professional employees on short or long term international assignments



APPENDIX B: lululemon athletica inc. Finished Goods Vendor Facility List (May 2016)

No.	Facility Name	Address	District	City/Town	Province/State	Country
1	BI (VN) Co., Ltd.	1075/1, Zone 1, Thanh Xuan Ward	District 12	Ho Chi Minh		Vietnam
2	Bodynits Co., Ltd (BILA)	Binh Tien 2 Hamlet, Duc Hoa Ha Village	Duc Hoa District	Ho Chi Minh	Long An Province	Vietnam
3	Charter Link Clark Inc. Philippines	Panday Pira Ave. Ext. 1E1 Phase II Clark	Freeport Zone 2023	Clarkfield	Pampanga	Philippines
4	Chong Fu Knitters Company Limited	The 2nd of Three Remit Industrial Area, Cunwei Village	Hengli Town	Dongguan	Guangdong	China
5	COFACO Industries SAC	Ave. San Andres 6299	Los Olivos	Lima	Lima	Peru
6	Crystal SAS	Carrera 48 # 52 sur 81	Avenida las vegas	Sabaneta	Antioquia	Colombia
7	Delta Socks	11 Hanapah Street	P.O. Box 137	Karmiel		Israel
8	Divertimento Inc.	No. 35, Sec. 1, Zhongshan Rd.	Hua Tan	Chang Hwa		Taiwan
9	Dongguan WeiHua Handbag Company Limited	16 Zhen Xing Nan Road, Gao Bu		Dongguan	Guangdong	China
10	Eclat Textile Co. Ltd. (Vietnam)	5A Road, Nhon Trach 2 Industrial Zone,		Nhon Trach	Dong Nai	Vietnam
11	Esprinta VN, Co., Ltd	Road 12, Song Than 2 Industrial Park		Di An	Binh Duong	Vietnam
12	E-TOP (Vietnam) Co.	Lot VII-2 MY XUAN A2 Industrial Zone	Tan Thanh District	Ba Ria	Vung Tau	Vietnam
13	Huai An Yuan Tong Headwear MFG. Co., Ltd.	No.1 Yan Huang Avenue Lian Shui New Industrial Zone			Jiangsu	China
14	Hung Way Co.,Ltd	Rd, Tan Thuan, Tan Thuan Export Processing Zone	Tan Thuan Dong Ward, Dist 7	Ho Chi Minh		Vietnam
15	KSI (Karnaphuli Shoes Industries- Garment Division)	Plot # 3-16, Sector 2	Korean Export Processing Zone Anowara	Chittagong		Bangladesh



No.	Facility Name	Address	District	City/Town	Province/State	Country
16	Kwong Wai Knitting Limited	Taiyangao, Ping Shen Road	Ping Shan Town	Huidong	Guangdong	China
17	Luxury Fengrun Fashion Accessories Co. Ltd	No.58, Xinxing Road, Gaoqiao Industrial Zone	Yuyue Town, Deqing County	Huzhou	Zhejiang	China
18	Mactan Apparel Inc.	block C-6, 2nd Avenue, 5th Street	Mactan Economic Zone 1	Lapu-Lapu	Cebu	Philippines
19	MAS Active (Pvt) Ltd - Contourline	BOI, Pallekele Industrial Park		Kandy	Central	Sri Lanka
20	MAS Active (Pvt) Ltd - Linea Intimo	Lot 89 B.E.P.Z		Malwana		Sri Lanka
21	MAS Active (Pvt) Ltd - Sleekline	Plot 8, Malwatta EPP, Malwatta		Nittambuwa	Western	Sri Lanka
22	Maxport Branch (MXP1)	Nguyen Duc Canh Industrial Zone		Thai Binh City	Thai Binh	Vietnam
23	Maxport Branch (MXP5)	Land No.85, map no.44, Loc Vuong, Nam Dinh Loc Vuong Industrial Zone		Nam Dinh	Nam Dinh	Vietnam
24	Maxport Branch (MXP6) Nam Dinh Branch	361 NGUYEN VAN TROI, NANG TINH WARD		Nam Dinh	Nam Dinh	Vietnam
25	Nicewell Industry	2411-C North Loma Ave		South El Monte	California	United States of America
26	Pacifica Manufacturing Inc.	1396 E 3rd Ave		Vancouver	British Columbia	Canada
27	Palace (Jiangmen) Sportswear Co., Ltd.	No. 336, Jin Ou Road, Jiang Hai District	Kuang-Dong	Jiangmen City	Guangdong	China
28	Petratex Confeccoes S.A.	Rua de Bande		Carvalhosa	Pacos de Ferreira	Portugal
29	PT Dragon Forever	Jl Belitung Blok D35/36	KBN Cakung, Cakung Cilincing	Jakarta Utara	Jakarta	Indonesia
30	PT. Hand Sum Tex	Jl, Mauk Km 3, Desa Geleong Bugel 8	Kecamatan Tangerang	Jakarta	Indonesia	Indonesia
31	Pungkook Saigon II	2A street No 8 ,Song Than I Industrial park		Di An Town	Binh Duong	Vietnam
32	Quantum Clothing Lanka (Pvt) Ltd	Moragahahena		Millewa	Horana	Sri Lanka



No.	Facility Name	Address	District	City/Town	Province/State	Country
33	Reliable Source Industrial (Cambodia) Co. Ltd.	Phum Kral Dumrey	Sangat Kakab	Khan Dankor	Phnom Penh	Cambodia
34	RSI Apparels Ltd	Plot # 35, Sector # 4, Road # 4	Chittagong Export Processing Zone	Chittagong		Bangladesh
35	Sabrina (Cambodia) Garment Manufacturing Corp.	National Rd., No. 4, Phum Trapaing Reussey, Khum Sambo	Samrong Torng District		Kampong Speu Province	Cambodia
36	See Green Industrial Co. Ltd.	No. 45, Dasi Road	Dacun Township	Changhua		Taiwan
37	Shanghai Reliable Source Industrial Co. Ltd.	No.88 Yulu Rd., Malu Town	Jiading District	Shanghai		China
38	Shanghai Weijie Garment Co., Ltd	1228 Huiping Road		Nanxiang Jiading	Shanghai	China
39	Shenzhen Jiaying Precision Plastic Production Company	No. 296, Chang Wei Industrial Zone, Songyuan Guanlan	Bao'an District	Shenzhen	Guangdong	China
40	Taiwan SeeSun Inc.	No. 35, Sec. 1, Zhongshan Rd.	Hua Tan	Chang Hwa		Taiwan
41	Textil Del Valle S.A.	Panamerica Sur Km. 200	Chincha Baja	Ica	Chincha	Peru
42	Textiles Opico S.A. de C.V.	KM 31.4 Carretera a Santa Ana		San Juan Opico	La Libertad	El Salvador
43	Wuxi Unison Textile & Garment Inc.	25 Chun Xiang Road	Dongting Town, Xishan District	Wuxi City	Jiangsu	China
44	YM Facility	48 Heng Shan Road		Shantou	Guangdong	China
45	Youngone (CEPZ) Limited	Plot #11-16, Sector 2	Chittagong Export Processing Zone	Chittagong		Bangladesh
46	Youngone El Salvador SA	Zona Franca Internacional	Km 28.5 Autopista a Comalapa	Olocuilta	La Paz	El Salvador
47	Youngone Nam Dinh Co., Ltd	Hao Xa IP		Nam Dinh	Nam Dinh Province	Vietnam



No.	Facility Name	Address	District	City/Town	Province/State	Country
48	Zhejiang Huizhong Garment (SC China)	No.123, Cheng Gong Road, Huiming Street		Jiashan	Zhejiang	China

Notes:

This list is of currently active Finished Good Vendor Facilities as of May 31st, 2016

This list does not include co-brand suppliers (e.g. water-bottles)