

MODERN SLAVERY REPORT 2018

WHO WE ARE

- Global: Foot Locker, Inc. is a specialty athletic retailer headquartered in New York City that operates retail stores in 27 countries in North America, Europe, Asia, Australia, and New Zealand under the brand names Foot Locker, Lady Foot Locker, Kids Foot Locker, Champs Sports, Footaction, SIX:02, Runners Point, and Sidestep.
- Internet Channels: Foot Locker offers athletic footwear, apparel, and equipment through the Internet channels for each brand, such as footlocker.com or footlocker.eu. The Foot Locker family of companies also includes the direct-to-customer business Eastbay, Inc., a leading online destination for the serious athlete.
- Private Label: The vast majority of products sold by Foot Locker come from our name brand suppliers. Only a very small percentage of our products are sourced directly by Foot Locker. We have in place a system of factory inspections and monitoring to ensure compliance with our Guidelines and applicable laws.
- United Kingdom: In the United Kingdom, Foot Locker operates its business through Freedom Sportslines Ltd., with over 80 retail stores under the Foot Locker banner, and through the Internet channel footlocker.co.uk.

POLICIES

- Foot Locker's Core Values: Foot Locker strives to operate in accordance with our seven core values:

Core Values						
Integrity Act honestly, ethically, and honorably.	Leadership Respect, inspire, develop and empower.	Excellence Strive to be the best in everything we do.	Service Satisfy our customers every time.	Team Work Collaborate, trust, support, commit.	Innovation Be a student of the business to initiate and foster new ideas.	Community Embrace diversity, act responsibly for our customers, associates, investors and communities.

Our commitment to conducting business honestly and ethically extends to the selection of suppliers within our supply chain.

- Code of Business Conduct: Our core values are captured in our Code of Business Conduct (“**COBC**”). The COBC serves as our play book. It provides us with the standards that guide our work and how we demonstrate Leadership with each other, our customers, our business partners, and our competitors. It is an important resource that provides information on what behaviors are expected from each of us, as well as guidance on where to go for help and details on certain risk areas. The COBC is applicable to all associates working at Foot Locker.
- Anti-Corruption Policy: Foot Locker is committed to conducting its business in an honest and ethical manner. We are committed to complying with all anti-corruption and bribery laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.
- Conflict Minerals Policy: Foot Locker is committed to maintaining a socially responsible supply chain and to sourcing components and materials from companies that share our values regarding human rights, ethics, and environmental responsibility. The use in Foot Locker products of “conflict minerals” from the Democratic Republic of Congo or an adjoining country that finances armed conflict would be inconsistent with this commitment. Conflict minerals are defined as tin, tantalum, tungsten and gold (commonly referred to as 3T&G), regardless of where they are sourced, processed or sold (“**Conflict Minerals**”). Conflict Minerals can make their way into the supply chains of various products used by consumers and businesses around the world. Foot Locker strives to use only materials in Foot Locker sourced products that do not finance armed conflict, and we will work within our supply chain to take steps to comply with the U.S. Conflict Minerals requirements.

- Foot Locker's Global Sourcing Guidelines: Foot Locker fosters responsible business practices of our branded vendors and private label suppliers with the annual distribution of the Global Sourcing Guidelines (the "**Guidelines**"). The Guidelines contain, among other requirements, the following:
 - Child Labor. Child labor is not permissible. Workers may not be younger than 15 years of age (or 14 where local law permits) or the age for completing compulsory education, if higher.
 - Forced Labor. Forced labor, whether in the form of prison labor, slave labor, indentured labor, bonded labor or otherwise is not permissible. Employment must always be on a voluntary basis.
 - Wages and Benefits. Foot Locker will only deal with suppliers who compensate their employees fairly by providing wages, overtime premiums and benefits that, at very least, comply with legally mandated minimum standards.
 - Harassment and Abuse. Foot Locker expects all employees to be treated with respect and dignity. Thus, Foot Locker will not deal with suppliers whose employees are subjected to physical, sexual, psychological or verbal harassment or abuse.

Foot Locker's Guidelines require all vendors and suppliers globally to respect certain stated standards. Foot Locker's Guidelines:

- are distributed annually to both our branded vendors and private label suppliers.
- reflect Foot Locker's abiding commitment to the safety and fair treatment of the workers who manufacture the products we sell. Foot Locker is paying attention to the working conditions and employment standards of manufacturing employees worldwide.
- are designed to make clear that we expect the product that we sell in our stores to be manufactured in compliance with local laws, under working conditions that meet certain standards, and without the use of child labor, prison labor, or any form of slave labor.
- make it clear that Foot Locker is committed to sourcing components and materials from companies that share our values regarding human rights and environmental responsibility.
- are incorporated into our Vendor Standards Manual.

PRIVATE LABEL FACTORY AUDITS

- Foot Locker is concerned with the safety and fair treatment of all workers involved in our supply chain, wherever the workers are located globally. It is Foot Locker's policy to choose reputable business partners who are committed to ethical standards and business practices. Foot Locker will only do business with suppliers whose workers are present voluntarily, compensated fairly, allowed the right of free association and who are neither put at risk of physical harm, discriminated against, nor exploited in any way.
- What do we do?:
 - Foot Locker conducts regular social compliance audits for direct suppliers of private label product on an annual basis. During the social compliance audit, a verified third party evaluates the factory on compliance in Forced Labor, Child Labor, Wages & Working Hours, Harassment & Discipline, Health & Safety, Freedom of Association, Discrimination, Sub-Contracting, Basic Environmental standards. Auditors evaluate compliance with these standards through document review, worker & management interviews and factory tours. Auditors are trained in identifying potential risks of forced labor or human trafficking.
 - Foot Locker reserves the right to make periodic, unannounced inspections of our private label suppliers' facilities to verify compliance with our Guidelines and other requirements. Such on-site inspections are conducted by our internal team or by a third-party company.

- Suppliers agree to maintain and provide, upon request, all documentation necessary to demonstrate and to assure compliance.
- In recent years, we have taken steps to consolidate our supplier base so that we are working more closely with fewer suppliers to deepen our partnerships to forge a more collaborative approach grounded in continuous engagement and improvement.

FOOT LOCKER SOCIAL COMPLIANCE DUE DILIGENCE

- Foot Locker's efforts include setting policies and operating guidelines for suppliers, identifying risks to workers health and safety through social compliance audits, and by participating in industry groups that collaborate to set policies and approaches to social and environmental risks within the supply chain, such as Retail Industry Leaders Association ("RILA").

FOOT LOCKER SECURITY COMPLIANCE DUE DILIGENCE

- Foot Locker continues its partnership with U.S. Customs & Border Protection in the area of border security and is a validated member of Customs-Trade Partnership Against Terrorism ("C-TPAT").
- Each supplier is responsible for the security of the merchandise, and we expect each supplier to take the necessary steps to assure all shipments of merchandise to Foot Locker are secure and do not contain contraband or other illegal materials.
- Foot Locker continues its partnership with Dutch Customs and U.S. Customs & Border Protection in the area of border security and international trade control. Foot Locker is a validated member of ("C-TPAT") in the United States and Authorized Economic Operator ("AEO") in Europe.

NON-COMPLIANCE

- When non-compliance is identified during an audit, Foot Locker partners with the supplier to develop and implement an improvement plan for the facility. The outlined corrective actions must be taken by the supplier to remediate the issue. Foot Locker works with factory management to ensure they properly address issues which present a risk to the supply chain.
- In some cases, Foot Locker will require a follow-up audit within the same year to return to the factory and re-evaluate records after corrective actions have been taken.
- Foot Locker reserves the right to terminate the relationship with any supplier who fails to comply with our Guidelines.