

# Private Brand Supplier Code of Conduct

Effective Date: June 2, 2014





## Code of Conduct Vision

**We will build Human Rights values and Sustainability into everything we do, so that as we grow so will the values that we operate under.**

**By signing the Belk Code of Conduct companies are, within their scope of influence, committed to acknowledge the social and environmental standards expressed within this Code and to undertake measures for their implementation and compliance.**

## Human Rights

**Legal Compliance:** The Belk factory, vendor or supplier must always comply with the highest standards whether they are the applicable local laws and regulations or industry standards or Belk Code of Conduct specific requirements.

**Freedom of Association and Collective Bargaining:** Belk suppliers must respect the workers' right to join organizations of their own choice

**Prohibition of Discrimination:** The Belk supplier shall not discriminate against workers on the basis of race, religion, beliefs, gender, marital or maternal status, age, political affiliation, national origin, disability, sexual orientation or other basis not directly impacting on a workers individual skills and ability to perform the job.

**Compensation:** Wages paid for regular working hours and overtime hours shall meet or exceed legal minimums and/or industry standards; illegal, unauthorized deductions from wages shall not be made.

**Working Hours, Wages & Benefits:** Belk suppliers shall conform with applicable national laws and industry standards for working hours, compensation, benefits and overtime compensation. Workers shall not be required to work more than sixty (60) hours per week on a regular basis, including overtime. Overtime hours shall be on a voluntary basis.

**Workplace and Worker Health and Safety:** The Belk supplier shall ensure compliance with applicable laws and regulations relating to health and safety issues including classification, work place risk analysis, reporting and inspections by authorities. The required corrective actions from such inspections shall be documented and completed within the set timeframe.

**Prohibition of Child Labor:** Belk does not accept child labor. Our suppliers shall not make use of child labor and shall abide by the United Nations Convention of the the Rights of the Child (1989) and comply with all relevant national and international laws, regulations and provisions applicable in the country of production or operation.

**Prohibition of Forced and Compulsory Labor:** The Belk supplier shall not make use of any of the forms of forced, prison, bonded or any involuntary labor. Our suppliers shall abide by the California SB 657 Transparency in Supply Chains Act of 2010 and comply with all relevant national and international laws, regulations and provisions applicable in the country of production or operation.

**Management Systems:** Belk suppliers shall define and implement a policy for social and human rights accountability and the appropriate management systems shall be in place to ensure that the Belk Code of Conduct can be followed and is being followed. All supplier employees shall have access to this Code of Conduct.

## Sustainability

**Project Management:** The Belk supplier shall have an environmental policy and monitoring plan with the support of an Environmental Project Management committee working to improve the supplier's environmental performance.

**Resource and Energy Management:** The Belk supplier shall have as part of the oversight of their Environmental Project Management committee a policy of measuring and recording energy and resource consumption for all buildings and processes.

**Environment – Air, Noise, Water and Ground:** The Belk supplier must meet or exceed minimum compliance with applicable laws and regulations relating to environmental protection including environmental classification, reporting and inspections by authorities

**Chemicals:** The Belk supplier shall ensure compliance with applicable laws and classification regulations relating to purchasing, storing, handling, use and transportation of chemicals. The supplier shall have valid permits for all chemicals that are legally restricted or controlled and shall demonstrate compliance with these permits.

**Hazardous and Non-Hazardous Waste:** The Belk supplier shall ensure compliance with applicable laws and regulations relating to the handling, storage, transportation, recycling and disposing of hazardous and non-hazardous waste and if required obtain the necessary permits and demonstrate compliance with those permits.

**Fire Prevention:** The Belk supplier shall insure compliance with applicable laws and regulations relating to fire protection including fire classification, reporting and inspections by the fire authorities. Corrective actions from such inspections shall be documented and completed within set timeframes

## Terms of Implementation

All Business Partners must post the Belk Code of Conduct in places in their factories readily accessible to workers, translated into the language of the workers and supervisors and communicate these provisions to all workers. Business Partners shall take appropriate steps to ensure the provisions of this Code of Conduct are communicated to all workers. Upon employment, as part of worker orientation, the Belk Code of Conduct shall be presented to workers and explained to them. From time to time Business Partners shall periodically review the Belk Code of Conduct with workers.

# Belk Private Brands Code of Conduct

It is important that Belk Private Brands place business on behalf of its consumers and stockholders with vendors and supply chain partners whose practices are compatible with Belk's brand values. Therefore, in accordance with these values the Belk Private Brands Code of Conduct aims to achieve compliance with certain social, legal, human rights and environmental standards. By signing the Belk Private Brands Code of Conduct companies are, within their scope of influence, committed to acknowledge the social, legal, human rights and environmental standards laid down in this Code and take appropriate measures within their company policy for their implementation and compliance. Supplier companies, in addition, must ensure that the Code of Conduct is also observed within their own supply chains involved in production processes carried out on behalf of Belk.

This Code of Conduct outlines the basic requirements that all Belk Private Brand Supply Chain partners must meet in order to do business or continue to do business with Belk Private Brands.

## Human Rights

### 1. Legal Compliance

Compliance with all applicable local laws and regulations, industry highest standards, Belk Code of Conduct specific requirements and any other relevant statutory requirements whichever requirements are more stringent. This not only includes compliance with the Code of Conduct but also compliance with the terms and conditions of purchase orders issued by or on behalf of Belk Private Brands which apply to the importation into the United States of products sourced by or for Belk Private Brands. Special attention shall be paid to those regulations governing country of origin, quota, tariff classification, marking and special trade programs allowing duty-free or reduced duty treatment for good (e.g.: Generalized System of Preferences, NAFTA, etc.)

### 2. Freedom of Association and Collective Bargaining

Suppliers must respect the rights of employees to lawfully and peacefully join organizations and associations or not to associate with groups of their choosing and bargain collectively as long as such groups and activities are legal in the country where merchandise is manufactured. Workers shall not be subject to intimidation or harassment in the peaceful exercise of their legal right to join or refrain from joining an organization.

### 3. Prohibition of Discrimination

Belk suppliers shall not discriminate against workers on the basis of race, religion, beliefs, gender, marital or maternal status, age, political affiliation or opinions, national origin, disability, sexual orientation or other basis not directly impacting on a workers individual skills and ability to perform the job. No discrimination shall be tolerated in hiring, remuneration, access to training, promotion, termination or retirement.

### 4. Compensation

Belk suppliers shall pay wages for regular working hours and overtime hours shall meet or exceed legal minimums and/or industry standards. In situations in which the legal minimum wage and/or industry standards do not cover living expenses and provide some additional disposable income, supplier companies are further encouraged to provide their employees with adequate compensation to meet these needs. Deductions from wages as a disciplinary measure are illegal, unless this is permitted by national law and a freely negotiated collective bargaining agreement is in force. Supplier companies shall ensure that wage and benefits composition are detailed clearly and regularly for workers; the supplier company shall also ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered in a manner convenient to workers. All overtime shall be reimbursed at a premium rate as defined by national law. In countries where a premium rate for overtime is not regulated by law or a collective bargaining agreement, personnel shall be compensated for overtime at a premium rate or equal to prevailing industry standards.

### 5. Working Hours, Wages & Benefits

Belk suppliers shall conform with applicable national laws and industry standards for working hours, compensation, benefits and overtime compensation. Workers shall not on a regular basis be required to exceed the maximum allowable 60 hours per week, including overtime. Studies of business practices link worker strain to reduced productivity, increased turnover and increased injury and illness. Workweeks are not to exceed the maximum set by local law or be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off per seven-day week. Overtime hours shall be worked solely on a voluntary basis. In cases where overtime work is needed in order to meet short-term business demand and the company is party to a collective bargaining agreement the company may freely negotiate with worker organizations representing a significant portion of its workforce, the company may require such overtime work in accordance with such agreements.

## Belk Private Brands Code of Conduct

### Human Rights Cont'd

**6. Workplace and Worker Health and Safety**

Belk suppliers shall ensure compliance with applicable laws and regulations relating to health and safety issues including classification, work place risk analysis, reporting and inspections by authorities. The company shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential accidents and injury to workers' health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards. The required corrective actions from such inspections shall be documented and completed within the set timeframe.

A clear set of regulations and procedures must be established and followed regarding occupational health and safety, especially the provision and use of personal protective equipment, access to clean toilet facilities, access to potable water and if appropriate, sanitary facilities for food storage shall be provided. The company shall ensure that any dormitory facilities provided for personnel are clean, safe, and meet the basic needs of the personnel. All personnel shall have the right to remove themselves for imminent serious dangers without seeking permission from the company.

**7. Prohibition of Child Labor**

Belk does not accept child labor. Our suppliers must abide by the United Nations Convention of the the Rights of the Child (1989) and comply with all relevant national and international laws, regulations and provisions applicable in the country of production or operation. Workers can be no less than 15 years and not younger than the compulsory age to be in school. We will not utilize partners who use child labor in any of their facilities. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers. In the event that children are found to be working in situations which fit the definition of child labor above, policies and written procedures for remediation of the children found to be working shall be established, documented and executed within 45 days by the supplier company.

**8. Prohibition of Forced and Compulsory Labor:**

The Belk supplier shall not make use of any of the forms of forced, prison, bonded or any involuntary labor.

Neither the company nor any entity supplying labor to the company shall withhold any part of any personnel's salary, benefits, property, or documents in orders to force such personnel to continue working for the company.

Personnel shall have the right to leave the workplace premised after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice to their employer.

Neither the company nor any entity supplying labor to the company shall engage in or support trafficking in human beings. Our suppliers shall abide by the California SB 657 Transparency in Supply Chains Act of 2010 and comply with all relevant national and international laws, regulations and provisions applicable in the country of production or operation.

The company shall treat all personnel with dignity and respect. The company shall not engage in or tolerate the use of corporal punishment, mental or physical coercion.

**9. Management Systems:** Belk suppliers shall define and implement a policy for social and human rights

accountability and the appropriate management systems shall be in place to ensure that the Belk Code of Conduct can be followed and is being followed. All supplier employees shall have access to this Code of Conduct. Management is responsible for the correct implementation and continuous improvement by taking corrective measure and periodical review of the code of conduct to all employees. It shall also address employees' concerns of non compliance with this Code of Conduct.

**10. Prohibition of Conflict Minerals Usage:** Belk suppliers shall not make use of any forms of gold, tin, tantalum or tungsten mined in the Democratic Republic of Congo (DRC) or its neighboring countries. Our suppliers shall abide by Section 1502 of the Dodd-Frank Act required by the Securities and Exchange Commission (SEC), with best practices of having conflict mineral policies, due diligence frameworks and management systems consistent with the Organization for Economic Cooperation and Development (OECD) guidelines. Belk may request of its suppliers written evidence of this due diligence documentation, including formal certifications and policies.

# Belk Private Brands Code of Conduct

## Sustainability

### 1. Environmental Project Management

The Belk supplier shall have an environmental policy and monitoring plan with the support of an environmental management committee working to improve the suppliers environmental performance. Supplier must comply with all applicable local, U.S. and international laws, rules, regulations and standards including U.S. regulations prohibiting the use of ozone depleting chemicals (hydrochlorofluorocarbons) and the International Trade in Endangered Species of Wild Fauna and Flora, as listed in the United States Endangered Species Act of 1973; as well as any modifications or amendments to these laws, rule regulations and standards. While Belk may employ L&F and third party auditors to insure compliance with this Code of Conduct, the preliminary terms of implementation shall accept self-declaration to comply with these requirements.

### 2. Resource and Energy Management

The Belk supplier shall have as part of the oversight of their Environmental Project Management committee a policy of measuring and recording energy and resource consumption for all buildings and processes. Suppliers must comply with all applicable local, U.S. and international laws, rules, regulations and standards related to resource and energy consumption. Each supplier after one year of measuring and monitoring energy and resource consumption shall set targets for reductions annually.

### 3. Environment – Air, Noise, Water and Ground

The Belk supplier must meet or exceed minimum compliance with applicable laws and regulations relating to environmental protection including environmental classification, reporting and inspections by authorities.

**Outdoor Air & Noise pollution** - The Belk supplier shall meet compliance with applicable laws and regulations relating to emissions to the air and noise pollution and, if required, obtain the necessary permits and test reports.

**Ground & Water** - The Belk supplier shall ensure compliance with applicable laws and regulations relating to discharges to ground and water and, if required, obtain the the necessary permits and test reports.

**Ground Contamination** - The Belk supplier must ensure compliance with applicable laws and regulations regarding ground contamination. The Belk supplier shall investigate and assess the possible risks of ground contamination, due to previous or ongoing activities on the site.

**The Belk Supplier shall have practical plans in place to reduce the environmental impact from production and operations.**

### 4. Chemicals

The Belk supplier shall ensure compliance with applicable laws and classification regulations relating to purchasing, storing, handling, use and transportation of chemicals. The requirements are applicable for all chemicals used in production, operations and maintenance. The Belk supplier shall have documented procedures for the purchasing, storage, handling and use of chemicals. The supplier shall have valid permits for all chemicals that are legally restricted or controlled and shall demonstrate compliance with these permits. The Belk supplier shall establish and maintain an updated list of all chemicals, including the name of the chemical product, the purpose/area of use and a reference to an MSDS (Material Safety Data Sheets) used in production, operations and maintenance.

The workers that purchase, store or handle and use chemicals must have the right competence and adequate training before start work. Records of the training shall be kept by the Belk supplier including the names of participants, date of the training and an overview of the training content.

Chemicals shall be stored, handled and transported in a way that prevents emissions to air, ground and water, prevent risks of ignition/explosion and ensure workers health and safety. Applicable information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in operations areas where the chemical is used. All containers of chemicals, including temporary containers, shall be properly labeled with appropriate danger symbols and chemical names to ensure that the contents are known and the potential risk minimized.

### 5. Hazardous and Non-Hazardous Waste

The Belk supplier shall ensure compliance with applicable laws and regulations relating to the handling, storage, transportation, recycling and disposing of hazardous and non-hazardous waste and if required obtain the necessary permits and demonstrate compliance with those permits. The Belk supplier shall establish and maintain a list of hazardous waste and non-hazardous waste in order to monitor the type and quantity that is generated. The list shall clearly show which type of waste is hazardous and which is not, and be continuously updated.

A procedure shall be established for handling, storing, transporting and disposal of hazardous waste that prevents harmful emissions to air, ground and water, prevent risks of ignition/explosion and ensure workers health and safety. The Belk supplier shall ensure that workers handling hazardous waste have the right competence and are adequately trained. Records of training shall be kept by supplier.

The Belk supplier shall store, handle and transport waste in a way that prevents contamination to air, ground and water, ensure workers health and safety and facilities recycling when possible. Contractors for transport, storage and final disposal of hazardous waste must be licensed according to applicable legislation. Hazardous waste shall not be land-filled or incinerated on-site. If non-hazardous waste is land filled or incinerated on-site all relevant legal requirements shall be fulfilled.

# Belk Private Brands Code of Conduct

## Sustainability Cont'd

### 6. Fire Prevention

The Belk supplier shall ensure compliance with applicable laws and regulations relating to fire protection including fire classification, reporting, and inspections by the fire authorities. Corrective actions from such inspections shall be documented and completed within set timeframes. Supplier must document any fires and serious incidents that can cause a fire, including corrective and preventive actions. If required by law, a report shall be sent to the authorities. An adequate number of workers must be trained to use the fire fighting equipment in each work area, covering all shifts. Records of the training shall be kept by the Belk supplier including names of participants, dates of the training and an overview of the training content. All workers shall be made aware of basic safety issues before starting work through introductory training. The supplier shall have the appropriate fire fighting equipment. Placement and maximum distance between fire extinguishers shall comply with applicable laws and regulations and/or specific approvals from the fire authorities. The fire fighting equipment shall be easily accessible and identifiable, also from a distance. It shall be maintained, kept unlocked and inspected at least every 12 months.

Emergency exits and routes shall ensure a fast and safe evacuation of all workers. The Belk supplier shall, as a minimum, have two independent emergency exits per working area and ensure all emergency exits and access routes are free from obstruction. All emergency exits and routes shall be marked with luminescent or illuminated signs and shall be visible from the main aisles.

There must be an independent and functioning evacuation alarm with continuous sound to notify all workers about an emergency situation and to ensure a fast and safe evacuation of the facility(s). The alarm shall be able to be manually activated and shall after activation evoke a continuous signal by itself. The alarm button shall be clearly marked and function also during power-outages. The Belk supplier shall perform evacuation drills at least once in every 12 months. These drills shall involve all shifts and departments and as many workers as possible. In case of an activation, the Belk supplier shall ensure that designated persons are responsible for performing a head count to ensure all workers have evacuated the building. Records of evacuation drills shall be maintained.

# Belk Private Brands Code of Conduct

## Terms of implementation

All Business Partners must post the Belk Code of Conduct in places in their factories readily accessible to workers, translated into the language of the workers and supervisors and communicate these provisions to all workers. Business Partners shall take appropriate steps to ensure the provisions of this Code of Conduct are communicated to all workers. Upon employment, as part of worker orientation, the Terms of Engagement shall be presented to workers and explained to them. From time to time Business Partners shall periodically review these Terms of Engagement with workers.

### **All suppliers are obliged to take the measures necessary to implement the BELK Code of Conduct:**

#### Management Responsibilities:

- by informing management and suppliers about the content of the Belk Code of Conduct.
- by establishing where responsibility lies within the company's organization regarding Belk Code of Conduct issues.
- by appointing one or more management employees to be responsible for implementation of the Belk Code of Conduct.
- by monitoring company compliance with the Belk Code of Conduct and implementing necessary changes at its facilities.

#### Legal Requirements:

- by complying with all legal requirements applicable to the conduct of their respective businesses. This not only includes compliance with this Code of Conduct but also compliance with the terms and conditions of purchase orders issued on behalf of Belk.
- by compliance with all laws and regulations of the United States Customs and Border Patrol, FDA (Food and Drug Administration) and all other governmental regulatory agency policies. Products that are manufactured for Belk must also be compliant to the CPSIA (Consumer Product Safety Improvement Act).
- by adherence to all requirements under Belk International's C-TPAT and ISA (Importer Self-Assessment) Program certifications.

#### Employee Awareness:

- by giving a statement of their support for the principles of the Belk Code of Conduct to their employees and by informing and instructing their employees and those of their subcontractors regarding the contents of the Belk Code of Conduct. The company must have the Belk Code of Conduct translated in its entirety into the appropriate local language(s) and have it displayed in a prominent position at its facility and other premises. Employees must also receive verbal orientation and information regarding Code of Conduct in a language they understand
- by regularly training employees in workplace safety and on the impact of their activity on society and the environment.

#### Record-keeping:

- by keeping records of names, ages, working hours and the wages paid to all employees and making those documents available to auditors on request.
- by documenting the location of dangerous materials and other potential hazards.
- by monitoring and maintaining safety equipment and materials.
- by keeping up to date documentation regarding relevant statutory requirements and regulations.

#### Complaints and Corrective Action:

- by appointing an employee responsible for handling complaints related to Belk issues.
- by documenting and investigating complaints from the employees or third parties related to Belk issues, and reporting on their substance and any necessary corrective measures arising from them.
- by making the resources available to implement necessary corrective measures.
- by refraining from dismissals or other disciplinary measures against employees who pass on information regarding compliance with the Belk Code of Conduct.

#### Suppliers and Sub-Contractors:

- by making the introduction of social standards and compliance with the Belk Code of Conduct a condition of all contracts into which it enters with suppliers.
- by asking suppliers to report regularly about their progress in implementing the Belk Code of Conduct.

#### Monitoring:

- by providing Belk representatives with relevant information about their activities and all production sites.
- by allowing audits of their business premises and activities and those of their subcontractors to be carried out at any time with or without prior notice by organizations acting on behalf of Belk.

# Belk Private Brands Code of Conduct

## Consequences of Non-Compliance

Suppliers must apply these principles at all times and must be able to demonstrate that they are doing so. However, if a supplier fails to meet the requirements of the Belk Code of Conduct Belk and/or our representatives will work with the supplier to establish the necessary improvements. We will also take action which may involve cancelling contracts and ceasing trade, if suppliers are not prepared to make appropriate changes. If no solutions can be agreed upon and implemented within a reasonable amount of time, Belk and/or our representatives may choose to halt current production, cancel corresponding contracts, suspend future contracts and/or terminate the business relationship with the noncompliant supplier. If an audit reveals less than full compliance with the Belk Code of Conduct, the supplier must take the prescribed corrective actions without delay. The period of time the supplier has to implement corrective measures will be agreed upon with Belk and/or our representatives and will correspond to the severity of the violation, but may not exceed twelve months. If a supplier excluded in the past on grounds of noncompliance can later show full compliance with the Belk Code of Conduct, there is, in principle no reason why a business relationship cannot be resumed.

## Declaration

### Declaration of Liability Regarding Compliance with the Belk Code of Conduct

We, the undersigned hereby confirm:

- That we have received and understand the Belk Code of Conduct.
- That we are aware of all relevant laws and regulations of the country or counties in which our company operates.
- That we will inform Belk or LiFung on behalf of Belk in case of conflict between provisions of the Belk Code of Conduct and any applicable laws or regulations in our countries of operation.
- That we will observe and conform to the Belk Code of Conduct in its entirety based on a development oriented approach and without amendment or abrogation.
- That we will inform all of our subcontractors of the contents and requirements of the Belk Code Of Conduct, and that we will require that they also comply with the provisions incorporated therein.
- That LiFung and any organization acting on Belk's behalf may carry out audits with or without notice at business premises of our contractors and subcontractors at any time.

Furthermore:

- We shall notify Belk or LiFung on behalf of Belk of the location of all business premises used for the production of goods and/or delivery of services for Belk or LiFung on behalf of Belk. We guarantee that the production of goods and/or delivery of services for Belk or LiFung on behalf of Belk is carried out exclusively at the locations we have indicated. We understand that failure to inform Belk or LiFung on behalf of Belk of the location where work for its products and/or services are carried out is adequate justification for the immediate and unconditional termination of all business and contractual relationships.
- We will use the Belk Private Brands Code of Conduct for purposes relating to business and monitoring activities on behalf of Belk.

Date: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Name: \_\_\_\_\_