

Supplier Manual – Responsible Sourcing

Johnston & Murphy

November 2017

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INTRODUCTION

Johnston & Murphy (J&M) is committed to doing business only with those suppliers, vendors and agents that share J&M's commitment to ethical and responsible business practices.

This manual, developed by UL Responsible Sourcing Inc., describes J&M's Responsible Sourcing Program and assessment methodology, including requirements for suppliers, vendors and agents. To promote our values and ethical standards throughout our supply chain, J&M has adopted a Global Supplier Code of Conduct that applies to all suppliers, vendors and agents who conduct business with J&M. This Code of Conduct is a general guide to standards of business practice and regulatory compliance that applies to all suppliers of J&M.

This manual is designed as a practical tool for the implementation of Johnston & Murphy's Responsible Sourcing Program.

We recognize the role our suppliers, vendors and agents play in the J&M Responsible Sourcing Program. J&M expects that all suppliers share our commitment to ensuring workers' rights and safety and engaging in ethical business practices.

We look forward to partnering with our suppliers, vendors and agents to ensure our products are produced in factories that offer safe, healthy and fair working conditions.

SUPPLIER CODE OF CONDUCT AND IMPLEMENTATION REQUIREMENTS

This section includes J&M's Code of Conduct language and Implementation Requirements for specific paragraphs of the Code of Conduct that will aid the supplier in complying with the Code of Conduct requirements and going beyond these minimum principles.

Johnston & Murphy Code of Conduct for Suppliers, Vendors, and Agents

Introduction

The Code of Conduct is a vital pillar of Johnston & Murphy's human rights and workplace accountability program. These guiding principles are driven by the belief that good corporate citizenship is essential to our long-term business success and must be reflected in our relationships and actions in our workplaces and the workplaces of those who supply our business. As a Supplier, Vendor or Agent to Johnston & Murphy, you and your company play an integral part in our success. Therefore, we expect your support in Johnston & Murphy's ongoing efforts to conduct business in accordance with our ethical standards and the law.

Recognizing that there are differences in laws, customs, and economic conditions that affect business practices around the world, we believe that shared values must serve as the foundation for relationships between Johnston & Murphy and its suppliers, starting with the commitment to respect all human rights, in particular as expressed by the United Nations Declaration on Human Rights and industry standards around social responsibility. The Code of Conduct communicates our values and expectations and emphasizes the importance of responsible workplace policies and practices that comply, at a minimum, with applicable environmental laws and with local labor laws and regulations. The principles outlined below reflect the values we uphold, and we expect our suppliers to follow the spirit and intent of these guiding principles. Please be aware that Johnston & Murphy requires you, as a Supplier, Vendor or Agent to abide by all applicable laws that govern your company, your products/services, and our business relationship. You are also required to abide by the ethical standards set forth by Johnston & Murphy as described in this Code of Conduct.

In some cases, our Code of Conduct may set requirements that go beyond local legislation and reference internationally accepted best practice or conventions. Wherever there is a conflict between two competing standards, Suppliers, Vendors and Agents shall abide by the stricter standard.

Hiring and Termination

Johnston & Murphy requires Suppliers, Vendors and Agents to provide all employees a written statement outlining the terms of employment in an official language and the language understood by the employee. Each employee shall fully understand his or her employment terms prior to commencing work and shall not be required to sign an incomplete contract. Suppliers, Vendors and Agents shall ensure that all employees are in a legal employment relationship.

Prior to hiring, Suppliers, Vendors and Agents must verify an employee's age documentation, and where legally permitted, maintain a copy of such legal documentation. Suppliers, Vendors and Agents may not terminate employees illegally and must maintain termination records for at least 12 months.

Suppliers, Vendors and Agents must respect employees' privacy and comply with all legal requirements regarding privacy; employee records shall be kept private in full compliance with applicable legal standards.

Remuneration and Benefits

Johnston & Murphy's Suppliers, Vendors and Agents must maintain accurate payroll records and employees shall receive at least the minimum legal wage rate for hours worked, including overtime, and be paid in accordance with the law. In addition, Suppliers, Vendors and Agents shall pay employees all legally required benefits, including but not limited to: social security, parental leave, annual leave and statutory holidays, as applicable. Johnston & Murphy encourages Suppliers, Vendors and Agents to provide wages and benefits at a level not less than the prevailing local industry standard. All employees' wages shall be paid directly into an employee-controlled account, and employees shall receive wages at least once per month, on time, with a pay slip. Employees should understand their pay slips and there should be no illegal deductions or any deductions that are not legally regulated.

Working Hours

Suppliers, Vendors and Agents shall maintain accurate time records and not allow off-clock work or work to be taken home (unless official homework practices are in place). Working hours, both regular and overtime, shall comply with legal requirements on regular and overtime working hours. In any case, regular weekly working hours, including overtime, should never exceed 60 hours. Wherever overtime work is required, Suppliers, Vendors and Agents shall inform employees of the overtime obligations and allow them to reject any such request without punishment or retaliation.

All employees shall be given legally required rest breaks and daily rest.

Forced, Bonded, Indentured, Slave, and Prison Labor and Human Trafficking

Johnston & Murphy prohibits its Suppliers, Vendors and Agents from engaging in any form of forced, bonded, indentured, slave or prison labor or human trafficking in their operations. Overtime may never be mandatory unless legally permitted and employers have obtained any required written consent from employees.

Johnston & Murphy's Suppliers, Vendors and Agents shall ensure that employees are not subject to any deception during recruitment and hiring and that employees are not charged any fees, travel expenses, administrative costs or other payments for the purpose of recruitment or employment or as a condition of employment.

Employees shall not be in debt due to recruitment or employment and may not be subject to any deposits. Suppliers, Vendors and Agents must ensure that employees are in possession or have direct control at all times of their personal identity documents, and they must guarantee all employees their freedom of movement. Employees may not be restricted from terminating employment with due regard to legal notice periods; Suppliers, Vendors and Agents may not threaten migrant workers with termination or repatriation as a means of exercising control.

Child Labor, Young Workers, Apprentices, and Trainees

Johnston & Murphy does not permit Suppliers, Vendors and Agents to employ individuals under the age of 14 or under the legal working age, whichever is stricter. Where employees are under the age of 18, Suppliers, Vendors and Agents must ensure their working conditions comply with legal requirements and do not jeopardize their health, safety and morals. During hiring, Suppliers, Vendors and Agents must ensure this is done in full compliance with the law, including medical testing, applicable documentation maintenance, such as licenses and permits, and terms of employment, such as hours and pay.

Abuse, Coercion, Harassment, and Disciplinary Action

All employees shall be treated with dignity and respect and not be subject to verbal, physical, or mental abuse, coercion, pressure or threats, corporal punishment, or any form of harassment during employment or recruitment. Where security is in place at a Supplier, Vendor or Agent's site of operations, these may never include opposite sex frisking or removal of clothing.

Discrimination

Suppliers, Vendors and Agents shall not engage in any kind of discrimination in hiring and employment, including but not limited to discrimination on the basis of race, color, religion, gender, sex, national origin, age, pregnancy, childbirth, or related medical condition, physical or mental disability, medical condition, genetic information, sexual orientation, marital or registered domestic/civil union partner status, gender identity, or any other prohibited factor. Suppliers, Vendors and Agents shall maintain procedures on anti-discrimination. All employment decisions must be based on qualifications, skills, performance, and experience and employers should accommodate employees' beliefs as far as practicable.

Johnston & Murphy does not permit Suppliers, Vendors and Agents to subject employees to any illegal recruitment or hiring tests, any pregnancy or HIV testing, or birth control requirements, as a condition of employment.

Freedom of Association and Collective Bargaining

Suppliers, Vendors and Agents must respect the legal rights of all employees to associate, organize, and bargain collectively and not interfere with them exercising their rights, penalizing or retaliating against them. Where laws curtail these rights, Suppliers, Vendors and Agents should encourage alternative means to facilitate worker representation.

Grievance Mechanisms

Suppliers, Vendors and Agents shall implement a grievance procedure by which employees can confidentially raise issues of concern to management without fear of reprisal or negative repercussions. Suppliers, Vendors and Agents should record and track grievances raised and inform employees about how grievances are addressed and resolved.

Health and Safety

Johnston & Murphy requires that its Suppliers, Vendors and Agents proactively manage occupational health and safety risks and ensure that employees' work spaces are safe and secure and prevent injuries and illnesses. At minimum, Suppliers, Vendors and Agents must comply with all laws concerning occupational health and safety, including but not limited to: emergency preparedness, fire safety, first aid, personal protective equipment, chemicals and hazardous material management, equipment and electrical safety, noise, lighting, ventilation, sanitation, access to potable water, and employee training. Suppliers, Vendors and Agents must hold all licenses and permits that are required for operations and equipment used on site. All legally required health and safety notices must be posted and visible to employees and understood by them.

Johnston & Murphy encourages all Suppliers, Vendors and Agents to implement management systems to identify, assess and address any relevant health and safety risk. Implementation of health and safety programs should be overseen by designated personnel with oversight by senior management. Where there are no legal requirements, Johnston & Murphy requires Suppliers, Vendors and Agents to comply with the following:

Emergency Precautions

Suppliers, Vendors and Agents shall maintain fire extinguishers as required by law, and unless the law states otherwise, maintain and mount fire extinguishers in areas of flammable or combustible materials storage and along emergency exit pathways. Extinguishers must always remain accessible, be indicated, and have operating instructions and monthly inspection tags.

Suppliers, Vendors and Agents must maintain emergency alarms as required by law, and at least maintain manual or automatic emergency alarms in production and distribution areas. Alarms shall be indicated, accessible, and audible or visible in high-noise areas.

Secondary emergency exits must be present on each floor and located at opposite ends. Emergency exits, including doors and windows, shall be accessible, indicated, unlocked, and signed, single release operable, side-hinged, self-closing, and open in the direction of travel. Emergency exits must have a landing on the exit side. Emergency exit pathways must be accessible at all times, indicated with directional signs and path markings, lead to a public way or assembly point and shall be continuously lit. Emergency lighting shall be provided along all emergency exit paths. The emergency assembly point shall be accessible by the emergency exit pathway, unobstructed, and separated from hazardous, combustible or flammable materials or objects.

The emergency evacuation plan shall be posted as required by law, and at minimum in high-concentration areas and along emergency exit pathways. Emergency evacuation plans shall be accessible, shall reflect the facility's plot plan accurately in a language understood by the majority of employees, and shall contain the accurate location of the assembly point as well as a "You Are Here" mark.

Suppliers, Vendors and Agents shall implement evacuation drills as legally required, and at minimum every 12 months for all shifts and floors of the facility.

Accidents and First Aid

Johnston & Murphy requires Suppliers, Vendors and Agents to keep all accident records and to investigate and report each employee and facility accident.

Suppliers, Vendors and Agents must maintain fully equipped first aid kits that are always accessible to all employees. First aid kits must be clearly marked and never locked. Where operations so require, Suppliers, Vendors and Agents shall provide functional and appropriately located eye wash stations and/or chemical shower facilities. Trained first aid employees and medical staff and clinics must be present where legally required and at minimum one employee who is responsible for first aid should be present during each shift.

Any legally required occupational health exams shall be provided to employees at required frequencies.

Personal Protective Equipment

Suppliers, Vendors and Agents should implement a management system that includes a fully completed health and safety risk assessment for the identification, use, maintenance and employee training for appropriate personal protective equipment.

Chemicals and Hazardous Materials

Johnston & Murphy encourages its Suppliers, Vendors and Agents to establish a policy governing chemicals and hazardous materials identification, use, maintenance and training. The policy should be

communicated to all employees and full training on specific requirements for employees must be provided. Suppliers, Vendors and Agents must ensure safe handling, storage and disposal of chemicals and hazardous materials and ensure such materials are clearly labeled; complete and accurate inventories of chemicals and hazardous materials must be kept, as well as all applicable safety data sheets.

Equipment Safety

Suppliers, Vendors and Agents shall include equipment safety in their health and safety policy and implement procedures to ensure all equipment used on site is properly maintained in safe working order. Suppliers, Vendors and Agents must include equipment safety in the employee health and safety training.

Work Space Safety

Suppliers, Vendors and Agents must maintain all electrical equipment and installations including electrical panels, wiring and outlets in good working order and prevent damaged or exposed wiring, possible trip hazards and overloading through use of adapters, extension cords and/or surge protectors.

Suppliers, Vendors and Agents must monitor noise levels in the work place and provide personal protective equipment as needed. Work places must be sufficiently lit, ventilated and temperature controlled and be regularly cleaned to avoid accumulation of dust, lint, waste and scraps.

Potable Water and Sanitation

Employees shall have unlimited and free access to potable water and toilet facilities. There shall be a sufficient number of toilets for employees that are well lit and ventilated, separated by gender, and contain privacy stalls, running water and toilet supplies.

Food Preparation and Canteen

Where Suppliers, Vendors and Agents provide facilities for food preparation and canteen areas these must be kept clean and in compliance with all legal requirements for such spaces. Applicable licenses, permits and certifications must be kept for any food preparation and canteen areas.

Child Care

Where legally required, Johnston & Murphy requires Suppliers, Vendors and Agents to provide child care facilities. Facilities must be kept separate from production areas, maintained in sanitary condition and comply with all health and safety requirements, including placement on the ground floor, emergency alarms, secondary emergency exits, fire extinguishers and first aid kits.

Individuals under the age of 18 who are not working at the facility should not have access to production areas.

Dormitory

Where Suppliers, Vendors and Agents make dormitories available to employees, they must do so in compliance with all legal requirements and hold all required permits and certificates. Dormitories for employees must be separate from the Supplier, Vendor or Agent's production and distribution areas and employees must have access to sanitary sleeping and eating quarters, potable water, hot water, and toilets and sleeping quarters segregated by gender.

Emergency precautions and electrical safety guidelines at the facility shall equally apply at the dormitory.

Employees must not be subject to curfews or abuse by security personnel and shall be free to choose between facility-provided housing and other accommodation alternatives.

Environmental Protection

Suppliers, Vendors and Agents doing business with Johnston & Murphy must act in an environmentally responsible manner and comply with all applicable environmental laws, rules, codes, and regulations for where they conduct business as well as the nature of their operations, including holding all required permits and licenses for the use and disposal of natural resources.

Johnston & Murphy encourages Suppliers, Vendors and Agents to develop an Environmental Protection policy and communicate this to all stakeholders. Based on their policy, we encourage Suppliers, Vendors and Agents to complete an environmental risk assessment to identify risks to employees and the community and to address identified risks.

Business Operations, Homework and Subcontracting, and Supply Chain Management

Suppliers, Vendors and Agents must maintain a valid business license in compliance with the law for its operation and sites. Where Suppliers, Vendors and Agents use homeworking arrangements, they must comply with all legal requirements, hold all legally required permits and monitor and document homeworking conditions. All requirements set out in this Code equally apply to homeworkers.

Johnston & Murphy requires Suppliers, Vendors and Agents to inform them formally and in writing about all homework and subcontracting activities, regardless of whether these activities relate directly or indirectly to the production or service for Johnston & Murphy.

Johnston & Murphy encourages Suppliers, Vendors and Agents to conduct their own supply chain human rights due diligence and supply chain monitoring of their full supply chains (including suppliers, subcontractors and contractors, customers and partners). Any standards our Suppliers, Vendors and Agents are bound by, including this Code, should be communicated to their suppliers, subcontractors, contractors, customers and partners.

Where such human rights due diligence exists, Johnston & Murphy requires that Suppliers, Vendors and Agents share the findings of these assessments with Johnston & Murphy.

Bribery and Facilitation Payments

Johnston & Murphy is committed to full compliance with the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. We do not and will not engage in any form of corruption, bribery, facilitation payment or any hidden or undocumented side payment to any person in connection with any business related to Johnston & Murphy or for personal gain. Johnston & Murphy prohibits its Suppliers, Vendors and Agents from engaging in any such form of corruption or bribery or from falsifying records and unduly influencing employees.

Suppliers, Vendors and Agents must establish a policy prohibiting bribery and facilitation payments and communicate this to all employees, customers and business partners. Employees must feel free to refuse to participate in any form of bribery or facilitation payment supported by the facility and shall be

aware that they will not suffer demotion, penalty or other adverse consequences for voicing a concern, or for refusing to pay a bribe or facilitation payment even if this action may result in the facility losing business. A system must be implemented for employees to anonymously report any suspicious payments without fear of reprisal.

Assessment Execution

Johnston & Murphy and/or its agents, representatives or independent contractors may from time to time and at any time during regular business hours, request and be granted full and complete assistance and access to the Supplier, Vendor or Agent’s operations and facility-provided housing, including related documentation, except to the extent that such access would violate employees’ privacy rights under applicable law, and be granted permission to conduct confidential employee interviews. The Supplier, Vendor or Agent shall cooperate fully with Johnston & Murphy to ensure the quality and thoroughness of the inspection and audit process.

Suppliers, Vendors and Agents shall maintain on site all documentation that may be needed to verify compliance with this Code of Conduct. Depending on a Supplier, Vendor or Agent’s operational environment, confidential employee interviews may also be conducted with employees indirectly involved in facility operations, such as canteen, security and cleaning personnel. In addition, interviews with management shall foster understanding of the Supplier, Vendor or Agent’s management systems.

Corrective Action

Suppliers, Vendors and Agents are encouraged to engage in corrective action during the assessment or immediately thereafter and report such corrective action to their customers. Long-term corrective action involves identification of root causes and implementation of management systems to ensure non-compliance is prevented from occurring in the future.

Violations

Violations of this Code of Conduct may result in cancellation of existing orders and termination of the business relationship with the Supplier, Vendor, or Agent in Johnston & Murphy’s sole discretion. Compliance by the Supplier, Vendor, or Agent with this Code of Conduct is a material term of any contract of purchase between Johnston & Murphy and the Supplier, Vendor, or Agent.

ACKNOWLEDGE AND AGREE:

Please acknowledge this Code of Conduct by sending a signed copy to ResponsibleSourcing@genesco.com. Please call +1-615-367-7674 for any other questions.

Print Name: _____
Title: _____
Signed: _____
Date: _____

Code of Conduct Principles	Implementation Requirements
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LABOR PRACTICES

Suppliers are required to provide all employees a written statement outlining the terms of employment in an official language and the language understood by the employee. Each employee shall fully understand his or her employment terms prior to commencing work and shall not be required to sign an incomplete contract.

Suppliers shall ensure that all employees are in a legal employment relationship.

Prior to hiring, Suppliers must verify an employee’s age documentation, and where legally permitted, maintain a copy of such legal documentation.

Suppliers may not terminate employees illegally and must maintain termination records for at least 12 months.

Suppliers must respect employees’ privacy and comply with all legal requirements regarding privacy; employee records shall be kept private in full compliance with applicable legal standards.

- Each employee shall receive a copy of a written employment contract outlining, in an official language and the language understood by the applicable employee, the terms of employment.
- Each employee shall fully understand its employment terms prior to commencing work.
- Each employee shall not be required to sign an incomplete contract.
- All employees shall be in a legal employment relationship.
- Facilities shall have a process in place to check age documentation prior to hire.
- Facilities shall maintain a copy of legally accepted age documentation, if law permits.
- Facilities shall not engage in illegal terminations and shall maintain termination records for at least the past 12 months.
- Facilities shall abide by applicable employee privacy laws.
- Facilities shall keep all employee records private.

Suppliers must maintain accurate payroll records and employees shall receive at least the minimum legal wage rate for hours worked, including overtime, and be paid in accordance with the law.

In addition, Suppliers shall pay employees all legally required benefits, including but not limited to: social security, parental leave, annual leave and statutory holidays, as applicable.

- Facilities shall maintain accurate payroll records and production records (as applicable).
- Employees shall receive at least the legal wage rate for hours worked, including overtime.
- Employees shall be paid in accordance with the law.
- At minimum, employees’ wages shall be paid directly into an employee-controlled account.
- Employees shall receive wages once per month, on time, with a pay slip.
- Pay slips shall be understood by employees.
- Facilities shall not permit illegal deductions and

Suppliers are encouraged to provide wages and benefits at a level not less than the prevailing local industry standard. All employees’ wages shall be paid directly into an employee-controlled account, and employees shall receive wages at least once per month, on time, with a pay slip. Employees should understand their pay slips and there should be no illegal deductions or any deductions that are not legally regulated.

- deductions not regulated by law.
- Facilities shall furnish all legal benefits, in particular social security, parental leave, annual leave and statutory holidays.

Suppliers shall maintain accurate time records and not allow off-clock work or work to be taken home (unless official homework practices are in place). Working hours, both regular and overtime, shall comply with legal requirements on regular and overtime working hours. In any case, regular weekly working hours, including overtime, should never exceed 60 hours.

Wherever overtime work is required, Suppliers shall inform employees of the overtime obligations and allow them to reject any such request without punishment or retaliation.

All employees shall be given legally required rest breaks and daily rest.

- Facilities shall maintain accurate time records.
- Facilities shall not allow off-clock work or work to be taken home (unless official homework practices are in place).
- Working hours, both regular and overtime, shall comply with legal requirements.
- Working hours, both regular and overtime, shall not exceed 60 hours (including overtime) per seven-workday period.
- Employees shall be informed about overtime obligations and permitted to reject the overtime request without punishment or retaliation.
- Facilities shall provide rest breaks and daily rest, as required by law.
- Employees shall receive at least one day off after six days of work.

Suppliers are prohibited from engaging in any form of forced, bonded, indentured, slave or prison labor or human trafficking in their operations. Overtime may never be mandatory unless legally permitted and employers have obtained any required written consent from employees.

Suppliers shall ensure that employees are not subject to any

- Facilities shall ensure that the employee is not subject to any deception during recruitment and hiring.
- Employees shall not pay any fees, travel expenses, administrative costs or other payments for the purpose of recruitment or employment or as a condition of employment.
- Employees shall not be in debt due to recruitment or employment.
- Employees shall not be subject to any deposits.
- Employees shall be in possession or have direct

deception during recruitment and hiring and that employees are not charged any fees, travel expenses, administrative costs or other payments for the purpose of recruitment or employment or as a condition of employment.

Employees shall not be in debt due to recruitment or employment and may not be subject to any deposits. Suppliers must ensure that employees are in possession or have direct control at all times of their personal identity documents, and they must guarantee all employees their freedom of movement. Employees may not be restricted from terminating employment with due regard to legal notice periods; Suppliers may not threaten migrant workers with termination or repatriation as a means of exercising control.

- control of their personal identity documents.
- Employees must be guaranteed freedom of movement.
- Employees shall not be restricted from terminating employment (other than restrictions pertaining to legal notice periods).
- Facilities shall not illegally implement mandatory overtime or mandatory overtime beyond legal overtime limits.
- Employees shall voluntarily agree to overtime.
- Employees shall provide written consent for mandatory overtime prior to employment or overtime shift.
- Any applicable production quotas shall not result in mandatory overtime or violations against working hour Code of Conduct principles.
- Employees shall not be subject to any threats of termination or repatriation (applicable with employment of foreign migrant workers).
- Facilities shall not utilize prison laborers, neither within nor outside a prison facility.

Suppliers are not permitted to employ individuals under the age of 14 or under the legal working age, whichever is stricter.

Where employees are under the age of 18, Suppliers must ensure their working conditions comply with legal requirements and do not jeopardize their health, safety and morals. During hiring, Suppliers must ensure this is done in full compliance with the law, including medical testing, applicable documentation maintenance, such as licenses and permits, and terms of employment, such as hours and pay.

- Facilities shall not employ individuals under the age of 14 or under the legal working age, whichever age is greater.
- Working conditions (including labor and health and safety practices) of employees under the age of 18 shall be in compliance with law.
- Working conditions (including labor and health and safety practices) of employees under the age of 18 shall not jeopardize the health, safety or morals of these employees.
- Employment of trainees, apprentices and individuals under the age of 18 shall be conducted in compliance with the law, including medical testing, applicable documentation maintenance, such as licenses and permits, and terms of employment, such as hours and pay.
- Facilities shall implement a system to remediate situations where an employee is discovered to have been hired below the age of 14 or the legal minimum age, if higher.

All employees shall be treated with

- Employees shall be treated with dignity and respect.

<p>dignity and respect and not be subject to verbal, physical, or mental abuse, coercion, pressure or threats, corporal punishment, or any form of harassment during employment or recruitment. Where security is in place at a Supplier’s site of operations, these may never include opposite sex frisking or removal of clothing.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Employees shall not be subject to verbal, physical, or mental abuse, coercion, pressure or threats, corporal punishment, or any form of harassment during employment or recruitment. <input type="checkbox"/> Facilities shall implement a written disciplinary procedure. <input type="checkbox"/> Facilities shall and not permit illegal or excessive disciplinary action. <input type="checkbox"/> Facilities shall not permit any monetary fines. <input type="checkbox"/> Facilities shall not permit abusive security practices, including opposite sex frisking or removal of clothing.
<p>Suppliers shall not engage in any kind of discrimination in hiring and employment, including but not limited to discrimination on the basis of race, color, religion, gender, sex, national origin, age, pregnancy, childbirth, or related medical condition, physical or mental disability, medical condition, genetic information, sexual orientation, marital or registered domestic/civil union partner status, gender identity, or any other prohibited factor. Suppliers shall maintain procedures on anti-discrimination. All employment decisions must be based on qualifications, skills, performance, and experience and employers should accommodate employees’ beliefs as far as practicable.</p> <p>Suppliers are not permitted to subject employees to any illegal recruitment or hiring tests, any pregnancy or HIV testing, or birth control requirements, as a condition of employment.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Employees shall not be subject to any illegal recruitment or hiring tests, any pregnancy or HIV testing, and birth control, for the purpose of employment. <input type="checkbox"/> Employees shall not be subject to discrimination in all aspects of employment. <input type="checkbox"/> Facilities shall maintain procedures on anti-discrimination. <input type="checkbox"/> Facilities shall accommodate the beliefs of employees as far as practicable.
<p>Suppliers must respect the legal rights of all employees to associate, organize, and bargain collectively and not interfere with them exercising their rights, penalizing or retaliating against</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall respect the legal rights of employees to associate, organize, and bargain collectively in a lawful manner without interference, penalty, or retaliation. <input type="checkbox"/> Where local legislation curtails these rights, facilities shall encourage alternative means to facilitate worker representation.

them.

Where laws curtail these rights, Suppliers should encourage alternative means to facilitate worker representation.

Suppliers shall implement a grievance procedure by which employees can confidentially raise issues of concern to management without fear of reprisal or negative repercussions.

Suppliers should record and track grievances raised and inform employees about how grievances are addressed and resolved.

- Facilities shall implement a grievance procedure by which employees can confidentially raise issues of concern to management without fear of reprisal or negative repercussions.
- The grievance procedure shall record and track grievances.
- Employees shall be made aware of the progress or resolution of any raised grievances.

HEALTH AND SAFETY

Suppliers are required to proactively manage occupational health and safety risks and ensure that employees’ work spaces are safe and secure and prevent injuries and illnesses. At minimum, Suppliers must comply with all laws concerning occupational health and safety, including but not limited to: emergency preparedness, fire safety, first aid, personal protective equipment, chemicals and hazardous material management, equipment and electrical safety, noise, lighting, ventilation, sanitation, access to potable water, and employee training.

Johnston & Murphy encourages all Suppliers to implement management systems to identify, assess and address any relevant health and safety risk. Implementation of health and safety programs should be overseen by designated personnel with oversight by senior management.

- Facilities are encouraged complete a risk assessment.
- Facilities are encouraged implement measures to manage identified risks.
- Facilities are encouraged assign a health and safety manager or responsible personnel to ensure employee and operational safety.
- Facilities are encouraged maintain a health and safety committee that monitors and documents health and safety concerns and remediation efforts.
- Facilities are encouraged, in compliance with the law, keep and post health and safety notices.
- Facilities are encouraged translate the notices, as applicable, to ensure all employees understand the notices

<p>Suppliers must hold all licenses and permits that are required for operations and equipment used on site. All legally required health and safety notices must be posted and visible to employees and understood by them.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall maintain valid health and safety permits, licenses and/or certifications, as required by law. <input type="checkbox"/> If applicable, facilities shall maintain legally required operator licenses.
<p>Suppliers shall maintain fire extinguishers as required by law, and unless the law states otherwise, maintain and mount fire extinguishers in areas of flammable or combustible materials storage and along emergency exit pathways. Extinguishers must always remain accessible, be indicated, and have operating instructions and monthly inspection tags.</p> <p>Suppliers must maintain emergency alarms as required by law, and at least maintain manual or automatic emergency alarms in production and distribution areas. Alarms shall be indicated, accessible, and audible or visible in high-noise areas.</p> <p>Secondary emergency exits must be present on each floor and located at opposite ends. Emergency exits, including doors and windows, shall be accessible, indicated, unlocked, and signed, single release operable, side-hinged, self-closing, and open in the direction of travel. Emergency exits must have a landing on the exit side. Emergency exit pathways must be accessible at all times, indicated with directional signs and path markings, lead to a public way or assembly point and shall be continuously lit. Emergency lighting shall be provided along all emergency exit paths. The emergency assembly point shall be</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall maintain fire extinguishers as required by law. <input type="checkbox"/> Unless the law states otherwise, facilities shall maintain and mount fire extinguishers in areas of flammable or combustible materials storage and along emergency exit pathways. <input type="checkbox"/> Extinguishers shall remain accessible, be indicated, and have operating instructions and monthly inspection tags. <input type="checkbox"/> Facilities shall maintain emergency alarms as required by law. <input type="checkbox"/> At minimum, facilities shall maintain manual or automatic emergency alarms in production and distribution areas. <input type="checkbox"/> Alarms shall be indicated, accessible, and audible or visible in high-noise areas. <input type="checkbox"/> Secondary emergency exits shall be present on each floor and located at opposite ends. <input type="checkbox"/> Emergency exits, including doors and windows, shall be accessible, indicated, unlocked, provided with luminescent signage in a language understood by the majority of employees, single release operable, side-hinged, self-closing, and open in the direction of travel. <input type="checkbox"/> Emergency exits must have a landing on the exit side. <input type="checkbox"/> Emergency exit pathways shall be accessible, indicated with directional signs and path markings, lead to a public way or assembly point and shall be continuously lit. <input type="checkbox"/> Emergency lighting shall be provided along all emergency exit paths. <input type="checkbox"/> The emergency evacuation plan shall be posted as required by law, and at minimum in high-concentration areas and along emergency exit pathways. <input type="checkbox"/> Emergency evacuation plans shall be accessible, shall reflect the facility's plot plan accurately in a language

accessible by the emergency exit pathway, unobstructed, and separated from hazardous, combustible or flammable materials or objects.

The emergency evacuation plan shall be posted as required by law, and at minimum in high-concentration areas and along emergency exit pathways.

Emergency evacuation plans shall be accessible, shall reflect the facility’s plot plan accurately in a language understood by the majority of employees, and shall contain the accurate location of the assembly point as well as a “You Are Here” mark.

Suppliers shall implement evacuation drills as legally required, and at minimum every 12 months for all shifts and floors of the facility.

understood by the majority of employees.

- Emergency evacuation plans shall contain the accurate location of the assembly point as well as a “You Are Here” mark.
- The emergency assembly point shall be accessible by the emergency exit pathway, unobstructed, and separated from hazardous, combustible or flammable materials or objects.
- Facilities shall implement evacuation drills as required by law, and at minimum every 12 months for all shifts and floors of the facility and building.
- Facilities shall maintain documentation of the two most recent evacuation drills.

Suppliers are required to keep all accident records and to investigate and report each employee and facility accident.

Suppliers must maintain fully equipped first aid kits that are always accessible to all employees. First aid kits must be clearly marked and never locked. Where operations so require, Suppliers shall provide functional and appropriately located eye wash stations and/or chemical shower facilities. Trained first aid employees and medical staff and clinics must be present where legally required and at minimum one employee who is responsible for first aid should be present during each shift.

Any legally required occupational health exams shall be provided to employees at required frequencies.

- Facilities shall maintain accident records.
- Facilities shall investigate each employee and facility accident.
- Facilities shall engage in root cause analysis and corrective and preventative action.
- Facilities shall maintain fully equipped first aid kits accessible to employees.
- The locations of first aid supplies shall be clearly indicated.
- As applicable, facilities shall provide functional and appropriately located eye wash stations and/or chemical shower facilities.
- There shall be trained first aid employees, as required by law.
- Facilities shall provide at minimum one employee responsible for first aid on every shift.
- As legally required, facilities shall maintain medical staff and/or a medical clinic and records.
- Facilities shall segregate hazardous medical waste.
- Medical tests, as required by law, shall be administered to all applicable employees.

<p>Suppliers should implement a management system that includes a fully completed health and safety risk assessment for the identification, use, maintenance and employee training for appropriate personal protective equipment.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall establish a policy governing personal protective equipment identification, use, maintenance and training. <input type="checkbox"/> Facilities shall communicate and train all employees on the facility's personal protective equipment policy. <input type="checkbox"/> Facilities shall provide personal protective equipment and ensure the equipment is used and maintained.
<p>Suppliers are encouraged to establish a policy governing chemicals and hazardous materials identification, use, maintenance and training. The policy should be communicated to all employees and full training on specific requirements for employees must be provided. Suppliers must ensure safe handling, storage and disposal of chemicals and hazardous materials and ensure such materials are clearly labeled; complete and accurate inventories of chemicals and hazardous materials must be kept, as well as all applicable safety data sheets.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall establish a policy governing chemicals and hazardous materials identification, use, maintenance and training. <input type="checkbox"/> Facilities shall communicate and train all employees on the facility's chemicals and hazardous materials policy. <input type="checkbox"/> Facilities shall ensure safe handling, storage and disposal of chemicals and hazardous materials. <input type="checkbox"/> Facilities shall and ensure such materials are clearly labeled. <input type="checkbox"/> Facilities shall maintain an inventory of chemicals and hazardous materials. <input type="checkbox"/> Facilities shall maintain all applicable safety data sheets.
<p>Suppliers must maintain all electrical equipment and installations including electrical panels, wiring and outlets in good working order and prevent damaged or exposed wiring, possible trip hazards and overloading through use of adapters, extension cords and/or surge protectors.</p> <p>Suppliers must monitor noise levels in the work place and provide personal protective equipment as needed. Work places must be sufficiently lit, ventilated and temperature controlled and be regularly cleaned to avoid accumulation of dust, lint, waste and scraps.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall establish a policy governing equipment safety identification and maintenance. <input type="checkbox"/> Facilities shall communicate and train all employees on the facility's equipment safety policy. <input type="checkbox"/> Facilities shall provide and maintain equipment safety mechanisms. <input type="checkbox"/> Facilities shall maintain special equipment, such as forklifts, boilers, generators, elevators (lifts), compressors, and industrial refrigerators. <input type="checkbox"/> Facilities shall maintain accessible electrical panels, wiring and outlets. <input type="checkbox"/> Facilities shall prevent damaged or exposed wiring. <input type="checkbox"/> Facilities shall prevent possible trip hazards. <input type="checkbox"/> Facilities shall prevent overloading through use of adapters, extension cords and/or surge protectors. <input type="checkbox"/> Facilities shall monitor noise levels, as required by law. <input type="checkbox"/> Facilities shall provide personal protective equipment, as applicable.

	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall maintain a work place that is sufficiently lit, ventilated and temperature controlled.
<p>Employees shall have unlimited and free access to potable water and toilet facilities. There shall be a sufficient number of toilets for employees that are well lit and ventilated, separated by gender, and contain privacy stalls, running water and toilet supplies.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Employees shall have unlimited and free access to potable water and toilet facilities. <input type="checkbox"/> Toilets shall be sufficient in number, sanitary, well lit and ventilated, separated by gender, and contain privacy stalls, running water and toilet supplies.
<p>Where Suppliers provide facilities for food preparation and canteen areas these must be kept clean and in compliance with all legal requirements for such spaces. Applicable licenses, permits and certifications must be kept for any food preparation and canteen areas.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall provide sanitary food preparation and canteen areas. <input type="checkbox"/> Facilities shall maintain any licenses, permits and certifications, as required by law. <input type="checkbox"/> The food preparation and canteen areas shall be equipped with an emergency alarm system, secondary emergency exit, fire extinguisher(s) and a first aid kit.
<p>Where legally required, Suppliers must provide child care facilities. Facilities must be kept separate from production areas, maintained in sanitary condition and comply with all health and safety requirements, including placement on the ground floor, emergency alarms, secondary emergency exits, fire extinguishers and first aid kits.</p> <p>Individuals under the age of 18 who are not working at the facility should not have access to production areas.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall provide a child care facility, as legally required. <input type="checkbox"/> Facilities shall ensure any child care facility is sanitary, separate from the production area, on the ground floor. <input type="checkbox"/> Facilities shall ensure any child care facility is equipped with an emergency alarm system, secondary emergency exit, fire extinguisher(s) and a first aid kit. <input type="checkbox"/> Individuals under the age of 18 who are not working at the facility should not have access to production areas.
<p>Where Suppliers make dormitories available to employees, they must do so in compliance with all legal requirements and hold all required permits and certificates.</p> <p>Dormitories for employees must be separate from the Supplier’s production and distribution areas</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facilities shall maintain valid dormitory health and safety permits, licenses and/or certifications, as required by law. <input type="checkbox"/> Dormitories for employees shall be separate from the production and distribution areas of the facility. <input type="checkbox"/> Employees shall have access to sanitary sleeping and eating quarters, potable water, hot water, and toilets and sleeping quarters segregated by gender.

and employees must have access to sanitary sleeping and eating quarters, potable water, hot water, and toilets and sleeping quarters segregated by gender.

Emergency precautions and electrical safety guidelines at the facility shall equally apply at the dormitory.

Employees must not be subject to curfews or abuse by security personnel and shall be free to choose between facility-provided housing and other accommodation alternatives.

- Emergency precautions and electrical safety Code of Conduct standards at the facility shall equally apply at the dormitory.
- Employees must not be subject to curfews or abuse by security personnel.
- Employees shall be free to choose between facility-provided housing and other accommodation alternatives.

ENVIRONMENTAL PROTECTION

Suppliers must act in an environmentally responsible manner and comply with all applicable environmental laws, rules, codes, and regulations for where they conduct business as well as the nature of their operations, including holding all required permits and licenses for the use and disposal of natural resources.

Suppliers are encouraged develop an Environmental Protection policy and communicate this to all stakeholders. Based on their policy, we encourage Suppliers to complete an environmental risk assessment to identify risks to employees and the community and to address identified risks.

- Facilities shall complete a risk assessment to identify environmental risks to employees and the community.
- Facilities shall implement measures to manage identified risks.
- Facilities shall maintain valid waste disposal permits and/or licenses, as required by law.
- Waste shall be handled in a controlled manner.
- Facilities shall maintain a waste inventory.

MANAGEMENT SYSTEMS

To manage compliance with social responsibility standards set by customers and this Code of Conduct, facilities shall, at minimum, establish policies governing labor, grievances, health and safety, environmental responsibility and ethics and

- Facilities shall, at minimum, establish policies governing labor, grievances, health and safety, environmental responsibility and ethics and business integrity.
- Policies shall be endorsed by executive management.
- Policies shall be kept up to date as requirements and legislation change.

business integrity. These policies shall be endorsed by executive management, kept up to date as requirements and legislation change, communicated to all employees, and reviewed on an annual basis. Facilities shall appoint responsibility to personnel for implementing the policies. Furthermore, facilities shall set performance objectives related to labor, grievances, health and safety, environmental responsibility and ethics and business integrity to drive continuous improvement.

Facilities shall implement a grievance procedure by which employees can confidentially raise issues of concern to management without fear of reprisal or negative repercussions.

The grievance procedure shall record and track grievances and employees shall be made aware of the progress or resolution of any raised grievances.

- Policies shall be communicated to all employees.
- Policies shall be reviewed on an annual basis.
- Facilities shall appoint responsibility to personnel for implementing the policies.
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- Facilities shall implement a grievance procedure by which employees can confidentially raise issues of concern to management without fear of reprisal or negative repercussions.
- The grievance procedure shall record and track grievances.
- Employees shall be made aware of the progress or resolution of any raised grievances.

BUSINESS OPERATIONS, HOMEWORK AND SUBCONTRACTING, AND SUPPLY CHAIN MANAGEMENT

Suppliers must maintain a valid business license in compliance with the law for its operation and sites. Where Suppliers use homeworking arrangements, they must comply with all legal requirements, hold all legally required permits and monitor and document homeworking conditions. All requirements set out in this Code equally apply to homeworkers.

Suppliers are required to inform them formally and in writing about all homework and subcontracting activities, regardless of whether these activities relate directly or indirectly to the production or

- Facilities shall maintain a valid business license, as required by law, for its operation and any applicable homework engagements.
- All homework shall be documented and monitored by the facility
- Facilities shall inform customers of all homework activities, regardless of whether these activities are related to the production or service for the applicable customer.
- Facilities shall inform customers of all subcontracting activities, regardless of whether these activities are related to the production or service for the applicable customer.
- Facilities are encouraged to demonstrate awareness of risk within their supply chains (suppliers, subcontractors, and contractors to the facility, and

service for Johnston & Murphy.

Suppliers are encouraged to conduct their own supply chain human rights due diligence and supply chain monitoring of their full supply chains (including suppliers, subcontractors and contractors, customers and partners). Any standards our Suppliers are bound by, including this Code, should be communicated to their suppliers, subcontractors, contractors, customers and partners.

Where such human rights due diligence exists, Suppliers are required to share the findings of these assessments with Johnston & Murphy.

- customers and partners of the facility) through a supply chain risk assessment and supply chain monitoring.
- Any facility standards, including legal standards and customer requirements, shall be communicated to the facility’s suppliers, subcontractors, contractors, customers and partners.
 - Suppliers shall communicate the J&M Code to their suppliers, subcontractors, contractors, customers and partners.
 - Suppliers shall conduct supply chain human rights due diligence assessments of their suppliers.
 - Suppliers shall communicate assessment findings to J&M.

BRIBERY AND FACILITATION PAYMENTS

Suppliers are prohibited from engaging in any such form of corruption or bribery or from falsifying records and unduly influencing employees.

Suppliers must establish a policy prohibiting bribery and facilitation payments and communicate this to all employees, customers and business partners. Employees must feel free to refuse to participate in any form of bribery or facilitation payment supported by the facility and shall be aware that they will not suffer demotion, penalty or other adverse consequences for voicing a concern, or for refusing to pay a bribe or facilitation payment even if this action may result in the facility losing business. A system must be implemented for employees to anonymously report any suspicious payments without fear of reprisal.

- Facilities shall not engage in bribery or falsification of records and undue influencing of workers.
- Facilities shall establish a policy governing bribery and facilitation payments.
- Whistleblower protections shall be implemented, as required by law.
- Employees shall feel free to refuse to participate in bribery or facilitation payments supported by the facility.
- Employees shall be aware that they will not suffer demotion, penalty or other adverse consequences for voicing a concern, or for refusing to pay a bribe or facilitation payment even if this action may result in the facility losing business.

ASSESSMENT EXECUTION

Johnston & Murphy and/or its agents, representatives or independent contractors may from time to time and at any time during regular business hours, request and be granted full and complete assistance and access to the Supplier's operations and facility-provided housing, including related documentation, except to the extent that such access would violate employees' privacy rights under applicable law, and be granted permission to conduct confidential employee interviews. The Supplier shall cooperate fully with Johnston & Murphy to ensure the quality and thoroughness of the inspection and audit process.

Suppliers shall maintain on site all documentation that may be needed to verify compliance with this Code of Conduct. Depending on a Supplier's operational environment, confidential employee interviews may also be conducted with employees indirectly involved in facility operations, such as canteen, security and cleaning personnel. In addition, interviews with management shall foster understanding of the Supplier's management systems.

- Facilities shall grant full access to all operations including related documentation and facility-provided housing.
- Facilities shall grant permission to conduct confidential employee interviews.
- Facilities shall maintain on site all documentation that may be needed to verify compliance with the Code of Conduct.
- Facilities shall grant permission to conduct confidential interviews with employees indirectly involved in facility operations, such as canteen, security and cleaning personnel.

POLICY & GOALS

Corporate Social Responsibility Policy

As a timeless American icon, Johnston & Murphy builds long-lasting relationships with our consumers and business partners by creating contemporary interpretations of classics that are uncompromising in quality and value, with personal service and integrity in everything we do. Consistent with this philosophy, we are committed to ethical business practices, workers' rights and safety, and environmental protection in all our business operations. We strive to operate with integrity and expect the same commitment from all our vendors, suppliers, and agents.

Our Global Supplier Code of Conduct ("Code of Conduct") is the foundation of our Responsible Sourcing Program and will serve as a guide to achieving social and environmental compliance both within our company and in our supply chain. While we recognize that laws and standards may differ between countries and regions, our Code of Conduct outlines a set of fundamental principles for good corporate citizenship that our suppliers, vendors and agents are expected to share and implement.

The Responsible Sourcing Program will also direct suppliers, vendors and agents toward compliance with local and international legal requirements and help them maintain good standing for continued business with J&M. Suppliers, vendors and agents who do not meet our standards or complete corrective actions will not be considered business partners of choice and J&M may choose at its own discretion to discontinue business with them.

Responsible Sourcing Goals

- Protect workers' rights
- Ensure workers' health and safety
- Reduce environmental impact
- Institutionalize ethical behavior, good governance, and regulatory compliance

GOVERNANCE & TRAINING

Overview

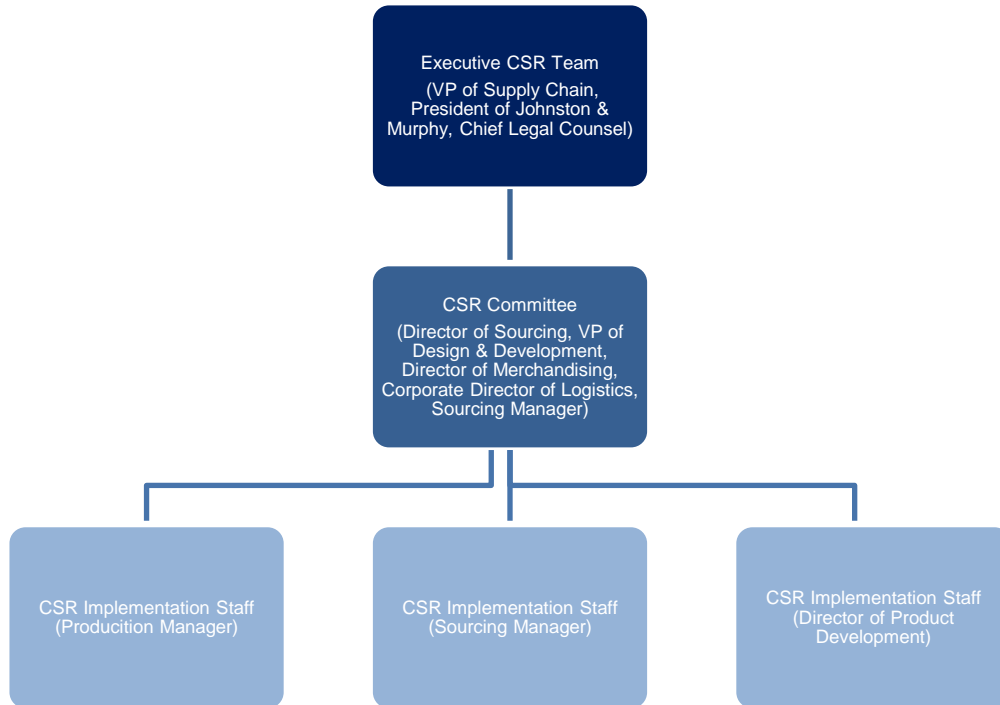
The success of a Responsible Sourcing Program relies on effective management and oversight. While each employee has a role in helping implement J&M's Code of Conduct for Suppliers, Vendors and Agents at every level of the business, the Vice President of Supply Chain, the President of Johnston & Murphy and the Chief Legal Counsel have the ultimate responsibility of developing and coordinating the company's overall corporate responsibility efforts.

Roles & Responsibilities

The Vice President of Supply Chain, the President of Johnston & Murphy and the Chief Legal Counsel shall convene the J&M CSR Committee made up of the Director of Sourcing, the Vice President of Design & Development, the Director of Merchandising, the Corporate Director of Logistics, and the Sourcing Manager, at least once per year to discuss the strategy and goals of the Responsible Sourcing Program.

The Vice President of Supply Chain is the main point contact for social compliance related issues for both internal and external stakeholders.

The Sourcing Manager, the Production Manager and the Director of Product Development are responsible for implementation of the Responsible Sourcing Program.



Training

Training for Suppliers

Subject to the Program Evaluation and Performance Monitoring results after Q2, 2018, J&M may decide to provide targeted training to suppliers, vendors and agents to inform them of the Responsible Sourcing Program, including adherence to the Code of Conduct, general social compliance audits, and required corrective and preventative actions.

Select suppliers, vendors and agents will receive structured and targeted training should J&M determine a need.

Internal Accountability

All J&M employees will be held accountable to their respective roles, procedures, and processes to ensure correct and timely execution of Responsible Sourcing Program.

SUPPLIER SELECTION & REQUIREMENTS

Overview

J&M's procurement practices reflect the standards set forth in our Code of Conduct for Suppliers, Vendors and Agents. We expect our suppliers, vendors and agents to operate in an ethical manner and comply with the social and environmental guidelines delineated in this manual.

Suppliers, vendors and agents are selected on a series of criteria, with responsible sourcing being one of them. Each supplier will be individually evaluated to determine viability as a business partner.

Monitoring social compliance of suppliers, vendors and agents is an integral part of our Responsible Sourcing Program. We regularly monitor our supply chain to ensure that our suppliers, vendors and agents are in compliance with relevant local laws and regulations as well as our best practice standards included in the Code of Conduct. We have adopted a continuous improvement approach, whereby we provide ongoing support to our suppliers and help them improve their performance over time.

J&M's Responsible Sourcing Program is divided into a two part approach: supplier risk assessment and third party onsite assessments.

Supplier Risk Assessment

J&M assesses the risk of each supplier, vendor and agent to determine who is required to undergo social compliance audits as 100% of J&M's suppliers, vendors and agents must comply with the Code of Conduct. All new suppliers will be subject to the Code of Conduct and social compliance audits. Audit scheduling will be prioritized based risk levels.

Supplier Requirements

J&M's Responsible Sourcing Program and Code of Conduct apply to all suppliers, both domestic and international.

The following are specific requirements expected from all J&M suppliers:

- Suppliers, vendors and agents warrant that they will comply with all applicable laws and regulations and require their suppliers to do the same.
- Suppliers, vendors and agents warrant that they will read and understand the Code of Conduct requirements and display the Code in an area accessible to all employees in the language(s) understandable to each employee.
- Suppliers, vendors and agents are also required to cooperate with the third party monitoring company chosen by J&M and allow access to the facility in order that the assessment team may conduct a full assessment.

- Suppliers, vendors and agents will be responsible for identifying any areas of its operation that do not conform to J&M's Code of Conduct for Suppliers and for implementing and monitoring corrective action plans designed to achieve compliance with the Code.

In instances where suppliers have already undergone social compliance assessments, J&M will determine on a case-by-case basis whether such assessments fulfill J&M's requirements. At minimum, these assessments should be conducted by a qualified third party social auditing body and be similar in scope and standards.

Critical Findings

Should J&M become aware of a supplier's legal violations, J&M will evaluate the supplier relationship and choose a course of action, which may include:

- Working with the supplier to remediate the violation(s) through developing preventative measures;
- Canceling the purchase contract(s); and/or
- Terminating the supplier relationship.

If a supplier relationship has been terminated, J&M may consider resuming business with a supplier only after an audit satisfactory to J&M has been completed. Increased audit frequency at the expense of the supplier, vendor or agent to ensure sustainable improvement may be required.

The following are considered critical findings that can lead to termination of the business relationship:

- Forced labor
- Human trafficking
- Child labor
- Physical abuse
- Bribery or attempted bribery
- Health and safety risk providing imminent or immediate threat to workers' life or physical integrity
- Repeat non-compliances with the local law (evaluated on a case-by-case basis).

ONSITE ASSESSMENT PROCEDURE

Overview

Assessment of suppliers provides a necessary understanding of current issues in our supply chain and identifies areas for remediation.

As a requirement of the J&M Responsible Sourcing Program, all suppliers, vendors and agents manufacturing or distributing goods for J&M must undergo a social compliance assessment.

The social assessment process generally consists of two separate onsite visits: (1) the initial assessment, and (2) the follow-up assessment. The follow-up assessment is a shortened version of the initial assessment, focusing on smaller sample sizes and the status of the issues found in the initial assessment.

In most cases, after an assessment has been performed, J&M will also require a follow-up audit to identify whether the concerns have been fixed, are being fixed, or have become more serious. The timing of the follow-up audit is determined by the type(s) of issue(s) found. In some cases, a follow-up audit may only consist of a desktop review rather than an onsite visit.

During the assessment, full cooperation from supplier management is expected. The auditors must be given access to all areas of production, all relevant documentation, and randomly selected employees for interviews. Refusal to fully cooperate with the auditors will result in failing the audit.

The third party monitoring company's personnel should be treated as representatives of J&M for the purpose of conducting each assessment in a confidential and objective manner.

Upon completion of the assessment, the auditors will explain their findings to facility management and recommend appropriate corrective actions. Facility management will have an opportunity to respond to the findings at that time.

Transparency

Bribery and unethical, dishonest behavior and practices by suppliers or their representatives are considered a serious offense against J&M's standards. Johnston & Murphy does not tolerate any tampering with the assessment process (e.g. influencing of employees or UL staff, misguiding UL staff, or denying access to or hiding areas of the facility) or tampering with documentation used by UL staff to verify compliance with J&M's standards (e.g. double book keeping, falsification of time records, and non-disclosure of subcontracting and homework activities). We understand that some suppliers are still working to achieve full compliance with our standards, and we value honest disclosure of non-compliances with our standards to open up dialogue with our suppliers and work together toward compliance. Continuous improvement is one of the key pillars of our social compliance program, and we are committed to working together with our suppliers to achieve compliance and go beyond compliance.

Assessment Steps

Step 1: Scheduling

The assessment will be conducted on a semi-announced basis.



A representative from UL will contact the facility to confirm the location where products are manufactured, and to arrange the assessment. At least one member of the facility's management team, who can provide the appropriate documents and facility access required to complete the assessment, must be present on the appointed date. Additionally, the facility should be in full production to provide the most accurate results.

Step 2: Assessment Process

Each assessment comprises of one production/manufacturing site, including all plant buildings and personnel directly or indirectly associated with the production and maintenance of goods to J&M.

The components used to assess general compliance to J&M's Code of Conduct are as follows (based on the UL approach of triangulating findings derived from employee interviews, a walkthrough of the worksite, and a review of applicable company documents corroborated by management interview):

- **Opening Meeting:** The lead auditor meets with facility management to review the policies and procedures for onsite assessment. This includes describing the scope of the assessment, identifying parties involved, and estimating the assessment duration. UL's Statement of Integrity is presented to management and signed by both parties.
- **Document Review:** Auditors review documentation to identify non-compliances. Auditors request and review documents including licenses, written policies, personnel files, payroll and working hour documentation, collective bargaining agreements and employment contracts, and EHS records. Note, documentation of contracted workers (e.g. workers not directly hired by the facility but through an agency) shall also be available for review to verify compliance with the Code of Conduct.
- **Employee Interviews:** Interviews with workers and management provide insight into actual workplace conditions. Worker selections for interviews are made so that a representative sample of the workforce is captured. Employee interviews are conducted in a private room with no management present and are confidential; however, workers can opt out should they choose not to participate.
- **Facility Walkthrough:** Auditors conduct a walkthrough of all areas where workers may be present including: production floors, warehouses, chemical storage units, dormitory, lavatories, clinic, canteen, and nursery. A health and safety manager generally accompanies auditors, or someone equipped to answer questions about the safety practices at the facility. Human Resource staff members are also often present to answer questions on HR policies

that may arise from observations. Photos are taken during the walkthrough to capture findings and general layout of the work floors, dormitories, canteen, warehouses, etc.

- **Closing Meeting:** Immediately following a workplace assessment, UL shares a summary of non-compliances directly with the facility. Management is asked to sign off on the summary report. Auditors will assign the facility a rating based on the severity of the findings.

The scope of assessment is grounded on the J&M Code of Conduct and applicable laws and minimum requirements; in some cases, the Code of Conduct may be stricter than local laws.

Step 3: Corrective Actions

Upon completion of the onsite audit, the supplier will be provided with a summary report in the form of a Summary of Findings worksheet. In conjunction with J&M, the supplier will determine the corrective action items and its corresponding completion timeframes and assign responsible personnel.

Step 4: Verification of Corrective Actions

In order for a supplier to continue any future work with J&M, we require verification of the implementation of the corrective actions as per the jointly agreed upon Summary of Findings worksheet. CSR Program Implementation Team will keep track of the corrected items and ensure the worksheet is completed in full. Suppliers, vendors and agents shall inform J&M of any corrective actions that cannot be completed in the recommended timeframes. Unless photographs can be taken as evidence that corrective actions have been implemented (for mostly minor concerns only), the supplier will undergo an onsite follow-up assessment within the first six months after the initial assessment.

Assessment Grading

We have adopted UL’s four-tiered grading system to evaluate a supplier’s compliance with J&M’s Code of Conduct:

The UL-developed grading matrix has the following general characteristics:

1. It provides a final qualitative grade of Low Risk, Intermediate Risk, High Risk or Critical.
2. Individual violations are classified under the critical, high risk, and intermediate risk categories based on their level of severity. Low risk indicates full compliance – no non-compliances identified.

Severity	Description of Findings
Critical	<ul style="list-style-type: none"> • Pose an immediate threat to workers’ life or limb and/or risk the loss of life due to elements that may lead to major fire • Depict a fatal accident in past 12 months • Lack of detection, control, and means of evacuation in the event of a fire • Alter the course of the audit through fraud, coercion, deception or interference • Fall under the International Labor Organization’s (ILO) fundamental principles and

	<p>rights at work, which include child labor, discrimination, forced or restricted labor, freedom of association and collective bargaining</p> <ul style="list-style-type: none"> • Depict means of recruitment and hiring associated with trafficking in persons based on the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime • Use of convict labor • Depict abuse, coercion, harassment, corporal punishment • Not granting access to potable water in accommodations (if applicable) • Not granting access to the facility to conduct the assessment • Not granting access to one or more of the components that form the assessment: facility walkthrough, employee interviews, and document review
High Risk	<ul style="list-style-type: none"> • Pose a potential threat to workers' safety, life and limb • Disclose lack of presence of essential management systems to protect the rights and life of workers • Identify non-compliance with legal requirements, focusing on the presence of legally required documentation or systems and procedures • Denote systemic inconsistencies or occurrences • Not disclosing subcontracting or use of homeworkers for production of Client goods • Pose serious harm to the employees • Reflect missing items that have material bearing on the assessment (e.g. documentation) • Incomplete access to one or more of the components that form the assessment: facility walkthrough, employee interviews, and document review
Intermediate Risk	<ul style="list-style-type: none"> • Indicate existing processes and policies and/ or legally required systems are in place to protect the rights of workers, but they are not properly implemented or regulated • Reflect unintentional errors that lead to non-compliance with legal requirements or international or minimum standards • Denote non-systemic inconsistencies or occurrences
Low Risk	<ul style="list-style-type: none"> • No findings determined during the assessment

Assessment Fees

J&M will fund the initial audit for each supplier in each audit cycle. Suppliers will pay for any follow-up assessments, re-audits and desktop verifications required to verify corrective action.

CORRECTIVE ACTION & REMEDIATION PROCEDURES

Overview: Corrective and Preventative Actions (CAPA) System

For suppliers who will require additional steps to meet the standards outlined in our Code of Conduct, a set of corrective actions must be completed. Depending on the findings reported through onsite assessments, J&M may require suppliers to implement workplace improvements through UL's Online Corrective and Preventative Action (CAPA) System.

Suppliers, vendors and agents who continually fail to meet our standards or complete corrective and preventive actions will not be considered a supplier of choice and will be at jeopardy to the discontinuation of conducting business with J&M.

CAPA Process

Upon completion of a standardized workplace assessment, results will be uploaded into the online CAPA tool, which will automatically generate an email to the facility granting access to the online tool. The facility will have real time access to assessment findings and will be required to submit a CAPA plan to the UL-managed CAPA team and upload relevant evidence or supporting documentation in response to those findings. We will then review responses submitted by the facility and approve or reject based on applicable criteria and best practices.

The implementation of corrective and preventive action will be tracked through a Green/Yellow/Red rating based on the time it takes the facility to respond and will be documented to demonstrate process. The CAPA process will be completed through the following steps:

- **Evaluation:** the auditors will upload social assessment results into the CAPA system.
- **CAPA notification:** after the assessment data is uploaded, the facility will receive an email prompting them to log into the web-based CAPA system to respond with their CAPA Management Plan.
If the facility does not respond within 7 days, the system will escalate each item to a Yellow status. If the facility does not respond within 14 days, the system will escalate each item to a Red status. The facility will have a maximum of three responses to a violation.
- **Creation of CAPA plan:** the facility will review each finding and draft a CAPA Plan with all relevant participants. The plan must include the following information:
 - a) Immediate Action
 - b) Root Cause
 - c) Preventive Action
 - d) Deadline for Completion of Corrective / Preventive Actions
- **Submission of CAPA plan:** the facility can upload documents / attachments to show corrective action plans or progress already completed, which will then be forwarded to the CAPA Approver in J&M.

- **Review of CAPA plan:** the CAPA Approver will review the CAPA Plan submitted by the facility and determine whether the plan will be accepted or rejected for submission of a new plan.

Overview: Corrective Actions

We understand that some of our suppliers may not meet the standards set out in our Code of Conduct all of the time. We embrace the principle of continuous improvement. We believe that willingness to improve is the most important requirement. If issues arise during the assessment, J&M will expect its suppliers to remediate them in accordance with the jointly agreed upon corrective action plan and corresponding timeframes.

We want to partner only with those suppliers that are willing and able to continuously improve conditions for their workers. Serious violations of J&M's Code of Conduct shall result in the termination of the business relationship.

Supplier Guidance on Corrective Action and Remediation Execution

Creation of a CAPA Plan requires content around

- a) Immediate Action
- b) Root Cause
- c) Preventive Action
- d) Deadline for Completion of Corrective / Preventive Actions

The following describes an example of a good CAPA Plan:

In order to submit a response, all of the information requests must be completed: Immediate action, Root cause, Preventive action, and Planned completion date/completed date.

Finding: *4 out of 5 fire extinguishers are found to be blocked and not marked with appropriate signage. 1 fire extinguisher is not visible from work stations because it is not mounted properly.*

Immediate Action

The short-term action taken instantly to reduce risks posed to workers. This is the action that you will take to immediately correct or remediate the finding.

The four blocked fire extinguishers have been unblocked. Appropriate signage has been ordered with local industrial supply center and will be delivered on MM-DD-YYYY. Un-mounted fire extinguisher needs new mount, therefore a new unit has also been ordered. This is estimated to be delivered on MM-DD-YYYY.

Root Cause

There is a problem in the current system. Root Cause is the earliest cause that leads to a non-compliance. By asking yourself a series of questions related to the points below, you can adopt some methods to identify the root cause of your non-compliance issue:

First, identify if there are sufficient policies or procedures to make sure the system meets both local regulations and J&M's requirements. If you don't have a policy, then that would most likely be your Root Cause. If your company does have a policy in place, you will likely need to dig deeper by asking yourself questions like: Do you have a good communication system to ensure workers were adequately trained on this requirement? Do you monitor and track implementation of that training for those employees? Once you've identified the root cause, you can develop a plan to prevent the non-compliance issue from occurring again.

The health and safety supervisor's vacation was due to family emergency and sudden. They did not have time to train temporary replacement.

Preventive Action

Even if you have corrected the finding with the Correction/Immediate Action, you will still be required to submit a Preventive Action in order to prevent the re-occurrence of the non-compliance through long-term systemic changes. The five components listed below should be based on the root cause(s) for the non-compliance you identified above. Whether you already have a policy or monitoring procedure in place, please ensure that information for all five of the below points are included in your preventive action:

- Policies & Procedures: Based on your root cause analysis in the previous step, what policies or procedures should you have in place to prevent these findings from occurring again? Who will be involved in drafting them?
- Communication: Once you have developed your policy and procedure, how will you communicate these policies to managers and employees? Also, how will you communicate these policies and procedures to new hires who have recently started working at your facility?
- Training & Skills: Do your staff and managers have the skills/experience to carry out these new policies? Do they need additional training? How will you train them on these new procedures and how often will you conduct those trainings? Will additional external training be provided?
- Monitoring & Tracking: Checking that the system is actually effective. What system will you put in place to monitor that your new policy/system is working and being properly maintained? For example: internal audit, regular inspection, or document and record tracking? Please include details about frequency of internal audits or inspections, etc.
- Governance & Enforcement: Who is the responsible person (position title) for carrying out these policies? For communicating them? For measuring them? Who at the Executive/Ownership level is responsible for this part of the business and how will you ensure that they are doing their job properly? By conducting an internal audit? Or through Management Review? If an issue is found during Monitoring & Tracking, what disciplinary actions are taken when policies are not being followed?

Have developed new written procedure with help of health and safety supervisor that any person temporarily assisting in position will know what to check. Will communicate new procedure to all

potential staff members. Health and safety supervisor responsible for document up keep.

Deadline for Completion of Corrective / Preventive Actions

Ensure this is reasonable and appropriate for the root cause.

Immediate corrective action completed on MM-DD-YYYY. Training and communication to new staff to prevent future non-compliance complete by MM-DD-YYYY.

MEASURING SUPPLIER PERFORMANCE

Overview

We encourage our suppliers to continuously improve their performance by tracking it over time. Suppliers who are able to meet J&M's responsible sourcing standards increase their chances at maintaining a business relationship with the company.

J&M will monitor the implementation of its Responsible Sourcing Program across its supply chain by tracking supplier performance. We will use established key performance indicators, such as those recommended by the Global Reporting Initiative, as well as our own criteria to measure our performance and our suppliers' performance over time.

We will conduct assessments of all our suppliers, vendors and agents to gather data about their social and environmental practices and aggregate the data in our supplier scorecards. This will enable us to benchmark suppliers against each other, identify which ones are in need of improvement, and track performance by supplier over time.

Supplier Scorecard

We intend to develop a supplier scorecard which will be maintained for each of our suppliers and include performance indicators based on the J&M Code of Conduct for Suppliers, Vendors and Agents and the audit results from each social assessment. Our supplier scorecards will be designed to grade our suppliers, vendors and agents, track performance of each supplier, vendor or agent over time and benchmark suppliers against each other. Such data may also be used to inform additional capacity building efforts such as supplier training or in-depth management systems assessments.

The Sourcing Manager will be responsible for maintaining, updating and reviewing the scorecard.

APPENDICES

Sample Appointment Letter for UL Assessment



To:	Facility
Attn:	*****
From:	Cecilia Cruz (UL Responsible Sourcing)
Date:	August 7, 2017

Appointment Letter

Client is requesting that all their business partners participate in a production facility assessment. The assessment will consist of a facility walkthrough, private employee interviews, documentation review, and safety appraisal. **Client** is committed to positively impacting the local community and environment while operating as required by labor and safety regulations. **Client** requires and fully expects to be allowed into all facilities and to have full cooperation.

Client would like a representative from UL to visit your facility to conduct an assessment. Those vendors and other businesses that have already been visited have found it to be educational, offering insight into such areas as labor codes, human resources, and environmental issues.

To fully assess the facility, the following information is required (as applicable) and must be made available on the day of the assessment. Please note that a proportionate number of temporary / seasonal /contract workers will be selected as part of the interview and payroll sample, if present during the audit.

Other documents may be requested during the assessment. The confidentiality of all proprietary information will be respected. Any technologies and/or processes unique to your operation will not be disclosed. **Please contact us immediately if you would like a Non-Disclose Agreement signed between your company and UL.**

UL will conduct a compliance assessment at your facility **Facility** on behalf of **Client on any date in between August 21 to August 25, 2017 at 9:00AM. The specific date of visit will not be disclosed due to client's requirement.** If you have any questions or concerns, please contact Cecilia Cruz via email (Cecilia.cruz@ul.com) or at 818-852-0055.

Please note that auditors are not permitted to accept anything provided by the facility, including food or gifts. Auditors must always arrange or pay for their own lunch.

Please verify the following information:

- 1) FacilityName: _____
 Address: _____ City _____ State: _____
 Phone: _____ Fax: _____
 Who will coordinate the assessment on the assessment day?
 Name: _____ Title: _____ Email: _____
- 2) Will the facility be operating at full capacity during the assessment? YES NO
 - If not, approximately what percentage of the work force will be present? _____%
- 3) Is the necessary documentation (see page 1) maintained onsite at the facility?
 - YES NO If No, please advise: _____
- 4) Will the assessment team be granted full access to all assessment processes as per the client's requirements:
 - **Individual and/or group interviews with employees in private.**
 YES NO If No, please advise: _____
 - **A facility tour of the entire compound under the same business license:**
 YES NO If No, please advise: _____

- Access to **all necessary documents** (see page 1 for required document list)

YES NO If No, please advise: _____

5) What are the primary languages spoken by approximate percentages of employees at your facility? _____

6) Number of employees in your facility (not limited to those who produce for the client):

Production: _____ **Non-Production:** _____ **Agency workers in production:** _____

7) What are the working hours in the facility? Please list all main shifts (e.g. 8:00am to 4:00pm): _____

8) What is the nearest airport to your facility? _____

Please confirm your understanding & cooperation with the client's Social Compliance Program by signing below and returning both of these pages by email within 48 hours.

Please note that a cancellation charge will apply, should you cancel the assessment within 48 business hours prior to the agreed date.

Signature: _____	Facility Stamp:
Print Name: _____	
Title: _____	Date: _____

Summary of Findings Sample Report

© 2017 UL LLC. This report contains privileged or confidential information and cannot be distributed without Client consent. This report contains information based on a defined scope informed by client requirements gathered through a sampling of documents, worker and management interviews, and/or visual observations. All information is based on conditions during the specific assessment date(s), and does not guarantee compliance to law, industry standards, or client requirements. Furthermore, all information referencing law is provided in a limited scope, and does not constitute legal advice.



Responsible Sourcing Workplace Assessment Summary of Findings Report

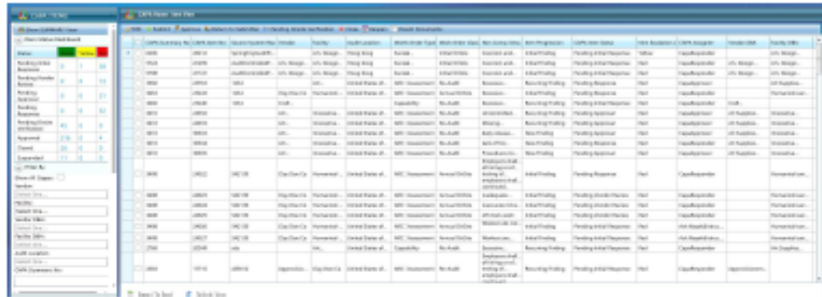
Facility Name:	MNO Company	Assessment Team:	P. XI
Facility Address:	123 Chau-dori St. Tokyo, Japan 001234	Assessment Date(s):	9/15/2016
Supplier Name:		Time In:	9:00
Supplier Contact Name:		Time out:	17:00

Assessment Findings Overview (Legal, International Standard/Minimum Recommendation, and Client Code of Conduct Findings)

Category	# of Findings	Category	# of Findings
Facility Profile	0	Labor	0
Facility Supply Chain Profile	0	Health & Safety	1
Management Systems	0	Ethics & Business Integrity	0
Facility Overall Risk Rating (Critical, High Risk, Intermediate Risk, Low Risk)	HIGH RISK		

Submitting Results and Adding Evidence to CAPA Platform

- 1) Log onto CAPA.
- 2) This is the dashboard screen, and default view when a factory or vendor logs onto the CAPA system. Any time you need to move between views, you will return to the dashboard.



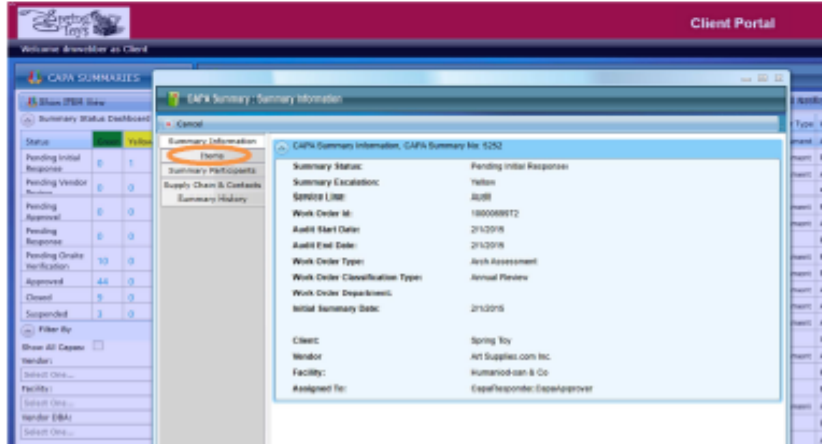
Please note that the default view for Vendors/Factories logging into the system will be the Item View.

Check the box next to the finding that you want to enter then click Edit.

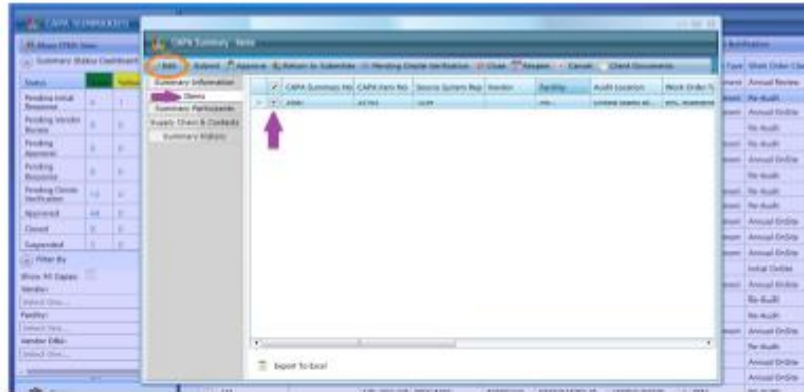
NOTE: If multiple findings have the same CAPA responses, you can check the boxes next to the CAPA items and click 'edit'. Screens will look slightly different but the process and steps are the same.

- 3) A new screen will pop up.

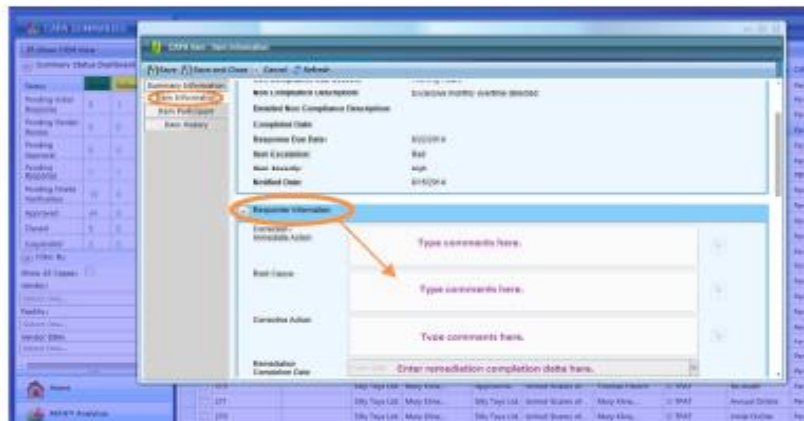
Click on the **Items** tab just below Summary Information.



- 4) From the Items tab, select the items that you would like to view by checking the box next to that item number and then click the Edit button.



- 5) In the next pop up window, click on Item Information and then scroll down and enter comments in the fields under the Responder Information sub-heading.



- 6) Continue to scroll down.

Click on add evidence to upload evidence such as photos, training certificates, etc.

Include dates with all uploaded evidence.



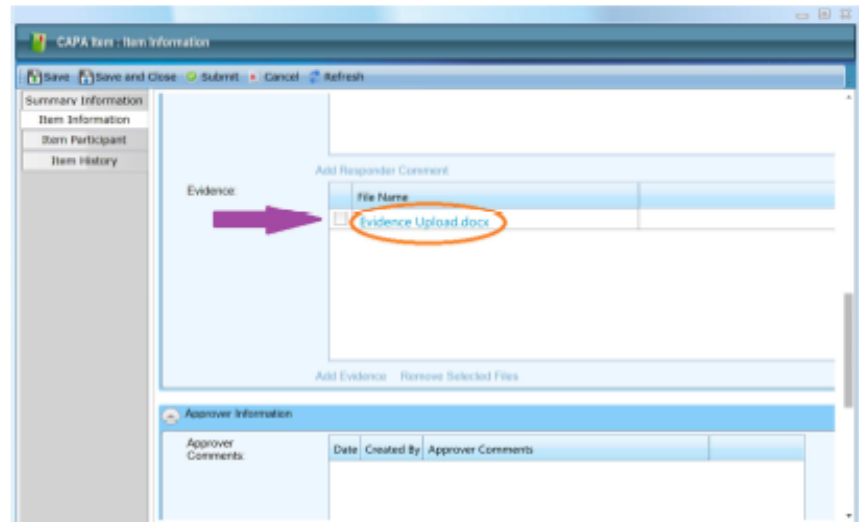
7) Click Save.

You can click 'save and close' and you will be able to come back later to edit.

NOTE:

As a best practice, it is recommended that you click save throughout the process to save your work.

Evidence files that have been successfully saved to the system will appear under the File Name heading in the Evidence field (see screenshot below for reference):



8) Click submit.

If you click save and close, it will take you back to the dashboard screen. From here, you can check the box next to the CAPA item(s) you want to submit; and then click 'submit' to finalize the multiple CAPA items at the same time.

If you run out of room when responding in any cell, you can add additional information in the Responder Comments box.

Please note that it is a systems requirement to complete the following four fields:

- **Correction/Immediate Action**
- **Root Cause**
- **Corrective Action**
- **Remediation Completion Date**

If you try to submit your CAPA responses and one or more of the above four fields are not complete, the system will not allow you to submit and an error message indicating which of the fields you did not complete will be displayed.