

**LEGAL AND REGULATORY REQUIREMENTS****Introduction**

The following pages outline legal and regulatory requirements in the United States concerning the Foreign Corrupt Practices Act (FCPA), the Consumer Product Safety Commission (CPSC), and “conflict minerals” reporting requirements in Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010. This section also provides, in its entirety, Foot Locker, Inc.’s Letter to Suppliers and Global Sourcing Guidelines. This information is provided in this section to give both our branded and private label vendors an understanding of the regulations and requirements that must be met by vendors of Foot Locker, Inc. and its subsidiaries.

**Foreign Corrupt Practices Act (FCPA)\***

**\*Special Note:** Please visit <http://www.justice.gov/criminal/fraud/fcpa/>, the United States Department of Justice website, for the latest information on the Foreign Corrupt Practices Act.

Anticorruption laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”) apply to Foot Locker businesses worldwide. The FCPA exists to prevent corrupt practices in international transactions. The FCPA prohibits bribery of foreign officials and employees who work for foreign governments.

It is the policy of Foot Locker that our employees, agents, vendors (including their sub-contractors) and other third parties that do business with Foot Locker comply with the anti-bribery laws of the United States and of the foreign countries where Foot Locker does business.

Foot Locker expects that our vendors will never, directly or indirectly, offer, authorize, give, or promise any form of bribe or kickback to a government official or employee or a contractor in order to influence that person in an official capacity. Government officials include federal, state, and local government employees, political candidates, and even employees of businesses that are owned by the government. A “bribe” is any money, favor, or anything of value used to influence a foreign government official or to ensure a particular result or action. A bribe does not have to be cash; it could also be paying an inflated price to purchase a government official’s property or services, or it could be providing lavish entertainment to a government official. Any hospitality must be lawful and reasonable in value and frequency and must always have a valid business purpose. A “kickback” is the return of money already paid or due to be paid as part of a contract as a reward for making business arrangements.

Bribery of any kind in the United States and abroad, regardless of local custom or practice, is strictly prohibited.

***Consumer Product Safety Commission: Tracking Labels/General Certification of Conformity\****

**\*Special Note:** Regulations may change from the time of publication.

Please visit <http://www.cpsc.gov> for the latest information on safety regulations.

Tracking Labels

The Consumer Product Safety Improvement Act of 2008 (CPSIA) requires that all products covered under the CPSIA and manufactured after August 14, 2009 have a tracking label. The purpose of this label is to provide information to the consumer regarding the name and location of the manufacturer and the date of production. The specifics regarding the methods in which to reflect this information is located in Section 103(a) of the CPSIA. In the event an article is deemed a safety concern, this information will increase the awareness of the consumer and allow retailers to more readily identify products that need to be removed from inventory.

The CPSIA provides that the marks are to “enable the manufacturer to ascertain the location and date of production, cohort information (including the batch, run number, or other identifying characteristic), and any other information determined by the manufacturer to facilitate ascertaining the specific source of the product by reference to those marks; and the ultimate purchaser to ascertain the manufacturer or private labeler, location and date of production of the product, and cohort information (including the batch, run number, or other identifying characteristic).”

While the title of Section 103 references “tracking labels,” the focus of the text is “distinguishing marks.” As such, manufacturers should look at the totality of the information permanently marked on the product and packaging and not interpret “label” to mean a singular collection in one location.

Foot Locker Retail, Inc. requires all vendors to affix the proper tracking labels to their products. Validation of the tracking labels will be conducted randomly to confirm compliance.

General Certification of Conformity

The Consumer Product Safety Act of 2008 states that products manufactured on or after November 12, 2008 are subject to a consumer product safety rule under the Consumer Product Safety Act, or similar rule, ban, standard or regulation under any other Act enforced by the Commission. The General Certification of Conformity (GCC) must be completed in its entirety for all import shipments to the United States. The GCC must be completed for all imported adult apparel (ages 13 and above). The Children’s Product Certificate (CPC) must be completed for all imported children’s products (ages 12 and under). The purpose of this regulation is to keep garments made out of dangerously flammable textiles out of commerce and to address the level of lead content in all children’s products and what is deemed acceptable in the manufacture of these goods.

The Consumer Product Safety Commission believes that the documentation requirements will further validate their safety concerns and protect the consumer from potentially dangerous products. The following items must be addressed and documented at the time of production.

**16 CFR 1610 - Flammability Testing and Certification:** Testing and certification must be performed for all fabrics that are comprised of the following,

Plain surface fabrics, regardless of fiber content, weighing 88.16 grams per square meter or less

Raised surface fiber fabrics made of cotton, such as fleece shirts, jackets and pants.

Examples of fabrics that are considered having raised fibers:

Fleece fabric

Suede fabric

Terry Loop fabrics (i.e. Terry Cloth)

Velvet

Corduroy

Examples of fabrics that are **NOT** considered having raised fibers:

Spandex or Lycra

Ribbed fibers

Hairy yarn or Mohair Yarn fabrics

All Thermal or Rib fabrics

Pique fabrics or any other tightly woven “design” fabrics

Raised surface fibers of **acrylic, modacrylic, nylon, olefin, polyester, wool**, or any combination of these fibers are exempt from the testing requirements

**Special Note:** Plain sweatshirts, with napped or tufted fibers on the inside that do not contain a hood or embroidery on the outer surface, for which consumers could possibly wear inside out so that the raised fibers are exposed. (Foot Locker considers un-hooded sweatshirts with embroidery patches of sizes 2” x 2” or less as items that could possibly be worn inside-out, thus requiring flammability testing.)

If the garment is applicable, flammability testing is required for any age (infants, children, youths, adults). Flammability testing can be done at the raw material stage – final garment testing is not required for flammability.

**Lead content in Substrate CPSIA H.R. 4040 Title 1 Section 101:**

Testing must be conducted for products containing metallic trim and intended for sale to children 12 years of age and younger.

The current and future lead substrate limits that all trim articles must adhere to are:

**100 parts per million (ppm)**

Examples of metallic trim articles requiring testing are: snaps, grommets, zippers, buttons, eyelets and the like.

This excludes component parts that are inaccessible to children. Inaccessible means that the metallic trim article has a sealed covering or casing (paint, coating or electroplating are not sufficient).

**Lead content in paint coating (16 CFR 1303):** All garments containing trim articles with paint coating and/or after-treatment applications such as screen prints, transfers, decals or other prints and intended for sale to children 12 years of age and younger, must be tested and certified for lead in paint.

The current lead paint limit is as follows: **90 parts per million (ppm)**

**Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010\***

**\*Special Note:** Please visit <http://www.sec.gov>, the United States Securities and Exchange Commission website, for the latest information on the regulations for conflict minerals.

Foot Locker is committed to maintaining a socially responsible supply chain and to sourcing components and materials from companies that share our values regarding human rights, ethics, and environmental responsibility. The use in Foot Locker products of “conflict minerals” from the Democratic Republic of Congo (“DRC”) or an adjoining country that finance armed conflict would be inconsistent with this commitment. Conflict minerals are defined as tin, tantalum, tungsten and gold (commonly referred to as 3T&G), regardless of where they are sourced, processed or sold (“conflict minerals”).

Suppliers will disclose to Foot Locker whether products containing minerals designated as “conflict minerals” under Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or its implementing regulations (the “U.S. Dodd-Frank Act” or “Act”) are supplied to Foot Locker. Suppliers must also disclose to Foot Locker whether such “conflict minerals” originated in the Democratic Republic of Congo or “covered countries” as defined by the Act.

Foot Locker expects its suppliers to commit to have in place a supply chain policy and processes to undertake and enable (1) a reasonable inquiry into the country of origin of “conflict minerals” incorporated into products provided to Foot Locker; (2) due diligence of its supply chain, as necessary, to determine if “conflict minerals” sourced from the DRC or covered countries directly or indirectly support unlawful conflict therein, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Suppliers must cooperate with Foot Locker with regard to future inquiries regarding the source of conflict minerals in its products, and must include a commitment of the same cooperation from its subcontractors.

**Foot Locker, Inc.’s Letter to Suppliers and Global Sourcing Guidelines**  
(See following pages.)

All Foot Locker vendors are required to comply with the Foot Locker Global Sourcing Guidelines.

# FOOT LOCKER, FOOT LOCKER, INC.<sup>nd</sup> Regulatory Requirements

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April 2019

## TO OUR SUPPLIERS:

As a leading global retailer of athletically inspired shoes and apparel, Foot Locker strives to operate according to the highest ethical standards. Our philosophy is based on seven core values - Integrity, Leadership, Excellence, Community, Service, Team Work and Innovation. We believe in doing business with suppliers and business partners who share these values. Foot Locker is committed to maintaining a socially responsible supply chain and to sourcing components and materials from companies that share our values regarding human rights, ethics, and environmental responsibility.

To that end, our Global Sourcing Guidelines set out standards applicable to the production of all products sold in Foot Locker's stores. We expect that the products we sell will, without exception, be manufactured in compliance with local labor and employment laws, under working conditions that meet certain standards, and without the use of child labor, prison labor, or slave labor.

These standards apply both to you, as our direct supplier, and to any subcontractor you use in producing products for us. Any Foot Locker division may refuse to accept delivery of, return, or cancel orders for products manufactured in violation of these standards.

In addition to those standards set forth in our Global Sourcing Guidelines, we expect our suppliers to comply with the items listed in our Vendor Standards Manual. In particular, we note that Foot Locker continues its partnership with U.S. Customs & Border Protection in the area of border security and is a validated member of Customs-Trade Partnership Against Terrorism ("C-TPAT"). We remind you that each supplier is responsible for the security of the merchandise, and we expect you to take the necessary steps to assure all shipments of merchandise to Foot Locker are secure and do not contain contraband or other illegal materials.

A copy of the Global Sourcing Guidelines is enclosed for your reference. If you have any questions or comments about this, please speak with your normal contact at Foot Locker.

Very truly yours,



Richard A. Johnson  
President and CEO

## GLOBAL SOURCING GUIDELINES

Foot Locker, Inc. is concerned about the safety and fair treatment of the workers who manufacture the goods the Company sells, wherever the workers are located. To this end, the Company has developed the following Global Sourcing Guidelines, which shall apply worldwide to the Company's suppliers. Foot Locker, Inc.'s Global Sourcing Guidelines require all of the Company's suppliers to respect certain employment standards that the Company believes should be universal notwithstanding more relaxed standards (if any) which may be imposed by applicable local laws.

In the selection of its suppliers, Foot Locker works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with those of the Company. At the very minimum, Foot Locker expects its suppliers to comply, and to ensure that their subcontractors comply, with all legal requirements applicable to the conduct of their business.

Each of the Company's suppliers agrees that, by accepting orders from the Company or any of its subsidiaries, it will abide by and implement the terms of these Global Sourcing Guidelines and require the same from each of its subcontractors. Each of the Company's suppliers acknowledges that its failure to honor this agreement will compel Foot Locker to reevaluate, and possibly terminate, its business relationship with such supplier.

### **Employment Standards:**

Foot Locker will only do business with suppliers whose workers are, in all cases, present voluntarily, compensated fairly and allowed the right of free association and who are neither put at risk of physical harm, discriminated against, nor exploited in any way.

In particular, it is Foot Locker's policy that:

**Child Labor.** Child labor is not permissible. Workers may not be younger than 15 years of age (or 14 where local law permits) or the age for completing compulsory education, if higher.

**Forced Labor.** Forced labor, whether in the form of prison labor, involuntary or slave labor (including human trafficking), indentured labor, bonded labor or otherwise is not permissible. Employment must always be on a voluntary basis.

**Wages and Benefits.** Foot Locker will only deal with suppliers who compensate their employees fairly by providing wages, overtime premiums and benefits that, at very least, comply with legally mandated minimum standards.

**Working Hours.** Foot Locker will only deal with suppliers who maintain reasonable work hours, not exceeding prevailing local standards or any maximum prescribed by applicable laws.

**Health and Safety.** Foot Locker will only deal with suppliers who provide their employees with a safe and healthy work environment, designed to prevent accidents and injury to health arising out of or occurring in the course of work. At the very least, the Company requires that its suppliers comply with all applicable, legally mandated minimum standards for workplace health and safety.

**Nondiscrimination.** Foot Locker believes that employment should be based on ability and not on belief or any other personal characteristics. Thus, Foot Locker will only deal with suppliers who do not practice discrimination in employment, including in hiring, salary, benefits, advancement, discipline, termination, retirement, or in other aspects of employment on the basis of race, color, nationality, ethnic origin, gender, religion, age, sexual orientation, disability, or similar factors.

**Harassment and Abuse.** Foot Locker expects all employees to be treated with respect and dignity. Thus, Foot Locker will not deal with suppliers whose employees are subjected to physical, sexual, psychological or verbal harassment or abuse.

**Freedom of Association.** Foot Locker expects all of its suppliers to grant their employees the right to choose to affiliate with legally sanctioned organizations or associations without interference.

### **Environment:**

Foot Locker expects that each supplier facility will comply with all laws and regulations relating to environmental protection in the country in which it operates.

### **Subcontracting:**

Supplier will not utilize subcontractors in the manufacturing of products for Foot Locker without Foot Locker's prior written approval and only after subcontractor has agreed to comply with these Global Sourcing Guidelines.

### **Cargo Security:**

Each supplier is responsible to assure the security of the merchandise to the point of delivery to Foot Locker. Supplier will take the necessary steps to assure all shipments of merchandise to Foot Locker are secure and do not contain illegal materials or substances, illegal drugs, contraband or weaponry.

These Global Sourcing Guidelines are distributed annually by the Company to each of its suppliers. In order to assure that the Guidelines' contents are available to the workers whose well-being is their object, the Company also requires its suppliers to post these Global Sourcing Guidelines prominently on the premises where goods for the Company are manufactured.

These Global Sourcing Guidelines are integral parts of our purchase agreement with our suppliers. **To assure its suppliers' conformity with these Global Sourcing Guidelines, Foot Locker reserves the right to make periodic, unannounced inspections of its suppliers' facilities.** Suppliers agree to maintain and provide upon request all documentation necessary to demonstrate and to assure compliance with the Global Sourcing Guidelines.

Foot Locker, Inc. welcomes questions and comments regarding these Global Sourcing Guidelines, all of which should be sent to the Company's Secretary at Foot Locker, Inc., 330 West 34th Street, New York, New York 10001.