



Enterprise Social Accountability & Environmental (SAE) Program

Dept.: Quality Assurance

Rev Date: 05-23-2019

Program Introduction At Lowe’s, we’re driven by a single mission — Together, deliver the right home improvement products, with the best service and value, across every channel and community we serve. Lowe’s conducts business responsibly everywhere we operate. This includes those locations which are served by Lowe’s Companies Inc. and its subsidiaries, affiliates, including but not limited to RONA and Lowe’s Canada (Collectively referred to herein as “Lowe’s”). Lowe’s Social Accountability & Environmental Program (“SAE Program”) is instrumental to achieving Lowe’s social accountability commitment above.

Program Scope Lowe’s SAE Program is based on Lowe’s Vendor Code of Conduct. All Vendors are expected to comply with all applicable laws and regulations for the jurisdictions in which they conduct business with Lowe’s. Lowe’s SAE Program applies to:

Factory	Importer of Record	Scope
Import Vendor	Lowe’s (LGS, RONA-Canada)	All Products
Domestic Import Vendor*	Vendor for USHI (Lowe’s USA)	Lowe’s Private Branded products that are manufactured outside the U.S. and Canada sourced & Imported by vendors

The SAE program is executed by conducting Retail Ethical Sourcing Assessment (“RESA”) at in scope factories at vendors cost by Lowe’s appointed and contracted 3rd party audit firms. The RESA template is currently being accepted by Lowe’s and The Home Depot (THD) to avoid multiple assessments on THD’s and Lowe’s vendors where the same factories are being used. In an ongoing effort in reducing audit assessment fatigue, Lowe’s will also accept The Business Social Compliance Initiative (BSCI) audit in lieu of conducting its own assessments. However, Lowe’s retains the right to conduct verification and investigation assessments to assess for itself the working conditions in a factory. For an initial assessment at a new factory, a BSCI audit result rating of A, B or C is required.

Assessments	Criteria
Retail Ethical Sourcing Assessment (RESA)	Lowe’s and The Home Depot (THD) worked collaboratively to establish one unified assessment template and “branded” as RESA
Certification: The Business Social Compliance Initiative (BSCI)	Valid BSCI audit certification with “A, B, and C” rating will be accepted in lieu of conducting an onsite assessment

Action Items Disclose the following facilities, either owned, rented, contracted or subcontracted:

- Facilities producing Lowe’s Private Branded products that are manufactured outside the U.S. and Canada sourced & Imported by vendors (Vendor is the Importer of Record)
- Manufacturing facilities where a Lowe’s product is considered to have undergone a substantial transformation into a stand-alone product that could be sold or used independently.
- Storage, packaging and shipment facilities in which Lowe’s products were stored, packaged and loaded, but are outside of manufacturing facilities.
- Please [click here](#) to download the form. The completed form needs to be submitted to socialaccountability@lowes.com



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Audit Administration

- LGS QA assigns assessments to 3rd party.
- 3rd party will contact factory to confirm assessment window and conducted on a semi-announced basis.
- At that time of scheduling, 3rd party will confirm if the factory has a valid BSCI or a RESA by THD
- RESA Focuses on such topics as forced labor, labor contracts, working hours, compensation and benefits, employment practice, environmental compliance and worker health and safety, etc.
- SAE team provides final rating and dispositions base on assessment findings.
- Formal report with rating and dispositions will be released by 3rd party to factory
- Report and Required CAP fee is Vendor/factory paid
- Assessment Man Day Requirement: < 500 Employees – 1 Man Day, > 500 Employees – 2 Man Days.
Man Day Rate in Mainland of China: 475 USD

Online Resources For more detail on SAE program and its requirement visit:

www.loweslink.com/llmain/Enterprise_Quality_Assurance.htm (The password for all PDF documents is: **Lowes2018**) Select [Enterprise Social Accountability & Environmental Program Manual](#)

- Vendor Login is **not** required to access the site
- Vendors and vendor’s factories are encouraged to access the site to view this training in both English and in Chinese
- Vendors to always download the latest forms from this site

Key Contacts	
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