



VENDOR & SUPPLIER

# Code of Conduct

## PREFACE

This Vendor/Supplier Code of Conduct sets forth the commitment of Macy's to do business only with those manufacturers and suppliers that share its commitment to fair and safe labor practices. It applies to all suppliers and/or contractors providing merchandise to Macy's Merchandising Group or any of Macy's department [or specialty] store subsidiaries.

This Code of Conduct is divided into three parts. Part I sets forth the general principles upon which the Vendor/Supplier Code of Conduct is based. Part II sets forth the standards that will be used in evaluating compliance and Part III presents methods for the evaluation of vendor/supplier compliance with the Code of Conduct.

The Vendor/Supplier Code of Conduct defines our minimum expectations. Since no Code can be all-inclusive, we expect our vendors and suppliers to ensure that no abusive or exploitative conditions and practices or unsafe working conditions exist at the facilities where our merchandise is manufactured. As set forth in Macy's Statement of Corporate Policy, which has been distributed to all Macy's vendors, the company will not tolerate any vendor or supplier that directly or indirectly, through its subcontractors, violates the laws of the country where the merchandise is manufactured or knowingly violates the standards established by Macy's. Macy's will take appropriate action in accordance with its policy upon notification of such violation.

A copy of this Vendor/Supplier Code of Conduct, translated into the native languages of the workforce, should be prominently displayed within each facility where Macy's merchandise is being manufactured.

# GENERAL PRINCIPLES

## I. EMPLOYMENT PRACTICES

### 1. **Forced Labor, Slavery and Human Trafficking**

There shall not be any use of any form of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. Slavery and human trafficking are prohibited throughout the supply chain.

### 2. **Child Labor**

No person shall be employed at an age younger than 15 (or 14 where the governing law allows such employment), or younger than the age for completing compulsory education if the age in the country of manufacture is greater than 15.

### 3. **Harassment or Abuse**

Workers shall be treated with respect and dignity. Workers shall not be subject to any physical, verbal, sexual or psychological harassment or abuse in connection with their employment.

### 4. **Health and Safety**

Employers shall provide a safe and sanitary working environment in order to avoid preventable work related accidents and injuries.

### 5. **Nondiscrimination**

Workers should be employed and compensated based upon their ability to perform their job, rather than on the basis of gender, race, religious or cultural beliefs.

### 6. **Freedom of Association and Collective Bargaining**

Suppliers should respect the rights of employees to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country where the merchandise is manufactured. Suppliers should not interfere with, obstruct or prevent legitimate related activities.

### 7. **Wages and Benefits**

Employers should recognize that wages are essential to meeting their employees' basic needs. Employers shall pay workers for all work completed and shall pay at least the minimum wage required by law or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.

### 8. **Work Hours**

As part of normal business hours, suppliers' factories should be working toward achieving a 60-hour work week on a regular basis. Employees shall not work more than 72 hours per 6 days or work more than a maximum total of 14 hours per a continuous 24 hour period and should limit this to peak periods. Workers shall not be asked or required to take work home or off premises and must be permitted one full day off per each seven day week.

## 9. Overtime

It is understood that overtime is often required in the manufacturing process. In addition to compensation for regular hours of work, workers must be compensated for overtime hours at such a premium rate as legally required or, in countries where there is no legal standard, at industry standards. In no event shall this be at a rate less than the regular hourly rate. Factories shall carry out operations in ways that limit overtime to a level that ensures productive and humane working conditions.

## 10. Compliance with Laws

All Standards set forth in this Code of Conduct are subject to compliance with applicable local law. All vendors shall operate in full compliance with the laws of their respective country of manufacture. If any standard set forth in this Code of Conduct is, in the vendor's judgment, deemed to violate an applicable local law it must advise Macy's promptly in writing.

## 11. Environment

Macy's will favor those suppliers that share its commitment to preserving our environment by reducing, re-using and recycling. Macy's encourages suppliers to reduce excess packaging and to use non-toxic, environmentally friendly materials whenever possible. Macy's policy specifically prohibits the use of ozone-depleting substances and requires compliance with the United States Endangered Species Act of 1973. Our vendors are responsible for continuing compliance with these laws, including any modifications and amendments, without notice by Macy's of such amendment or modification.

## 12. Subcontractors

All subcontractors must be disclosed to Macy's prior to production, and all subcontractors and facilities must be pre-approved by Macy's. Any subcontractor retained by a Macy's supplier must be in compliance with this Code of Conduct and each of Macy's suppliers is responsible for ensuring its subcontractor's compliance.

# GENERAL PRINCIPLES

## II. VERIFICATION STANDARDS

Macy's will use the following standards in its evaluations:

### 1. Age and Wage Verification

Manual or electronic time cards should be used for hourly workers. For "piecework" workers, an industry recognized system, capable of audit verification, should be used.

Employers should provide to workers, for each pay period, a clear and understandable wage statement that includes days worked, wage or piece rate earned per day, hours of overtime, bonuses, allowances and a description of any and all deductions.

All facilities are required to maintain official documentation in order to verify each worker's date of birth, as well as appropriate records documenting that the employer adheres to all restrictions under local labor laws that apply to juvenile workers.

**2. Health and Safety – Factories**

Factories should have adequate circulation and ventilation.

Free potable water should be reasonably accessible to all workers throughout the working day.

Workers should have access to reasonably clean and private toilet facilities in adequate numbers for each sex. We recommend that facilities maintain a toilet to worker ratio of 1 to 30.

There is to be no use of corporal punishment.

Work areas should be sufficiently lit so that manufacturing tasks may be safely performed. We recommend the following standards:

- Cutting, Assembly and Finishing Operations: ..... 50-80 ft. candles
- Inspection: ..... 80-100 ft. candles
- Storage: ..... 30-50 ft. candles.

All equipment should be tested regularly and properly maintained. Operational safety devices should be installed on equipment where appropriate.

Where appropriate, factories should make available personal protective equipment to workers performing hazardous tasks.

Hazardous and combustible materials should be stored in secure, well-ventilated areas and should be properly labeled and posted with safety and warning signage.

Each factory should maintain an adequate number of well-stocked, visible and easily accessible first aid kits.

We require that each enclosed manufacturing facility have an adequate number of clearly marked, unlocked exits in order to provide for an effective evacuation in case of emergency. By adequate, it is meant that each workstation should be within 200 feet of an exit. All exits should have battery operated emergency lights placed above them.

Aisles, exits and stairwells should be kept clear of any obstructions that could prevent the orderly evacuation of workers. Exit stairwells and corridors and aisles leading to them are required to be at least 22 inches wide. It is recommended that they be at least 44 inches wide. Exits should be at least 33 inches wide.

Each facility should have appropriate fire prevention capability based upon the size of the facility and number of workers normally occupying the premises. While we recommend that facilities install fire hoses, extinguishers, overhead sprinklers, alarms, photo luminescent exit routes marked on the floor and other warning and control devices, our minimum standard, where fire hoses

or overhead sprinklers are not present, is one fully charged fire extinguisher within 75 feet of each work station.

Fire extinguishers should be properly maintained and inspected annually, tagged with the most recent inspection date, and properly deployed throughout the premises to be visible and accessible to workers in case of fire.

Factories should conduct a minimum of one emergency evacuation drill per year.

Emergency evacuation diagrams should be posted and clearly visible to employees.

Workers should not be exposed for extended periods to noise levels above 80 decibels without being required to use factory provided safety equipment.

### **3. Dormitories/Living Facilities**

**The following standards shall apply where workers are housed in facilities provided by the manufacturer:**

- Facilities should have adequate ventilation and circulation.
- Free potable water should be readily accessible.
- Clean and private toilet and bathing facilities should be reasonably accessible.
- Living spaces should be segregated by gender.
- Each housing facility should maintain an adequate number of well-stocked, visible and easily accessible first aid kits.
- Each housing facility should have an adequate number of unlocked and clearly marked exits for evacuation in case of emergency.
- Aisles, exits and stairwells should be kept clear from any obstructions that could prevent orderly evacuation. Exits should be at least 33 inches wide. All exits should have battery operated emergency lights placed above them.
- Each living facility should have appropriate fire prevention capability based upon the size of the facility and number of workers normally occupying the premises. The minimum standard, where fire hoses or overhead sprinklers are not present, is one fully charged fire extinguisher per 1000 sq. ft. of living space.
- Fire extinguishers should be properly maintained and inspected annually, tagged with the most recent inspection date, and properly deployed throughout the premises to be visible and accessible to employees in case of fire.
- A minimum of one emergency evacuation drill per year should be conducted.

- Emergency evacuation diagrams should be posted and clearly visible to employees.
- The living space per worker in their sleeping quarters must meet all minimum legal requirements. We recommend that each worker be provided with a minimum of 50 square feet of space exclusive of common areas and that individual mats or beds be provided to each worker.

## GENERAL PRINCIPLES

### III. VERIFICATION METHODS

1. Macy's holds its suppliers accountable that the merchandise produced for it is manufactured in compliance with this Code of Conduct.
2. Macy's expects its suppliers to monitor their compliance to this Code of Conduct. For private brand and private label merchandise, Macy's will utilize, where appropriate, internal as well as third party (unaffiliated) monitors to conduct on-site evaluations and inspections of its suppliers' facilities, as well as those of its subcontractors.
3. Macy's will use the following methods to evaluate its suppliers and their facilities:
  - Each of Macy's suppliers must sign and return Macy's Terms of Engagement Letter acknowledging that they have received a copy of Macy's Statement of Corporate Policy and this Code of Conduct and are in compliance.
  - Acceptance of Macy's purchase orders and shipment of merchandise to Macy's represents a continuing affirmation of compliance.
  - For private brand and private label merchandise, Macy's representatives shall conduct pre-production evaluation of supplier facilities as well as any subcontractor's facilities.
  - For private brand and private label merchandise, Macy's representatives shall conduct unannounced (without notice) and unaccompanied inspections to supplier and subcontractor facilities for the purpose of auditing compliance to this Code of Conduct. Inspections may be conducted by Macy's representatives or by third parties retained by Macy's. Inspections may include, but will not be limited to the following:
    - The ability to conduct interviews with employees, on or off-site, without fear of repercussion from employers.
    - Inspections of employee files, including time cards and wage statements.



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