



A handwritten signature in black ink, appearing to read 'W. Taylor', is positioned to the right of the Hudson's Bay Company logo.

# Supplier Code of Conduct

2012



## The Hudson's Bay Company and Lord & Taylor Supplier Code of Conduct

### **A. Expected Ethical and Business Standards**

Hudson's Bay Company (HBC) and Lord & Taylor (L&T) intend to conduct business in an ethical and socially responsible manner. We are determined to build our business together with our suppliers based on the highest ethical principles of trust, teamwork, honesty, and respect for the rights and dignity of others. We seek suppliers who demonstrate a commitment to contribute to the improvement of community working conditions and who strive to meet our requirements as stated in this code.

This code applies to suppliers of HBC/L&T and their respective banners, which include the Bay, Zellers, Home Outfitters, Fields and Lord & Taylor stores. Suppliers are also expected to ensure that their suppliers and subcontractors are aware of and comply with the code.

Suppliers authorize HBC/L&T or its designated agent to conduct unannounced inspections of Suppliers' facilities, during which all premises may be inspected, workers interviewed, and books and records reviewed. If HBC/L&T determine that a supplier has violated the code, the supplier will be required to implement a corrective action plan and to achieve compliance within a specified time. Alternatively, HBC/L&T reserve the right to cancel orders and/or terminate the relationship.

### **B. Compliance with legal requirements and industry standards**

Suppliers must comply with all legal requirements as well as the standards of their industry, in the countries in which they do business. Where industry standards are more rigorous than legal requirements, there must be compliance with the higher standard.

### **C. Confidentiality**

Suppliers must hold all information (other than that in the public domain) concerning the affairs of HBC/L&T which may be communicated to them or to which they may have access, in trust and confidence for HBC/L&T and not use such information other than for the benefit of HBC/L&T.

### **D. Zero Tolerance for Corrupt Practices**

HBC/L&T have a zero tolerance policy for corrupt practices, including bribery or any other practice intended to reward, or otherwise encourage non-compliance with our requirements and/or legal requirements.

### **E. Compliance with Privacy Legislation**

Suppliers must comply with all privacy legislation, and also ensure that its actions (or lack of them) do not result in non-compliance by HBC/L&T.

### **F. Suppliers Must Not Solicit HBC or L&T Employees**

Suppliers must not directly or indirectly solicit, offer employment to, or in any manner encourage employees of HBC or L&T to leave their employ.

### **G. HBC/L&T Accounting and Auditing Complaints Policy (“Whistle Blowing”)**

Suppliers must comply with the HBC/L&T Accounting and Auditing Complaints Policy, as fully set out in <http://www.hbc.com/hbc/vendorrelations/vendorsguide/>. Complaints can be made anonymously to the “Hotline” by calling 1-800-668-TIPS from Monday to Friday, 9:00 a.m. to 4:00 p.m. (Toronto time).

### **H. Employment Standards**

#### **⊗ No Forced Labor**

Employment must be voluntary, and respect the right of employees to decide to work or not. Suppliers must not use forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

#### **⊗ No Child Labor**

Child labor is not permissible. Workers must be at least 15 (or 14 where the law of the country of manufacture allows), or the age at which compulsory schooling has ended, whichever is greater. In jobs with hazardous working conditions, workers must be at least 18.

We support the development of legitimate workplace apprenticeship programs for the educational benefit of younger people as long as they are not being exploited or given jobs that are dangerous to their health or safety. Children may not be employed during school hours; and the combined time at school and work (including transportation) cannot exceed 10 hours a day.

#### **✋ No Harassment or Abuse**

Every employee must be treated with respect and dignity. No employee may be subject to any physical, sexual, psychological or verbal harassment or abuse including the use of physical punishment.

#### **✍ Freedom of Association and Collective Bargaining**

Management practices must respect the right of employees to free association and collective bargaining where allowed by law.

#### **⊗ No Discrimination**

Employees must not be subject to discrimination in employment, including with respect to hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religious or personal beliefs, age (other than normal and legally allowed hiring or retirement limitations), disability, sexual orientation, maternity or marital status, nationality, political opinion, union participation, social or ethnic origin or membership in any legal organization. Employment decisions must be made solely on the basis of knowledge, skill, efficiency and ability to do the job and meet its requirements.

### **✚ Health and Safety**

Suppliers must provide a safe and healthy work environment. Factories producing HBC/L&T merchandise must provide adequate ventilation, first aid supplies, fire exits and safety equipment, well-lit workstations, clean washing facilities and an adequate number of toilets for both men and women, access to clean drinking water; and Supplier must ensure that all are well maintained and in good working order. Worker housing and dining facilities, where provided by the supplier, must meet a reasonable standard of health and safety.

### **\$ Wages and Benefits**

We are committed to the betterment of wage and benefit levels that address the basic needs of workers and their families so far as possible and appropriate in light of national economic conditions. Suppliers must pay the higher of, the prevailing industry wage, the minimum wage, or a wage that results in a decent living. Suppliers must provide all legally mandated benefits.

### **🕒 Hours of Work/Overtime**

Suppliers must maintain reasonable work hours. HBC/L&T define a standard work week to be not more than 48 hours (unless the local law provides for a shorter period), and considers all additional hours to be overtime. Suppliers must compensate for overtime at the greater of the regular hourly rate and such higher rate as required by law, regardless of whether workers are compensated hourly or by piece rate. In the absence of exceptional circumstances, HBC/L&T will favor Suppliers who utilize less than a sixty-hour work-week. Unless exceptional circumstances exist, employees must be permitted at least one day off in every seven-day period, and also leave privileges.

### **🗣️ Resolution of Disputes**

There must be a dispute resolution process to allow employees to voice workplace grievances without the fear of reprisal.

### **🌱 Environmental Requirements**

HBC/L&T will favor suppliers who conduct their business using progressive environmental practices and take active steps to preserve and protect the well-being of the environment, including complying with all applicable laws and regulations in respect of protecting the environment and maintaining procedures for notifying local authorities in the event of an environmental accident resulting from Supplier's operations.

In jurisdictions in which a supplier is required to participate in an environmental stewardship program, it will provide HBC/L&T with written proof of participation, and its registration number(s); in other jurisdictions it will provide HBC/L&T with detailed packaging information formatted as requested, and promptly inform HBC/L&T of any changes to such packaging. HBC/L&T will calculate environmental stewardship fee(s) and where such fee(s) are not collected at "point of sale" and supplier is not a participant of the applicable environmental stewardship program(s), these fees will be payable forthwith by supplier to HBC/L&T.

**✈ Transshipment**

Suppliers must establish and maintain programs and documentation to support country-of-origin production verification, to prevent the illegal transshipping of merchandise.

**🗣 Familiarization with, and display of this Supplier Code of Conduct**

Suppliers will familiarize their workers with this Code, and will display this Code, translated in the local language, at each of its facilities in a place readily visible and accessible to workers.