

2023–2024

Modern Slavery Statement

Introduction from the Board of Directors

At lululemon, we are committed to having a strong, resilient supply chain that upholds international human rights and labour standards, as laid out in our Vendor Code of Ethics. We recognize our opportunity and responsibility to actively safeguard the working conditions of the people who make our products and to contribute to eradicating modern slavery, including forced labour, human trafficking, and child labour, in our supply chain. Our approach relies on a robust responsible supply chain program and collaboration with suppliers and partners who share our values. As our business grows, we will continue to elevate our practices and collaborate with others to drive industry improvements.

This joint statement sets out our global practices, policies, and business processes to identify and address risks related to modern slavery, including forced and child labour, in our operations and product supply chain and covers our 2023 fiscal year, ended January 28, 2024 (referred to throughout this statement as “2023”). This statement has been adopted by lululemon athletica inc. and our consolidated subsidiaries and is intended to meet the modern slavery disclosure requirements in certain jurisdictions: lululemon athletica inc. and lululemon

athletica canada inc. pursuant to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act; lululemon athletica UK Ltd. pursuant to the UK Modern Slavery Act 2015; lululemon athletica australia holding Pty Ltd. and its subsidiary, lululemon athletica australia Pty Ltd., pursuant to the Australian Modern Slavery Act 2018 (Cth); and lululemon usa inc. pursuant to the California Transparency in Supply Chains Act. This statement has been prepared in consultation with these reporting entities.

Our **Responsible Supply Chain Disclosure** (RSC Disclosure) and annual **Impact Reports** provide additional information on our responsible business conduct due diligence to identify, mitigate, and address supply chain risks and impacts on the people who make our products and our efforts to support their wellbeing.

Organizational Structure and Operations

Established in 1998, lululemon is a designer, distributor, and retailer of technical athletic apparel, footwear, and accessories. Our vision is to create transformative products and experiences that build meaningful connections, unlocking greater possibility and wellbeing for all.



Incorporated in Delaware, lululemon athletica inc. is the parent company of lululemon athletica canada inc., lululemon athletica UK Ltd., lululemon usa inc., lululemon athletica australia holding Pty Ltd., and lululemon athletica australia Pty Ltd., amongst other subsidiaries (collectively, referred to as 'lululemon', 'we', or 'our' throughout this statement). lululemon athletica inc. and its subsidiaries specialize in the retail, marketing, and distribution of lululemon products. We sell our products directly through our owned and operated retail stores and digital platforms, and through third-party resellers, franchisees, and digital platforms. lululemon athletica inc.'s subsidiaries own and operate 711 stores and employ approximately 38,000 employees globally. We do not own or operate any manufacturing facilities. To learn more about lululemon, see our annual and quarterly reports on the investor page of our [website](#).

Our Supply Chain

We rely on contracted suppliers to provide fabrics for, and to produce our products. In support of our operations, lululemon also engages third-party suppliers for a range of services, including logistics, maintenance, and professional services. We consider the greatest risk for modern slavery, including forced and child labour, to exist not in our direct business operations, but in our product supply chain, and the breakdown of our supply chain below focuses only on this portion of our supply chain.

In 2023, we worked with 49 Tier 1 suppliers that manufactured our products and 67 strategic Tier 2 suppliers that provided the fabrics for our products¹.

In 2023, the majority of our products were manufactured in Vietnam, Cambodia, Sri Lanka, Indonesia, and Bangladesh, and the majority of our fabrics originated from Taiwan, China Mainland, and Sri Lanka. We publish a list of our Tier 1, strategic Tier 2 supplier facilities, and key Tier 1 subcontractors on our [website](#). These facilities employ over 300,000 people. This information can also be found on the [Open Supply Hub](#) website.

Responsible Supply Chain Program

Our Responsible Supply Chain (RSC) program advances our commitments to fair labour practices and the wellbeing of the people who make our products. Our program is based on the principles of the OECD Due Diligence Guidance for Responsible Business Conduct and is designed to identify, cease, prevent, and/or mitigate supply chain risks throughout our value chain².

The program is built on three pillars:

- **Monitoring**—Assessing and improving working conditions in factories in cooperation with suppliers.
- **Integration**—Integrating responsible purchasing practices across enterprise strategies, processes, and tools.
- **Collaboration**—Working with multi-stakeholder organizations, industry, suppliers, and brands to support systems change and impact.

We apply a continuous improvement approach to due diligence and continue to strengthen our RSC practices and align with global standards. Our membership in the Fair Labor Association (FLA) provides us with an industry-leading framework for responsible supply chain practices and a forum to collaborate with peers and industry stakeholders to address systemic industry issues.

Over the past two years, we have partnered with industry experts to review our global RSC program for alignment with the OECD's Due Diligence Guidance and continued to strengthen our efforts to mitigate forced labour and child labour within our supply chains. In 2023, we worked to implement the recommended actions, including formalizing our human rights due diligence policy, which we aim to publish in 2024.



¹ Tier 1: final product manufacturing. Tier 2: facilities that supply our Tier 1 factories with materials.

² Per the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#), supply chain risks are defined as risks of harm to individuals, other organizations, and communities in relation to human rights, labour rights, and the environment

Policies and Commitments

We are committed to responsible business conduct and to acting ethically and with integrity in all our business dealings. We expect the same from suppliers. Our policies are based on international human and labour rights standards and guidelines, including:

- **Universal Declaration of Human Rights**
- **United Nations Guiding Principles on Business and Human Rights**
- **International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work**
- **ILO Indicators of Forced Labour**
- **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct**

We operationalize our responsible supply chain expectations through global policies, which help us mitigate the risks of modern slavery, including forced and child labour.

Policy	Purpose
<u>Global Code of Business Conduct and Ethics (CoC)</u>	Our CoC sets out our commitment to ethical business practices, including our commitment to a responsible supply chain. It prohibits the use of forced or involuntary labour, child labour, and human trafficking within our operations and supply chain.
<u>Vendor Code of Ethics (VCoE)</u>	Our VCoE outlines our unwavering commitment to respect human and labour rights and promote safe and fair working conditions for people in our supply chain. It sets the minimum standards for suppliers and subcontractors, including prohibiting the use of forced labour and child labour. Our VCoE is a component of our Supplier Agreements with both Tier 1 and Tier 2 suppliers and aligns with the <u>FLA Workplace Code of Conduct</u> .
<u>Vendor Code of Ethics Compliance Benchmarks (VCoE Compliance Benchmarks)</u>	Our VCoE Compliance Benchmarks outline our VCoE requirements in detail, including our global compliance principles and expectations of supplier and subcontractor business conduct. They also provide the foundation for assessing a facility’s performance and progress against VCoE requirements. Our VCoE Compliance Benchmarks align with the <u>FLA Workplace Code of Conduct and Compliance Benchmarks</u> .
<u>Foreign Migrant Worker Standard (FMW Standard)</u>	Our FMW Standard sets out minimum requirements for suppliers for the appropriate and ethical recruitment, employment, and repatriation of foreign migrant workers, a group vulnerable to forced labour practices.
Supplier Agreement	The legal contract between lululemon and suppliers includes a supplier acknowledgement of the VCoE requirements and requires suppliers to commit that their facilities, suppliers, contractors, subcontractors, and employees that manufacture lululemon’s products comply with the VCoE.
Certificate of Acknowledgement and Agreement (CoAA)	The CoAA certifies that suppliers understand and will conform with the VCoE requirements. It includes a commitment to continuous improvement. The Supplier Agreement requires all Tier 1 and Tier 2 suppliers and subcontractors to sign the CoAA.



Risk Assessment and Due Diligence

Identifying risks (Verification)

Because we do not manufacture our own products, we continue to consider the greatest risk of modern slavery, including forced and child labour, to exist not in our direct business operations, but in our product supply chain. We take a zero-tolerance stance against forced labour and child labour and are actively working to mitigate identified risks. As part of our due diligence approach, we conduct annual human rights and social risk mapping across our product supply chain. We assess known sector risks and other risks that may be prevalent in a particular geography or production process. We also look at the economic, social, and political contexts across sourcing locations, as well as other indicators that could signal increasing severity of risks and impacts.

We monitor and assess risk as follows:

- **Sector and sourcing location:** We monitor general and specific sector risks across sourcing locations to identify relevant risks and inform our decisions. Where our monitoring identifies potential severe risks, we conduct heightened due diligence. Prior to entering a new sourcing location, we conduct an in-depth risk assessment. Where certain risk factors are present, we may choose not to source from that location and/or develop targeted strategies to manage the risks identified.
- **Stakeholder engagement:** Through our memberships in industry and multi-stakeholder initiatives (e.g., **Fair Labor Association**, **American Apparel & Footwear Association**, **Cascale Responsible Labor Initiative**) we collaborate and engage with industry partners, civil society, stakeholder groups, and peer brands to identify, evaluate, and address risks such as modern slavery, including forced labour and child labour.
- **Maker³ grievance reporting mechanism:** Our grievance mechanism provides a way for individuals and organizations in our supply chain to raise non-compliance issues related to our VCoE. We review all cases, take action where appropriate, analyze cases and use the learnings to inform our broader understanding of risks in our supply chain.

- **Internal data and expertise:** Our global Responsible Supply Chain team is based in key sourcing locations and global head office, and is responsible for conducting and/or overseeing facility assessments to verify VCoE compliance, supporting the remediation of issues, managing data systems, and informing global impact programs. Their knowledge directly informs our understanding of local and locational risks.

With respect to forced labour risks in our direct supply chain, we have identified higher potential risk in the employment of foreign migrant workers in certain sourcing locations. In 2023, we built on existing programming with Verité⁴ and began rolling out their CUMULUS Forced Labor Screen™, a supply chain due diligence tool, in facilities with foreign migrant workers to conduct initial facility screening for forced labour indicators. Data collected will be analyzed and used to identify and track issues, which will help us prioritize our due diligence efforts.

Supplier Selection and Approval

lululemon works with values-aligned suppliers and collaborates to build or enhance supplier capacity to meet and/or exceed compliance requirements. We have an extensive process for approving new suppliers. We will approve a new supplier only if they successfully meet the requirements of our New Vendor Approval Process (NVAP), a holistic process through which we evaluate suppliers from a social, environmental, sourcing, quality, and production perspective at the facility level.

Before beginning a relationship with lululemon, suppliers are required to sign a Certificate of Acknowledgement and Agreement certifying they understand and will conform with the VCoE requirements.

We do not have direct contractual relationships with subcontractors. Our VCoE prohibits the use of unapproved subcontractors or homework, and we require all subcontractors to be approved by lululemon and to undergo RSC assessments.



³ We define 'makers' as the people employed by suppliers in the lululemon contracted supply chain.

⁴ Verité is an independent, non-profit, civil society organization that provides knowledge and tools to identify and remedy labour rights violations in global supply chains.

Supplier Assessments (Audits)

All facilities producing for lululemon are regularly assessed against the requirements of our VCoE Compliance Benchmarks. Our target is to assess all Tier 1 and Tier 2 facilities every 12 months at a minimum. Additional assessments may be triggered by certain risks or grievance investigations. The frequency of subcontractor re-assessment is based on risk factors such as geography, production processes, and/or elevated risks, such as the presence of foreign migrant workers or the potential for forced labour or child labour.

Assessments are conducted by either our internal RSC team or nominated third-party assessors. Selected facilities are also assessed by FLA, as required by our membership. Assessments are carried out on-site and include visual inspections of the entire facility and on-site dormitories, documentation reviews, and interviews with management and workers. If an assessment indicates the potential for severe risks, we conduct heightened due diligence.

Our RSC assessment tool evaluates facility performance against our VCoE Compliance Benchmarks, which include the ILO's 11 forced labour indicators as well as internationally recognized principles on child labour. In locations with elevated risk, such as the presence of foreign migrant workers or the potential for child labour, we include additional checks pertaining to supplier management systems, including hiring channels and recruitment fees, records of working hours, and age verification procedures. During on-site assessments, we evaluate the working and living conditions of foreign migrant workers and give special consideration to benefits (e.g., social security, pension payments), as well as inclusive working practices and worker-management communication.

In 2023, we carried out 397 RSC assessments; 65 percent were conducted by our internal RSC team, and 35 percent were conducted via nominated third-party assessors. FLA carried out assessments of five percent of our Tier 1 facilities. When an issue is flagged in an assessment, we work with suppliers on a Corrective and Preventative Action Plan (CAPA). All zero tolerance issues are addressed and remediated with high priority (see additional details under Corrective Actions and Accountability.)

We also rolled out a new cross-functional data management system in 2023 to enhance our assessment tools and enable more detailed data analysis on non-compliances, root causes, and other trends. Findings feed into our risk systems, inform our programs, and help us with targeted training and capacity building.

Addressing Risk

Training And Capacity Building

We build supplier knowledge and capacity through regular training. On an annual basis, we:

- Train all new Tier 1 and Tier 2 suppliers, through our onboarding process, on our RSC program and VCoE expectations, management systems, measures needed to remediate issues, and CAPA commitment delivery expectations.
- Provide existing suppliers with training on any RSC program updates and new tools.
- Deliver targeted training to address specific locational risks, such as forced labour and child labour, and support facility improvements.

In 2023, we delivered supplier trainings on RSC topics such as resisting bribery, non-compliance root cause analysis, and health and safety inspections. We also provided all Tier 1 and Tier 2 suppliers with mandatory e-learning on forced labour prevention.

Some of our Tier 1 and Tier 2 suppliers and subcontractors operate in locations with higher risk for child labour, as identified by our annual human rights risk assessment. In 2023, we launched a mandatory four module child labour prevention and remediation e-learning course, developed by independent industry experts, for Tier 1 and Tier 2 suppliers and their subcontractors located in these locations.

Internally, we build the requisite organizational competencies through training on human rights and our RSC program requirements. Our RSC team trains key lululemon decision-makers in our supply chain and product business functions on updates to the RSC program, strengthening their ability to support



all stages of responsible supply chain management, including identification and management of human rights-related risks, such as forced labour and child labour. In 2023, we conducted our annual training on forced labour and child labour, and 180 decision makers completed this training.

Corrective Actions and Accountability

We require suppliers to develop CAPAs to address issues identified through internal, nominated third-party, FLA, or shared assessments. Our approach to corrective action is one of root cause analysis and continuous improvement, with the intention of creating positive and lasting change. Our RSC team reviews and approves the CAPAs and, where required, offers guidance on effective solutions. We verify CAPA implementation through document review or on-site assessments.

In instances where risks cannot be sufficiently addressed via a CAPA, we aim to support through additional measures, ranging from technical training and awareness raising to more complex action plans or engagement of external experts. Our goal is to always work in partnership with suppliers to resolve issues. However, we maintain the right to terminate supplier relationships in cases of severe or persistent non-compliance.

Responsible Purchasing Practices

We recognize that our purchasing practices can impact suppliers' efficiency and resiliency, and in turn, the quality of life of the people who make our products. We are committed to responsible purchasing practices (RPP).

We review our purchasing practices alongside suppliers' responsible supply chain performance, which helps us identify areas where we can strengthen our own practices to mitigate risks of adverse impacts.

We also participate annually in the **Better Buying Purchasing Practices Index**, and together with suppliers and internal product and supply chain leaders, review results and identified areas of opportunity. In 2023, we finalized a RPP policy that formalized processes and accountabilities. Our interactive RPP e-learning for product and supply chain team members has helped to further integrate this work across the business.

Remedy

We have processes in place to address substantiated material supply chain human rights complaints and require all suppliers to have site-level grievance mechanisms available to their workers. Beyond supplier grievance systems, our maker grievance reporting mechanism (sustainablepartner@lululemon.com) enables individuals and organizations in our supply chain to raise non-compliance issues. Makers can also raise grievances directly with locational RSC team members or representatives. Through our FLA membership, makers and their advocates can also raise complaints via the **Fair Labor Association's Complaint Channel**. In these cases, FLA will work with us to investigate, remediate, and resolve complaints.

Employees of lululemon are strongly encouraged to report actual or perceived violations of lululemon's **Global Code of Business Conduct and Ethics**. We provide an Integrity Line for anonymous reporting.

Every complaint assessed as eligible is investigated, and, where possible, a response or resolution is provided to the complainant. When appropriate, we provide for or cooperate in remediation within our supply chain. If any instance of forced or child labour is found, our approach would be to work with suppliers to provide appropriate remedy, including monetary remediation where relevant. For example, our Foreign Migrant Worker Standard requires that our suppliers reimburse recruitment fees paid by workers.

In late 2023, we received two forced labour-related grievances specific to working hours. Efforts to investigate and address these grievances are in progress. We also engaged with the supplier to ensure relevant remedy was provided to the worker, including reimbursement of owed wages, to resolve a 2022 grievance related to working hours. No instances of child labour were found or reported in 2023, and therefore no monetary remediation measures were necessary.

More examples of our approach to remedy can be found in our **2022 Responsible Supply Chain Disclosure**.



Risk Mitigation

Our risk processes indicate heightened risks of forced labour and child labour in specific sourcing locations and tiers within our supply chain.

Foreign Migrant Workers

Makers who leave their homes to work in another country or location can be vulnerable to forced labour through unethical recruitment, hiring, and employment practices, such as withheld documentation or the lack of repayment of recruitment fees.

We have identified foreign migrant workers as an at-risk group in specific sourcing locations, including Japan, Jordan, Korea, Taiwan, and Thailand. In these locations, we are working with suppliers and their subcontractors to align with our **Foreign Migrant Worker Standard**, which sets out minimum requirements on issues such as ethical recruitment and ongoing employment of foreign migrant workers. This standard includes the employer pays principle, which mandates that suppliers are solely responsible for paying fees and other costs associated with the employment of workers—including recruitment, travel, and processing fees. We are a signatory to **AAFA and FLA's Commitment to Responsible Recruitment**, which requires that no recruitment-related fees be passed on to workers.

Since 2017, we have been supporting Tier 1 and Tier 2 suppliers in Taiwan through a Foreign Migrant Worker “No Fee” program, with the aim of eradicating recruitment fees for foreign migrant workers. All new facilities in Taiwan have one year to implement the program, and existing facilities are required to maintain no-fee status. All supplier facilities in Taiwan continue to implement the program’s “No Fee” requirements.

We are also rolling out the “No Fee” program in facilities in Japan, Jordan, Korea, and Thailand. In 2023, our RSC team provided education, guidance, and support to suppliers on understanding and implementing the “No-Fees” program.

Agricultural Commodities

High numbers of low-wage workers participate in the agriculture sector. In some locations, factors such as informal work arrangements, lack of infrastructure, and limited oversight and protection can increase human rights risks. We have identified the potential risk of forced labour and child labour in the production of agriculture-based raw materials, such as cotton and rubber. We are committed to sourcing agricultural commodities responsibly to advance sustainable business practices and respect human rights, and to certify commodities through the adoption of appropriate industry traceability standards.

Our approach is for all cotton fibre used in our products to be sourced from Australia, Brazil, Peru, or the United States of America. We are also working to adopt more responsibly grown cotton platforms in our portfolio, including through initiatives that provide greater traceability (such as the US Cotton Trust Protocol, and certified organic and regenerative organic cotton chain of custody models).

One hundred percent of the natural rubber we sourced in 2023 came from **Forest Stewardship Council** (FSC) certified forests in Guatemala and Sri Lanka. FSC requires certificate holders to demonstrate conformance to the FSC Core Labour Requirements, which includes the elimination of forced labour and child labour.

We continue to expand our traceability efforts to support and facilitate due diligence to identifying, preventing, and mitigating modern slavery risks in our upstream supply chain. See our annual **Impact Report** for more information on traceability.

Assessing Effectiveness

We are continuously evolving our approach to eradicating modern slavery from our supply chain. Our recent work toward continuous improvement is outlined within each section of this statement. To assess the effectiveness of our RSC work, we monitor, verify, and validate progress against our programs, measures, and indicators. We have included specific performance indicators in this statement. Performance on additional indicators can be found on our Reporting and Disclosure **website**.



Additional Information

For additional information on our policies and practices toward eradicating modern slavery, including human trafficking, forced labour, and child labour in our supply chain, see lululemon's RSC Disclosure and Impact Report, which are available on our [website](#).

We welcome your feedback on our disclosure and our efforts to prevent modern slavery. Please email us at sustainablepartner@lululemon.com.

lululemon athletica inc. consulted with each reporting entity in the development of this statement.

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for lululemon athletica inc. and lululemon athletica canada inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

This statement was approved by the Board of Directors of lululemon athletica inc. on behalf of lululemon athletica inc. and lululemon athletica canada inc. pursuant to subsection 11(4)(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act. lululemon athletica canada inc. is headquartered in Vancouver, Canada, operates 71 stores, and has approximately 8,200 employees.

I have the authority to bind lululemon athletica inc. and lululemon athletica canada inc.



Martha Morfitt,
Director and Board Chair, lululemon athletica inc.,
May 2024

lululemon athletica UK Ltd. is headquartered in London, operates 20 stores, and has approximately 590 employees. This statement has been approved by lululemon UK's Board of Directors.



Sarah Clark,
Board Member, lululemon athletica UK Ltd.,
May 2024

lululemon athletica australia holding Pty Ltd. and its subsidiary, lululemon athletica australia Pty Ltd are headquartered in Melbourne, operate 33 stores, and have approximately 1,230 employees. This statement has been approved by the boards of directors of lululemon athletica australia holding Pty Ltd and lululemon athletica australia Pty Ltd.



Paul Tinkler,
Board Member, lululemon athletica australia holding Pty Ltd. and lululemon athletica australia Pty Ltd.,
May 2024

