

BROWN SHOE COMPANY, INC.

PRODUCTION CODE OF CONDUCT

Revised December 2005

Brown Shoe Company, Inc. (“Brown Shoe”), a leading retailer and wholesaler of footwear, is committed to being a responsible corporate citizen and, as such, is an active participant in the footwear industry’s program to ensure workers’ rights globally. As part of this commitment, Brown Shoe has developed its own Production Code of Conduct (the “Code”) with a broad set of standards for all of its suppliers¹, including footwear production facilities and subcontractors engaged by the company and its subsidiaries and vendors who supply its retail stores.

Brown Shoe’s Code recognizes and emphasizes the dignity of workers, and specifically prohibits the use of child or forced labor. Brown Shoe’s Code requires its suppliers to provide a discrimination-free environment that is safe and clean, where workers receive the local industry’s prevailing wages or better, and where suppliers comply with all local laws and regulations, environmental laws and anti-corruption principles.

Brown Shoe focuses on doing business with those companies and individuals who share its commitment to responsible business practices. Accordingly, Brown Shoe requires all suppliers to comply with the following standards:

A. LABOR

1. Forced Labor. Suppliers must not use forced, prison, indentured or other compulsory labor (including labor that is the result of political coercion or punishment) in the production of their products. Further, employees shall not be required to “lodge” deposits or identity papers upon commencing work or at any other time.

2. Child Labor. Suppliers must not employ workers younger than the minimum working age in the country of manufacture or age 14, whichever is higher. Suppliers must comply with all local legal restrictions, including those laws that apply to work performed by workers under age 18 and those laws that limit younger workers’ ability to work due to compulsory schooling requirements. Suppliers must also register with the Local Labor Administration for all juvenile workers, if applicable, in the country of manufacture as well as verify the age of all employees prior to the employee commencing work. Legitimate educational apprenticeship programs for younger individuals are acceptable to the extent permitted by local law.

¹ For the purposes of this document, suppliers shall mean any manufacturer or subcontractor engaged in a manufacturing process, including cutting, sewing, assembling, and packing that results in a finished product for the consumer.

3. Wages and Benefits. Suppliers must comply with all applicable wage laws and regulations as well as prevailing local industry standards and practices, including those relating to minimum wage, overtime, piece rates, and legally mandated benefits that have been enacted in their country. All overtime wages are to be paid at the premium rate as legally required in the country of manufacture and paid legally. All employees must also be paid in full, on schedule and without delay. Further, all employees must be provided with a payment statement (i.e., pay stub) for every pay period, denoting the regular and overtime pay calculations and deductions, including hours worked, wages paid, and the amount and explanation of each deduction. All pay calculations for regular and overtime pay must be detailed on the pay stub to allow a reasonable person to recalculate the pay. Employees must receive pay and time off for public holidays, annual leaves, and maternity leaves in accordance with local laws.

4. Working Hours/Overtime. While permitting flexibility in scheduling, suppliers must, at a minimum, adhere to prevailing local standards concerning working hours and overtime. Except in extraordinary business circumstances, and, contingent upon approval from Brown Shoe and at the employee's discretion, no employee should work in excess of sixty (60) hours per week total during non-peak seasons and seventy-two (72) hours per week total during peak seasons. All employees have the right to refuse to work overtime without threat of discipline, punishment or termination. All employees must be allowed at least one day off in every seven-day workweek. Suppliers must comply with laws that restrict younger workers' ability to work as a result of compulsory schooling requirements.

5. Freedom of Association. Suppliers must recognize and respect the right of all workers to organize peacefully and bargain collectively as permitted by, and within the limits of, local laws. All employees have legal rights of free association or to remain independent, without fear of intimidation or termination.

6. Nondiscrimination. Suppliers must engage in lawful employment and must not discriminate in hiring, wages, benefits, promotion, or termination on the basis of gender, color, race, religion, age, nationality, disability, veteran status, political opinion or affiliation, social or ethnic origin, marital or maternity status, work or personal affiliations, or sexual orientation. Promotions and training shall be based on the employee's skills and his/her ability to do the job, not on the basis of any other characteristic.

7. Abuse and Harassment. Brown Shoe expects all employees to be treated with respect. Suppliers must not subject or threaten to subject employees to any form of abuse and/or harassment, including verbal, physical, sexual, or psychological forms of abuse and harassment. Further, suppliers must not use corporal punishment or other forms of mental or physical coercion as a means of disciplining their workers. Fines must not be used as a form of discipline.

Employees shall be able to communicate openly regarding working conditions without fear of reprisal, intimidation or harassment.

B. WORKPLACE ENVIRONMENT

1. Safety and Health. Suppliers must provide their workers with safe and healthy work environments, including production areas and dormitories (if provided). Suppliers must provide protection from exposure to hazardous conditions or materials, including, but not limited to glue, chemicals, and paints, and must enforce the proper and consistent utilization of this protection. Suppliers must, at a minimum, comply with all applicable health and safety laws and regulations. Suppliers must maintain the appropriate number of fire exits (in accordance with local laws), which must be unblocked and unlocked from the inside and the appropriate fire, exit, and safe door signage must be used to label these areas. All aisles and hallways must be unblocked at all times; safe, drinkable water must be available; all facilities must be adequately ventilated; and there must be a sufficient number of clean, working toilets (1 toilet per 25 employees) and workers must have reasonable access to such toilets.

In any production area, proper safety devices must be installed on all rotary, sewing, and cutting machinery and all electrical equipment must have automatic stops or safety switches. The facilities must be well-lit (at least 400 lumens) and there must not be any excessive noise (more than 85 decibels). All employees must be appropriately trained and provided with the necessary safety equipment (e.g., masks, earplugs, gloves, glasses, etc.). All hazardous materials and chemicals must be stored separately and labeled in the appropriate local language(s). A sufficient number of first aid kits must be readily available for all employees (at least 1 kit per production department).

If a dormitory is provided, the dormitory must not be the same building as the production area. The dormitory must be segregated by gender and large enough to live comfortably (as specified by local law). Each employee must be provided with his/her own mat or bed for sleeping purposes. The kitchen (either in the dormitory or the manufacturing facility) must be clean and certified as safe.

2. Protection of the Environment. Suppliers must comply with all local environmental laws and regulations including those relating to storage, treatment and disposal of hazardous materials and chemicals; discharge of wastewater and storm water; and facility air emissions into the environment. In addition, Brown Shoe encourages its suppliers to conduct business so as to minimize waste, maximize recycling, and protect its workers.

Chemicals and other materials which may pose a hazard, if released into the environment, must be identified and managed to ensure safe handling, movement, storage, treatment, recycling,

reuse or disposal. The treatment of hazardous materials and chemicals must be conducted in accordance with local laws and regulations. Wastewater, storm water and solid waste must be monitored, controlled and treated as required by local laws prior to discharge or disposal, including recycling. Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and other materials which may pose a hazard if released into the environment must be properly characterized, monitored, controlled, treated and purified prior to emission into the environment.

All required environmental permits, registrations, approvals and licenses must be obtained, maintained and kept current. The operational and reporting requirements of such permits, registrations, approvals and licenses must also be followed.

C. COMPLIANCE WITH LAWS

1. Generally. Suppliers must comply in all respects with applicable laws, regulations, administrative rules and requirements.

2. Customs. Suppliers must comply with all applicable US Customs laws and must comply with Brown Shoe's security policies and procedures under the Customs–Trade Partnership Against Terrorism (C–TPAT) initiative. Suppliers must make all necessary disclosures honestly and accurately in order to remain in compliance with US Customs rules and regulations.

3. Anti-Corruption Legislation. Suppliers must comply with the anti-bribery legislation of the country of manufacture and the Brown Shoe Code and will take no action that would subject Brown Shoe to penalties under US or non-US laws, regulations or administrative requirements, including the US Foreign Corrupt Practices Act.

4. Illegal Payments. In connection with their activities on behalf of Brown Shoe, suppliers will not directly or indirectly through a third-party intermediary pay or provide, or offer to pay or provide, any monies or other items of value (including, e.g., gifts, meals, contracts, entertainment, employment, hospitalities, and sponsorships that are not permitted by Brown Shoe) to (i) an officer or employee of a government department, agency, instrumentality (including a government-owned commercial enterprise) or public international organization, or any person acting on behalf of any such entity; or (ii) any political party or official thereof or any candidate for public office, in order to obtain, retain or direct business to any person.

D. MANAGEMENT

1. Implementation, Documentation, and Inspection. Suppliers must take the appropriate steps to implement and maintain procedures to remain in compliance with this Code. Such steps

should include clear identification of individual(s) responsible for ensuring implementation and periodic review of the supplier's practices, risk assessment/risk management, training, corrective action and on-site retention of all required documentation (for a period of at least 1 year). Brown Shoe expects and will actively work to ensure the validity and transparency of these procedures and documentation. Furthermore, Brown Shoe reserves the right to audit the suppliers for compliance, which may include inspections of the factory, dormitory, kitchen and dining areas and may include employee and management interviews, and documentation reviews. These audits may be unannounced or announced and may be performed by a Brown Shoe employee or contracted third party. Suppliers must not attempt to bribe or unduly influence in any way any auditor. Corrective Action Plans, if required, generally will be presented to the supplier's management prior to the auditor leaving the facility and management must complete the Corrective Action Plan by the appropriate dates as stated on the Corrective Action Plan, which are based on the seriousness of the violations found. Further, Brown Shoe reserves the right to require suppliers to post the Code in a language understood by the workers.

2. Penalties: Brown Shoe reserves the right to terminate its business relationship with any supplier who violates this Code. Brown Shoe reserves the right to terminate its business relationship with any supplier who fails to have a program in place to monitor its compliance with the Code.

Brown Shoe expects all suppliers to fully understand this Code, as Brown Shoe is committed to doing business only with suppliers that meet or exceed these standards. Brown Shoe welcomes inquiries concerning the Code at brownproductioncodeofconduct@brownshoe.com.