



JCPenney *Brooks Brothers* AÉROPOSTALE
LUCKY * BRAND NAUTICA

Catalyst Brands unites the rich heritage of five iconic American brands – JCPenney, Aéropostale, Brooks Brothers, Lucky Brand and Nautica – each of which have a strong legacy of operating in an ethical and socially responsible manner. We recognize that a critical factor in our continuing success as a leader in the retail industry is our ability to build and sustain strong relationships with our suppliers – relationships based on trust, integrity and high standards for ethical behavior and legal compliance. These Principles outline Catalyst Brands' expectations of all suppliers that conduct business with our Company.

We expect our suppliers to support the fulfillment of these Principles by dedicating appropriately qualified subject matter professionals to incorporate them into their own internal business processes, which are consistently applied and communicated to their employees, suppliers, service providers, and subcontractors.

ETHICAL BUSINESS PRACTICES

At Catalyst Brands, we commit ourselves to the values expressed in our Code of Conduct. The Catalyst Code of Conduct sets out the standards by which all Catalyst Brands associates promote a culture of integrity and legal compliance, including guidance on relations and interactions with Suppliers. Suppliers who do business with Catalyst Brands must share our values and ethical commitments. We deal openly and ethically with our Suppliers, and in return, we expect our Suppliers to:

- Comply with all applicable laws and regulations, including laws related to countering bribery and corruption, and Catalyst Brands' standards.
 - Be aware that countries worldwide maintain their own anti-corruption laws and regulations which may impose restrictions in addition to or outside of those required under the United States' Foreign Corrupt Practices Act ("FCPA").
 - In the event a foreign country imposes applicable requirements on Catalyst Brands, its Suppliers, and/or its Employees, the most restrictive requirements must be followed.
 - Suppliers are prohibited from directly or indirectly making, promising, authorizing, or offering anything of value to a foreign official on behalf of Catalyst Brands to secure an improper advantage, obtain or retain business, or direct business to any other person or entity. This prohibition includes payments made or offered to third parties where Suppliers and/or Employees know or have reason to suspect that the third party will use any part of the payment for providing bribes, directly or indirectly, to foreign officials.

- Maintain independence and impartiality in all business relationships.
- Never engage in bribery or corruption, or offer anyone an improper payment or gift for the purpose of obtaining or retaining business or securing an improper advantage for Catalyst Brands as outlined in the [Statement of Business Ethics](#).
- Comply with the Catalyst Brands Gifts Policy
- Ensure the security, confidentiality, and integrity of Catalyst Brands', customer, and associate confidential information and data.
- Maintain accurate books and records in accordance with laws and accepted accounting practices.
- Comply with applicable international trade laws, including those related to exports, imports, re-exports, and transfers. Suppliers are expected to obtain necessary licenses for restricted items and comply with relevant sanctions regimes and export controls.
- Cooperate with legitimate government investigations.



WORKING CONDITIONS

Catalyst Brands is committed to having a diverse and inclusive workforce where everyone is respected, valued, and has a voice in contributing to our business success. We also recognize our responsibility to follow the employment and human rights laws of every country in which we operate. We ask our suppliers to adopt similar practices in their business operations and communicate these expectations to all component, raw material and service providers and expect them to:

- Maintain a safe workplace environment (and, if provided, residential facilities) and comply with all applicable laws and Catalyst Brands standards regarding working conditions, including but not limited to, accident prevention, health and safety, fire safety, and electrical, mechanical, and structural safety.
- Comply with all Catalyst Brands standards regarding shared use of facilities. Production facilities that exist within structures not purpose built for manufacturing, and/or facilities that share space with other business entities or residential spaces, are considered high-risk due to the difficulty of maintaining building-wide safety standards. As such, facilities that can be described as below will not be approved for Catalyst Brands production:
 1. Residential buildings converted into commercial facilities.
 2. Facilities in multi-use buildings, e.g., buildings that include marketplaces, commercial shops, or residences, in any space or floor within the building.
 3. Buildings occupied by multiple owners and/or leaseholders.
 4. Buildings that share common walls, either vertically or horizontally, to other buildings not owned and managed by the facility proposed for production.
- Implement management systems and controls that identify hazards, assess, and mitigate risk.
- Ensure employees, contractors and service providers are not subject to physical, sexual, psychological, or verbal abuse, coercion, or intimidation.
- Ensure women's and female-presenting employees' rights are protected. Suppliers shall not test their female employees for pregnancy, virginity, or question pregnancy status as a condition of employment. Suppliers will not terminate Employee's for pregnancy or reduce wages, pay, or working conditions for Employee's returning from pregnancy. Suppliers will not force their female Employees to use contraception during their tenure of employment.
- Compensate employees for their standard and overtime hours in compliance with local laws.
- Comply with all applicable employment, benefits, work hours and overtime laws, including providing workers with at least one in seven days off.

- Respect employees' legal rights on freedom of association and collective bargaining.
- Avoid child labor at every point in the supply chain. Child labor means any person younger than fifteen (15) years of age or younger than the age of completing compulsory education in the host country where such age is higher than fifteen. All Employees shall be at least of the legal age established by local law. Official and verifiable documentation of each Employee's date of birth, or a legally recognizable means of confirming each Employee's age, shall be maintained.
- Employees under the age of eighteen (18) shall not perform work at dangerous heights or in confined spaces; work with hazardous substances, dangerous machinery, equipment and/or tools; work that involves the manual handling or transport of heavy loads; night work or other comparable activity.
- Implement management systems and controls that endeavor to prohibit the use of prison, indentured, bonded, slave, forced or compulsory labor, and human trafficking.
- Employ people on the principle of equal opportunities without discrimination based on age, organizational affiliation, disability, gender, marital or family status, pregnancy, national, social, or ethnic origin, race, religion, community identification, or sexual orientation.
- Ensure equal treatment of women in all aspects of employment.
- Ensure the freedom of movement of workers.
- Comply in full with all applicable laws and regulations pertaining to forced labor. These may include the United States' Uyghur Forced Labor Prevention Act (UFLPA) or others worldwide. All Employees shall work on a voluntary basis and not be subject to any physical, mental, or sexual exploitation, such as forced, bonded, and indentured labor. Employees shall not be subject to any forms of coercion, fraud, deception, or giving up control of their person to another for the purpose of such exploitation.
 - The Canadian analogue to UFLPA is titled the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Act"). Articles made with child labor at any part of its supply chain are not allowed to be imported into Canada. **The Act requires companies to file and publicly post a supply chain risk report by May 31 of each year, detailing the previous year's activities.**
- The use of prison or convict labor is prohibited. This includes individuals on work release or in rehabilitation programs in connection with sentencing. Suppliers are responsible for ensuring that no member of their supply chain uses forced labor.



SAFE QUALITY PRODUCTS

At Catalyst Brands, we take special care to ensure that our merchandise meets the highest quality and safety standards. We have long been a leader in consumer product safety measures to make sure all products we sell meet or exceed product safety requirements. Catalyst Brands cannot meet its product safety and quality goals alone; we rely on suppliers to implement procedures to fulfill our high standards, and we expect our suppliers to:

- Comply with all applicable product safety laws and regulations, including applicable state requirements.
- Comply with applicable Catalyst Brands' quality standards.
- Implement and maintain processes and procedures to monitor and test the safety and quality compliance of raw materials, packaging components and final products sold to Catalyst Brands.
- Maintain accurate books and records related to product safety and quality compliance.



SUPPLY CHAIN SECURITY & DOCUMENTATION

JCPenney, and by extension, Catalyst Brands, has been a member of the Customs Trade Partnership Against Terrorism (CTPAT) since 2002. The program is a collaborative government-business partnership that strives to strengthen the international supply chain and U.S. border security. As a member of this program, we:

- Conduct routine Supplier Compliance Audit Network ("SCAN") audits to ensure our supply chain processes continue to meet and exceed minimum security standards set by the importing community and U.S. Customs and Border Protection.
- Provide our Suppliers with educational materials via a written booklet or an online e-Learning tool and expect them to ensure all products sold to Catalyst Brands comply with our security standards.
- Comply with all applicable laws and regulations including applicable state requirements and Catalyst Brands' standards and sourcing policies including certification requirements.
- Require our Suppliers to disclose all current and future members and/or affiliates of their supply chains. Failure to do so is considered unauthorized subcontracting.
- Expect our Suppliers to gather and maintain the appropriate documentation to verify their products' country of origin. This includes, but is not limited to, the commercial invoice, bill of materials, and factory and subcontractor information. Suppliers should create and implement internal controls, such as detailed procedures and Employee training.
- Require our Suppliers to ensure they and/or their affiliates are not on the Specially Designated Nationals ("SDN") list published by the U.S. Office of Foreign Asset Control ("OFAC"). This screening must be done before any production begins on Catalyst Brands-bound articles.

In order to make the processes required by CTPAT easier for Catalyst Brands and our Suppliers, we require Suppliers to maintain the documentation necessary to verify compliance with this Agreement and applicable laws and regulations and make them available to Catalyst Brands upon request. This requirement also applies to any employment agencies used by the Facility. Documentation includes, but is not limited to, licenses, permits, certifications, policies and procedures, and Employee and Facility records.



SOCIALLY RESPONSIBLE SUPPLY CHAIN

Catalyst Brands is dedicated to preventing the sale of products produced at the expense of communities, workers, or the environment. We work with suppliers who share our commitment to a socially responsible supply chain, and we expect our suppliers and their facilities to:

- Comply with all applicable laws and regulations including applicable state requirements and Catalyst Brands standards and sourcing policies including certification requirements.
- Develop processes and procedures for ensuring that material, component, and service providers also conduct their business operations in a socially responsible manner.
- Develop processes and procedures for ensuring supply chain visibility to all suppliers, owned or contracted, that provide, process, finish or assemble all inputs, raw materials, components and trim, necessary for the assembly of a finished good.
- Develop processes and procedures for tracing the transactional chain of custody for all inputs, raw materials, components and trim, necessary for the assembly of a finished good.
- Disclose all facilities engaged in the production of products sold to Catalyst Brands.

- Comply with conflict minerals regulations as outlined in Catalyst Brands' [Conflict Minerals Policy](#).
 - Dedicate appropriately qualified subject matter professional(s) to effectively manage the working conditions and responsible supply chain expectations described in the Catalyst Brands Supplier Principles and Responsible Sourcing Standards.
 - Comply with policies regarding animal rights and commit to a “fur free” supply chain for fashion and decorative items. “Fur” is defined as any animal skin or part of hair, fleece, or fur fibers attached to the skin, either in its raw or processed state, but does not include such animal skins to be converted into leather or which in processing shall have the hair, fleece, or fur fiber completely removed.
 - Suppliers will not use down and feathers from birds that have been live-plucked or force-fed. All down used in products supplied to Catalyst Brands must be certified by the Textile Exchange's Responsible Down Standard to ensure it has been sourced properly.
 - Suppliers will not use any exotic animal skins in any current or future products. Examples of exotic skins include, but are not limited to: crocodile, alligator, mammals, ostriches, and emus.
 - Suppliers will treat any wool-producing sheep and goats responsibly, ensuring that these animals are raised on farms that preserve land health.
 - Ensure any virgin merino wool fiber is sourced from certified non-mulesed sheep and accompanied by a certificate.
 - Suppliers will not use mohair in developing any products.
-



ENVIRONMENTAL IMPACT

Catalyst Brands seeks to continuously reduce the environmental impact of our business operations, and to develop and implement plans, programs, and policies to eliminate or minimize significant threats to the environment. We expect our suppliers to:

- Develop products, packaging and procedures that strive to minimize or eliminate negative environmental impacts.
- Understand significant environmental impacts of business operations.
- Seek to reduce negative environmental impacts including energy consumption, carbon emissions, waste generation, water usage, air emissions and any discharges to the environment.
- Comply with all applicable environmental laws and regulations and Catalyst Brands standards.
- Demonstrate sensitivity to environmental issues that impact local communities and worker health.
- Comply with Catalyst Brands' Restricted Substances List.
- Comply with the Zero Discharge of Hazardous Chemicals Foundation (“ZDHC”) Manufacturing Restricted Substances List.
- Develop processes and procedures for the proper and safe handling, storage, transportation, and disposal of hazardous chemicals and waste in compliance with all laws and regulations.
- Dedicate appropriately qualified subject matter professional(s) to the management of environmental impact.

INTELLECTUAL PROPERTY RIGHTS

Catalyst Brands greatly appreciates a strong working relationship, and the high quality of the goods produced for Catalyst Brands and any of its affiliated brands.

Under United States law, a trademark holder's rights must be policed -this means that Catalyst Brands is required to actively maintain the quality of its name and products in order to sustain the goodwill associated with them. In the interest of maintaining this relationship and protecting Catalyst Brands' intellectual property rights. We expect our suppliers to:

- Agree that the products and merchandise, including the mechanical features, specifications, designs, concepts, ideas, information, data, description, processes, techniques, know-how, inventions, trademarks, trade dress and other intellectual property associated with the merchandise you produce for us all belong to Catalyst Brands. Thus, you must refrain from producing merchandise for other companies that is identical or substantially identical to those goods designed by and produced for Catalyst Brands.
- Agree to maintain Catalyst Brands' confidentiality - in other words, you must abstain from any unauthorized online or printed advertisement that divulges the name, logo, trademarks or any of the proprietary marks for Catalyst Brands and any of its affiliated brands without Catalyst Brands' prior written consent in each instance.
- Any unauthorized use of Catalyst Brands' intellectual property is strictly prohibited and may result in immediate termination of the business relationship in addition to any other remedies available to Catalyst Brands at law or in equity.

If you have any questions or concerns regarding this document, direct your questions to duediligence-sm@catalystbrands.com

COMMUNICATION, COOPERATION AND COMPLIANCE

Catalyst Brands is committed to working with suppliers to encourage legal and ethical compliance and sound business practices. The relationship between Catalyst Brands and its suppliers is based on open dialogue and joint efforts.

These Principles are an integral part of our supplier selection process. Catalyst Brands works with suppliers, industry groups and experts to identify best practices and to develop tools for assessing, monitoring, and improving suppliers' performance and compliance. If a supplier fails to meet our requirements, we will take decisive corrective action, up to and including cancellation of contracts and termination of our relationship.

Suppliers are encouraged to contact Catalyst Brands with any questions or concerns about our expectations and are expected to report a potential ethical or legal violation involving Catalyst Brands business which may be reported confidentially in local languages. To that end, we provide a hotline, which can be accessed via a toll-free telephone number 1-800-527-0063. We will never retaliate against someone for raising good faith concerns about potential violations of law, ethics, and/or Catalyst Brands policy.