



## **ROSS STORES, INC.**

### **Product Sourcing and Human Rights**

#### **Approach to Sourcing and Human Rights**

At Ross Stores, Inc. ("Ross"), which includes Ross Dress for Less and dd's DISCOUNTS, ethical business practices are at the core of our culture and can be seen every day in the way we treat all of our constituents, from customers and associates to vendors and investors. This focus on ethical business practices is also reflected in Ross' policy that we will not knowingly purchase merchandise from any manufacturer involved in the use of child, slave, prison, or forced labor.

Ross is an off-price retailer with 1,561 stores in 37 states, the District of Columbia, and Guam as of April 29, 2017. The majority of the apparel, footwear, accessories, and home-related merchandise sold in our stores are purchased from suppliers after they have been produced and imported to other retailers' specifications.

Though Ross does not have direct control over the manufacturing processes for these products, we require suppliers to uphold our ethical standards, both contractually and through enforcement.

While Ross orders and imports some products directly through its international buying agents and from manufacturers, they represent the minority of merchandise sold in our stores. For these items, we have additional requirements in place to monitor compliance.

Ross' standards and requirements related to sourcing and human rights are incorporated in various Company documents, including Ross' Code of Business Conduct and Ethics, Vendor Compliance Manual, Purchase Orders, Vendor Indemnification Agreements, and Buying Agent Agreements. Our Code of Business Conduct and Ethics is located under Corporate Governance in the Investors section of [www.rossstores.com](http://www.rossstores.com) and our Vendor Compliance Manual can be found at <http://partners.rossstores.com>.

Ross communicates its standards and requirements to vendors, buyers and overseas buying agents during our purchasing processes.

## **Ross' Sourcing and Human Rights Standards**

Vendors, manufacturers, and other business partners of the Company are required to comply with all applicable federal, state, local, and international laws relating to the manufacture and production of products sold to Ross, including compliance with all applicable laws relating to:

- labor compensation;
- working conditions;
- child, slave, prison, or forced labor;
- environmental protection;
- product safety;
- corruption or bribery (including foreign corrupt practices);
- building and working condition safety; and
- similar obligations.

Ross will not knowingly purchase any product whose manufacture involved the use of any child, slave, prison, or forced labor; any labor where workers are not provided wages or safe working environments as required by law. Additionally, we will not knowingly purchase products made in violation of established environmental or consumer product safety requirements.

To the extent contractors or subcontractors are involved in the production of goods supplied to Ross, vendors must ensure that these parties adhere to all applicable laws and regulations.

## **Training and Enforcement of Ross' Standards**

Ross provides initial training for new buying associates as well as ongoing training and updates to buyers and other associates involved in our product sourcing. Further, Ross' Legal and Transportation departments monitor and assess our supply chain for compliance related to product safety, labor laws, and human trafficking laws.

For products sold in our stores for which Ross is the direct importer:

- Ross trains and instructs overseas buying agents, shippers, product testing lab resources, and impacted Ross associates on Company standards and on policies and protocols relating to import products.
- Ross requires buying agents to conduct initial in-person walk-throughs and subsequent full inspections of vendor factories. Ross regularly reviews and audits buying agent inspection reports to verify that they are complete, comprehensive, and up-to-date.
- Ross engages third-party auditors to conduct social compliance audits on certain vendor factories.
- Ross Legal team members observe and monitor select buying agent inspections and third-party audits of vendor factories.

- Ross tracks vendors' corrective actions addressing any issues identified in buying agent inspections or third-party audits.
- Ross requires its international buying agents to request and review available third-party factory audit reports of direct import suppliers, and to report and disclose any issues contained in those reports to Ross compliance personnel in the Legal department.

If Ross becomes aware that any vendor has been found to be out of compliance with Ross' requirements or procedures regarding the above, including any applicable local, national, or international labor or human trafficking laws, Ross will take appropriate responsive action, which could include suspending all shipments of a vendor's merchandise and terminating the business relationship.