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**Legal and Regulatory Requirements.**

We expect our business partners to ensure that all merchandise items supplied to Foot Locker in Europe are in full compliance with European and country specific laws and regulations regarding product safety, product standards and environmental requirements.

**THIS SECTION CONTAINS INFORMATION ON SPECIAL RESTRICTIONS AND REQUIREMENTS THAT APPLY TO THE EUROPEAN MARKET. IT IS IMPOSSIBLE TO COVER ALL EUROPEAN AS WELL AS COUNTRY SPECIFIC REGULATIONS AND RESTRICTIONS REGARDING PRODUCTS, USE OF CHEMICALS OR OTHERS IN THIS MANUAL. PLEASE CONSULT THE COMPETENT EUROPEAN AGENCIES REGARDING APPLICABLE LAWS AND REQUIREMENTS PRIOR TO THE IMPORT OF PRODUCTS IN EUROPE.**

In this section we highlight the following restrictions / requirements:

1. DMF/Silica gel bags
2. Gassed containers
3. REACH
4. Global Sourcing guidelines
5. Foreign Corrupt Practices Act (FCPA)

**1. Gassing of containers**

We require our business partners to avoid the use of substances and gasses which are prohibited in the European market. This prohibition applies to substances used on merchandise as well as within containers used to ship merchandise to us. Containers, as well as merchandise samples, are regularly checked.



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Containers that fail our standards are not allowed to be off loaded and will be sent to specialized treatment facilities, at supplier's expense.

Merchandise that fails our standards, will be rejected.

In both cases, suppliers will be held liable for any damage. Merchandise suppliers must ensure that their products are being shipped in a safe and secure manner, and that their products meet the Foot Locker requirements. They must impose this prohibition on the use of fumigating/toxic gasses on any party involved in their supply chain such as subcontractors, carriers and forwarders

### 2. REACH

#### 2.1 "REACH" Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals

"REACH" is an EU Regulation (Regulation (EC) No. 1907/2006) concerning the Registration, Evaluation, Authorization and Restriction of Chemicals, which have come into force in 2007. REACH imposes a number of registration and information obligations upon producers, importers and distributors of chemicals and of products containing such chemicals:

- **Substances and preparations of substances** (mixtures): Chemical substances and preparations (mixtures) thereof fall under the REACH regime and must be registered before they may be manufactured in or imported into the EU. Examples: shoe care products, perfumes, ink cartridges etc.
- **Articles**: Articles (objects) which contain chemical substances "with an intended release" of those substances under normal or reasonably foreseeable conditions of use also fall under the REACH regime. The substances which they contain must be registered before they may be manufactured in or imported into the EU. Examples: perfumed shoes, socks releasing a skin care lotion etc.
- **Packaging**: REACH also applies to the packaging materials of products manufactured in or imported to the EU!



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Foot Locker requires its vendors to respect the requirements of REACH at all times and expects that product shipped to Foot Locker is always fully compliant with the Regulation.

Foot Locker requires its vendors to inform Foot Locker immediately about any product ordered by Foot Locker or shipped to Foot Locker not in compliance with the requirements of REACH.

Where applicable, Foot Locker shall request its vendors to expressly warrant that their product is in compliance with REACH or specific sections of the Regulation and that Foot Locker is legally not required to file for registration of any substances, preparations or articles ordered by or shipped to Foot Locker.

**FOOT LOCKER RESERVES THE RIGHT TO CANCEL ANY CONTRACT OR PURCHASE ORDER FOR PRODUCT NOT IN COMPLIANCE WITH REACH OR WHENEVER A VENDOR FAILS TO ISSUE THE WARRANTIES REQUIRED BY FOOT LOCKER AND TO RETURN THE PRODUCT TO THE VENDOR. FOOT LOCKER RESERVES THE RIGHT TO HOLD THE VENDOR LIABLE FOR ANY DAMAGES, LOSSES OR ADDITIONAL COSTS INCURRED DUE TO THE CANCELLATION OF THE CONTRACT OR PURCHASE ORDER AND RETURN OF THE PRODUCTS TO THE VENDOR.**

Further below we will address some of the topics regulated by REACH, which are most relevant for Foot Locker's business. However, information provided by this manual cannot exhaustively cover all requirements imposed by REACH. **Our vendors are required to sufficiently familiarize themselves with the requirements imposed by REACH and to meet those requirements at all times.**

Further information on this REACH can be obtained from the European Chemicals Agency ECHA (<https://echa.europa.eu/home>) or from the national helpdesks established in each Member State of the EU (<https://echa.europa.eu/support/helpdesks/>).

### **2.2. Registration of Chemicals**

REACH requires that any manufacturer or importer of a chemical substance manufactured in the EU or placed on the EU market in quantities of 1 tonne or more per year submit a registration to the European Chemicals Agency ECHA.

**The quantities registered by Foot Locker's vendors must include the quantities of chemicals contained in product ordered by or shipped to Foot Locker.**

We expect our vendors to proactively inform us about any registrations (including so-called pre-registrations) they have filed in relation to product ordered by or shipped to Foot Locker.



### **2.3. SVHC – Substances of Very High Concern**

The European Chemicals Agency ECHA has published a candidate list of so-called Substances of Very High Concern (SVHC). Special rules apply to the substances contained in this list.

**SVHC on its own or in a preparation:** If an SVHC from the candidate list is manufactured or imported to the EU on its own or in a preparation, a Safety Data Sheet (see below) may be required.

**SVHC in articles:** As of 1 June 2011, vendors who produce articles (i.e. objects) containing any SVHC from the candidate list in a concentration above 0,1 % weight by weight (w/w), must notify the European Chemicals Agency ECHA in accordance with Article 7 of REACH, if the SVHC is present in those articles in quantities totaling over 1 tonne per year.

**Foot Locker already today requires its vendors to inform Foot Locker immediately about any SVHC contained in product ordered by or shipped to Foot Locker in a concentration above 0.1 % w/w, even if the total quantities imported are less than one tonne per year.** Foot Locker has the obligation to inform its customers about the presence of any such substance in its products in a concentration above 0.1 % w/w and about their safe use.

**Foot Locker reserves the right to cancel any contract or purchase order for the purchase of product containing any SVHC in a concentration above 0.1 % w/w.**

The candidate list of SVHC is subject to change. We expect our vendors to regularly check the website of ECHA for any updates of the candidate list.

An SVHC from the candidate list may also become subject to formal authorization prior to its manufacturing in or import to the EU. In this case, the SVHC will be listed in Annex XIV of REACH. Any of our vendors who have been using SVHCs in any of its products should also monitor any changes to Annex XIV and inform Foot Locker immediately of any substances contained in product ordered by or shipped to Foot Locker requiring Annex XIV authorization. It is the vendor's responsibility to obtain the necessary authorization.

**Foot Locker reserves the right to cancel any contract or purchase order for the purchase of product containing substances listed in Annex XIV and ship such product back to the vendor.**



### **2.4. Restricted substances – Annex XVII**

A substance on its own, in a preparation or in an article for which Annex XVII of REACH contains a restriction may not be placed on the EU market unless it complies with the conditions of the restriction. Examples: Nickel in certain jewelry, zippers, rivets etc., azocolourants in clothing and footwear, phtalates in toys etc.

#### DMF

The biocide Dimethylfumarate (or DMF) has been banned for all consumer products.

This means that no product or any part of it should contain more than 0.1 ppm. In our industry, DMF was commonly used as a chemical substance in silica gel bags (i.e. the small pouches accompanying certain consumer goods to prevent dampness and mold).

**Foot Locker restricts the use of such silica gel bags to bags that are marked clearly as DMF free. Moreover, for every merchandise style ordered by Foot Locker, a test report must be submitted showing that the silica gel bags (if used) are DMF free.**

#### Triclosan

Triclosan is an antibacterial agent which is found in amongst others shoe care products,

The use of Triclosan is restricted in both the European Union as in Switzerland and Foot Locker does not accept the presence of Triclosan in any (shoe care) product.

We expect our vendors to inform us immediately about the presence of any substance in product ordered by Foot Locker, which is subject to an Annex XVII restriction and to warrant its compliance with the conditions of the restriction.

### **2.5. Safety Data Sheets**

Vendors of substances or preparations which are classified as dangerous, persistent, bio accumulative and toxic or very persistent and very bio accumulative and vendors of Substances of Very High Concern are required to produce a so-called Safety Data Sheet, cf. Article 31(1) of REACH.

We also require our vendors to produce Safety Data Sheets for product meeting the requirements of Article 31(3) of REACH.

Please refer to Section 7 of this Manual.

### **2.6. OR – Only Representative**

Vendors not established in the EU cannot file a REACH registration themselves but will need to appoint a so-called Only Representative (OR) (Article 8 of REACH) within the EU who ensures compliance with REACH, including pre-registration and registration, notification of Substances of Very High Concern (SVHC), provision of information under Article 33 of the Regulation and ensuring compliance with any restrictions in Annex XVII.

As a consequence, Foot Locker requires all of its vendors who are not established in the EU and who supply to Foot Locker substances, preparations or articles subject to REACH to appoint a competent



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OR and to inform us proactively about the name and contact details of their OR as well as any changes thereof.

### **2.7. Violations of REACH**

The violation of REACH can lead to heavy administrative fines and criminal sanctions, based on the laws of the EU Member States. Foot Locker will hold its vendors liable at law and in equity for any sanctions imposed on Foot Locker by any court or authority for breach of REACH as well as for any other material or immaterial damages incurred due to failure of the vendor to comply with the aforementioned requirements.

Foot Locker reserves the right to request detailed information from its vendors concerning their compliance with REACH, in particular with regards to the presence of any SHVC in product ordered by Foot Locker, with regards to registration and pre-registration of chemicals in product ordered by Foot Locker and with regards to the name and contact details of the vendor's Only Representative in the EU. Foot Locker reserves the right to undertake audits of the REACH compliance of its vendors.

### 3. Global Sourcing guidelines

March 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,

A handwritten signature in black ink that reads "Dick Johnson".

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.

**4. Foreign Corrupt Practices Act (FCPA)**

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 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.

### **5. Legislation on Packaging and Packaging Waste.**

Dutch legislation demands that all packaging complies with the Essential Requirements as laid down in the European Directive on Packaging and Packaging Waste 94/62/EG (OJEG L 365) of December 20, 1994, lately modified by the European Council on February 11, 2004 (OJEU L 47)

This European Directive has been implemented in Dutch law by the Dutch "Besluit beheer verpakkingen en papier en karton " (Packaging, Paper and Cardboard Management Decree of March 24, 2005)

A link of the English version of the European Directive and a translation of the Dutch law is attached to this chapter. Based on the Dutch legislation, we have to request from any and all of our suppliers a declaration confirming that the packaging used for the product we buy, respects the European standards and requirements. This declaration has to be given once a year. Please supply us with the attached declaration every year in the month of January.

European Directive 94/62 regarding Packaging and Packaging waste:  
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31994L0062>

Amending Annex I to above Directive  
European Directive on Packaging and Packaging waste:  
<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1423727981956&uri=CELEX:32013L0002>

Besluit Beheer Verpakkingen Papier en karton (only in Dutch language):  
<http://wetten.overheid.nl/BWBR0035711/2016-01-01>

The attached form should be sent to:

FLE Logistics B.V.  
De Grens 27  
6598 DK HEIJEN  
THE NETHERLANDS  
Attn: Harry Huijs

**The undersigned:****Company****Address****Postal code and City****Country****This declaration is issued to:**

Foot Locker Europe B.V.

Postbus 73

6590AB Gennep

THE NETHERLANDS

**Declaration:**

The undersigned herewith declares, that the packaging around the products as the regularly delivered to the addressee, complies with the Essential requirements as laid down in the European Directive on Packaging and Packaging Waste 94/62EG (OJ EG L 365) of December 20, 1994, lately modified by the European Council on February 11, 2004 (OJEU L 47)

This European Directive has been implemented in local Dutch law by the Dutch “ Besluit beheer verpakkingen en papier en karton” ( Packaging, Paper and Carboard Management Decree of March 24, 2005)

**Product description:**

All products, or  
Specific products (add description)

**Product identification (article numbers):****Validity:**

This declaration is valid as from (date) and supersedes all previous declarations concerning the same subject.

**Proviso:**

The undersigned can't accept responsibility for the existence or lack of logistical or other systems in The Netherlands required for the separate collection of packaging waste.

**Accountability:**

The undersigned is able and willing to support this declaration by providing the necessary documentation and/or reports of analysis, if so requested by the proper authorities.

Date:

Place:

Name:

Signature:

**European restrictions on the use of certain chemicals and on the use of formaldehyde in textiles.**

- Restrictions on the use of chemicals on EU level are governed by Directive 76/769/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations.
- There is not (yet) any binding European Community legislation on the use of formaldehyde. However, several individual member states have restricted the use of formaldehyde in textiles (a.o. Austria, Denmark, France, Germany and The Netherlands). Since Foot Locker distributes product in all of these countries, these legislations need to be respected to the strictest standard, which is the Dutch regulation. The following restrictions apply:

**The maximum content of formaldehyde used on clothing and other textiles (meant to come in contact with human skin) is 120 ppm, according to the following standards:**

- 1. If products contain MORE than 120 ppm (> 120 ppm) formaldehyde, they should contain a clear and apparent label “wash before use – contains formaldehyde” (“voor eerste gebruik wassen”). This label must be attached to the product itself (not just to the packaging).**
- 2. After such first wash, the product can NOT contain more than 120 ppm formaldehyde.**
- 3. Under German and Austrian law, the warning must say: “Enthält Formaldehyd. Es wird empfohlen, das Kleidungsstück zur besseren Hautverträglichkeit vor dem ersten Tragen zu waschen” This applies as of 1500 ppm.**

On an annual basis Foot Locker Europe needs to receive a certificate from each textile vendor, confirming compliance with the above standards. Please find attached the standard certification sheet to be sent to Foot Locker Europe once a year to the following address:

Foot Locker Europe B.V.  
De Grens 27  
6598 DK HEIJEN  
THE NETHERLANDS

**Vendor Formaldehyde Compliance Standards Certification Sheet**  
**year 20..**

Company name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Contactperson: \_\_\_\_\_

We certify that all materials or goods supplied to Foot Locker Europe B.V. meet the below mentioned requirements. This certification also guarantees compliance for all future materials or goods to be delivered to Foot Locker Europe B.V. during the year 200...

**FORMALDEHYDE < 120 ppm**

**More than 120 ppm of formaldehyde is used on the following products:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

These products have a label attached which clearly states “*wash before first use*”. We certify that after the first wash, the formaldehyde content is less than 120 ppm.

We declare to take full responsibility and to hold Foot Locker Europe B.V. harmless for any claim or any potential losses in case of the supply of any goods in conflict with above certification.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Title