

California Transparency in Supply Chain Act Disclosure

The California Transparency in Supply Chains Act of 2010 requires certain companies doing business in the State of California to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale. Lowe's is taking the following actions to eradicate slavery and human trafficking from our supply chain:

Certification

Every vendor that sells products and/or services to Lowe's and its subsidiaries is required to comply with Lowe's Vendor Code of Conduct that outlines all the requirements for doing business with Lowe's. Specifically, Lowe's Vendor Code of Conduct states the following:

- **Forced Labor:** Vendors shall not use any form of forced, bonded, indentured, trafficked, slave or prison labor, with the exception of government approved programs that utilize convicts or prisoners on parole, supervised release or on probation or in any penal or reformatory institution. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. All workers must not be required to surrender any government-issued identification, passports or work permits as a condition of employment.
- **Child Labor:** Child labor is strictly prohibited. The minimum age for employment shall be the higher of 16 years of age, the minimum age for employment in that country or the minimum age for completing compulsory education in the country of manufacture.
- **Employment Practices:** Vendors must have hiring practices that verify accurately age and ability to work legally.
- **Compliance with Laws and Lowe's Policies:** Vendors must fully comply with all applicable national and/or local laws and regulations and Lowe's policies. To the extent that Lowe's policies impose a higher standard than what is required by applicable national and/or local laws and regulations on its Vendors, such higher standard will prevail. Lowe's Vendor Code of Conduct is incorporated into all of Lowe's standard agreements, including Lowe's Master Standard Buying Agreement.

Lowe's Vendor Code of Conduct requires that all vendors maintain all documents to demonstrate compliance with Lowe's Vendor Code of Conduct and provide such documents to Lowe's, whenever requested.

Verification, Auditing and Accountability

Beyond requiring our vendors to comply contractually with Lowe's Vendor Code of Conduct, Lowe's conducts Lowe's Social Accountability & Environmental (SAE) audits. The primary purpose of SAE audit is to ensure the products we source are manufactured in safe facilities and free of forced labor or any

forms of human trafficking by workers who are treated well and paid in accordance with local law.

Vendors subject to the SAE program must undergo an initial and necessary re-audit to validate implementation of corrective actions. SAE audits are conducted by a third-party audit firms and includes audits on areas, such as forced labor, labor contracts, working hours, compensation and benefits, employment practice, environmental compliance and worker health and safety. The third-party audit firm notifies the vendors in advance of a two-week window when audits are expected to take place, but the actual audit date is unannounced.

When a third-party audit firm identifies an area of noncompliance, the vendor is required to develop a corrective action plan. Vendors are re-audited once the vendors have had the opportunity to remedy the area of noncompliance within a specified period of time. Lowe's may deny business after certain types of noncompliance and where vendors do not meet the corrective action plan and re-audit requirements. Further, Lowe's may terminate any vendor that fails to comply with Lowe's Vendor Code of Conduct.

In connection with Lowe's employees, Lowe's requires all of its employees to comply with Lowe's Code of Business Conduct and Ethics which covers areas that include compliance with laws and employee relations. Failure of any Lowe's employee to comply with Lowe's Code of Business Conduct and Ethics may result in disciplinary action in addition to civil and criminal penalties.

Training

Lowe's trains its employees who have responsibility for supply chain management on Lowe's Vendor Code of Conduct, Lowe's Social Accountability & Environmental (SAE) Program and all of Lowe's related practices. Lowe's sourcing vendors also undergo training on Lowe's Vendor Code of Conduct as well. The training highlights how Lowe's mitigates its risks with respect to human trafficking and slavery.