



lululemon: COVID-19 and our Supply Chain

COVID-19 is affecting global supply chains in unprecedented and challenging ways, now and into the future. We face these challenges rooted in our values of connection and responsibility, and are committed to respecting and upholding human rights through lululemon's responsible business practices with our supply chain partners. We work closely with stakeholders to understand impacts and make decisions for our business, our supply chain partners, the health, safety and wellbeing of the people who make our products, and the planet.

We collaborate with our vendors to understand their specific situation and needs

We are in consistent direct contact with each of our vendors to understand their financial and operational health, potential impact and risk to workers, and how they are managing effects. This helps us procure responsibly and prioritize our efforts where partners and workers face higher risk.

We follow industry best practice guidance for responsible purchasing and safeguarding worker wellbeing

We are a participating company of the Fair Labor Association (FLA) and follow their [guidance](#) with regards to helping protect workers' health, safety and livelihoods. This means we require vendors to follow local, national and international requirements with regards to health provisions and responsible people management, including, where unavoidable, retrenchment. We support our vendors by providing guidance and resources, as well as sharing best practice examples with regards to vulnerable worker groups such as Foreign Migrant Workers. Our Responsible Supply Chain team monitors the health, safety and wellbeing needs of workers in our supply chain through engagement with our vendors and through industry stakeholders and experts.

We continue to be a reliable business partner to our vendors globally

The success of lululemon is built on strong partnerships within our supply chain. We uphold our commitments to responsible purchasing through this crisis and beyond by:

- Paying in full for orders that are completed or in production (defined as post-cutting stage) to agreed upon terms;
- Not changing terms of agreements (for example, we continue to pay vendors on 30 days terms, we will not charge penalties for COVID-19 related delays);
- Working in partnership with our suppliers to minimize impact and responsibly manage orders not yet in production;
- Where we have to cancel future orders, we take responsibility for the materials purchased by the vendor; and
- For suppliers that are experiencing cashflow challenges during this time, we support through flexibility in our purchasing agreements on a case by case basis.

We work collaboratively to support industry-wide approaches

COVID-19 impacts workers in the global garment supply chains in unprecedented and systemic ways. We have therefore endorsed the ILO's Call to Action in the garment industry. We are working to share our learnings and explore collaborative solutions with industry peers and multi-stakeholder organisations that support worker health and well-being and the longer-term resilience of the global garment industry supply chain.

We welcome your input at sustainablepartner@lululemon.com.