

Foot Locker Inc.

TICKER
 NYS:FL

MARKET CAPITALIZATION
 US\$7 billion

HEADQUARTERS
 United States

DISCLOSURES
UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Yes

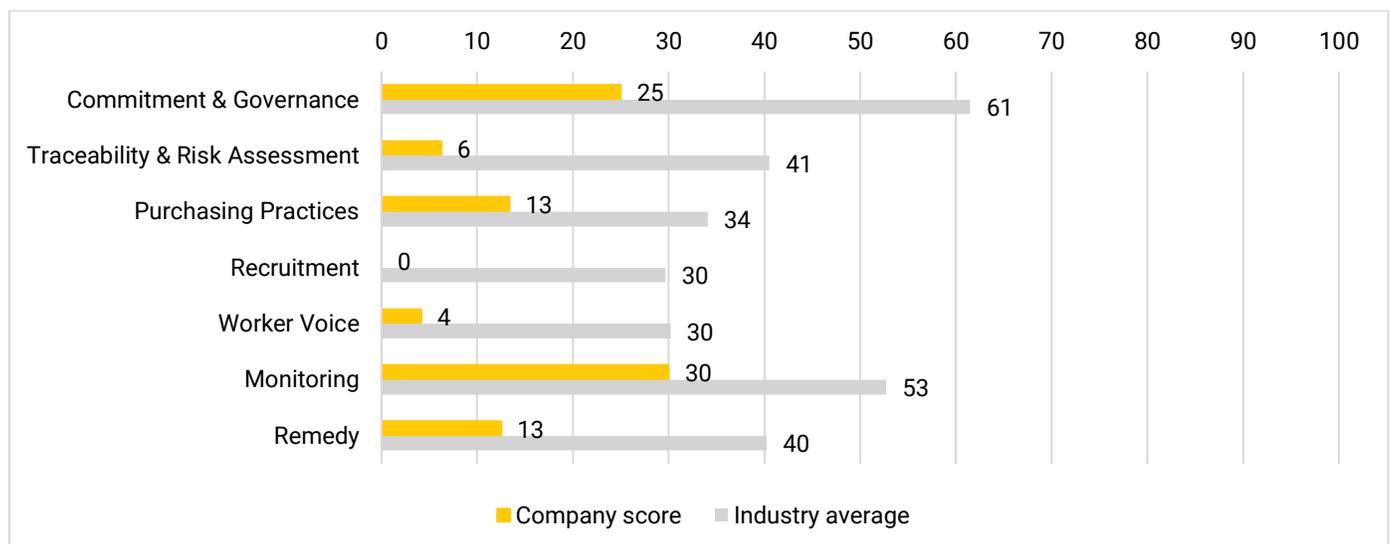
TARGETS
 None

OVERALL RANKING
34 out of 37

(2018 Rank: 33 out of 43)

OVERALL SCORE
13 out of 100
SUMMARY

Foot Locker Inc. (Foot Locker), one of the world’s biggest athletic footwear and apparel retailers,¹ ranks 34th out of 37 companies and discloses significantly less information on its forced labor policies and practices than its peers. Compared to 2018, Foot Locker improved its score by one point despite a strengthened methodology that makes it harder to achieve the same score. The company now discloses internal responsibility for corporate social responsibility (including “worker dignity”), integrating its supplier code into purchase agreements, and further detail on its monitoring and corrective action process. In addition, the company’s score is based on its disclosure of a supplier code of conduct that prohibits forced labor and unauthorized subcontracting and a list of countries in which its suppliers are based. It does not disclose the steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers. Foot Locker is encouraged to improve on the themes of Traceability & Risk Assessment, Recruitment, and Worker Voice.

THEME-LEVEL SCORES


KEY DATA POINTS**SUPPLIER LIST**

No

IMPROVEMENTS OF FREEDOM OF ASSOCIATION

No

HIGH-RISK RAW MATERIALS²

Cotton

DATA ON PURCHASING PRACTICES

No

REMEDY FOR SUPPLY CHAIN WORKERS

No

HIGH-RISK SOURCING COUNTRIES

China, Thailand, and Vietnam

LEADING PRACTICES

None.

NOTABLE FINDINGS

Supply Chain Standards: Foot Locker discloses a supplier code of conduct that prohibits forced labor, child labor, and discrimination. It states that it distributes this code to its suppliers annually and includes it in its purchasing agreements with suppliers.

Monitoring Process: Foot Locker discloses monitoring suppliers against its supplier code of conduct, which may include conducting unannounced visits, reviewing policies and procedures relating to labor recruitment, working hours, wages, and worker grievances, and conducting confidential worker interviews and visits to factories and dormitories.

Corrective Action Plans: Foot Locker discloses that it shares corrective action plans, which are reviewed by its sourcing team, with its suppliers and that it remains in communication with suppliers throughout the implementation process.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: While Foot Locker discloses a list of countries in which its suppliers are based, to demonstrate a strong understanding of its supply chains, it may consider disclosing the names and addresses of at least its first-tier suppliers, information on its below-first-tier suppliers, the countries from which it sources raw materials at high risk of forced labor, and several data points on its suppliers' workforce. It is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, Foot Locker is encouraged to take steps to ensure that workers in its supply chains are not charged fees during any recruitment-related process. It may further consider taking steps to ensure that such fees are reimbursed to the workers and/or provide evidence of payment of recruitment-related fees by suppliers. The company is also encouraged to take steps to ensure that the rights of workers in vulnerable conditions, such as women or migrant workers, are respected (e.g., to verify workers' passports and other personal documents are not retained).

Worker Voice: To prevent and address forced labor risks in its supply chains, Foot Locker may consider ensuring that a formal and effective mechanism to report grievances regarding labor conditions is available and communicated to its suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. Further, the company is encouraged to take steps to ensure that workers in

its supply chains are aware of their rights and are able to exercise their rights to freedom of association and collective bargaining.

ENGAGED WITH KNOWTHECHAIN³

Informal (i.e., responsive to KnowTheChain but did not take part in the formal engagement/disclosure process).

¹ Statista (13 November 2020), "[Foot Locker - Statistics & Facts.](#)"

² For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

³ Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).