

Nordstrom Restaurant Division

Supplier Compliance Manual

Updated: January 27th, 2017

INTRODUCTION

At Nordstrom, we value our vendor/supplier relationships and strive to work with partners that provide quality products and services. We are dedicated to ensuring that our supplier standards are in conformity with those of the restaurant industry as a whole.

This Nordstrom Restaurant Supplier Compliance Manual outlines the requirements and standards that our vendors and suppliers ("Suppliers") must follow when doing business with Nordstrom Restaurant Division.

Note: This manual may be updated periodically and can change without notice. It is not recommended that Suppliers print and rely on a printed copy this manual. Please refer to the online version which can be found at www.nordstromsupplier.com to ensure you are referencing the most current requirements and standards. nordrestdivsupcmp@nordstrom.com

Questions regarding this manual or the requirements and standards specified in the manual should be directed to: **Nordstrom Rest Div Supplier Compliance** (nordrestdivsupcmp@nordstrom.com).

SECTION 1 – PARTNERSHIP GUIDELINES

STANDARDS FOR OUR BUSINESS SUPPLIERS

At Nordstrom, we recognize that our success is based on the quality of our relationships with customers, employees, agents, suppliers and communities. To maintain the high caliber of these relationships and to achieve our goal of always providing the best-value product in the most equitable manner, we have established standards for our business suppliers. In communicating these guidelines, we hope to identify potential suppliers who share our commitment to quality products, quality business principles and quality community relationships.

We will only engage business suppliers who demonstrate a commitment to contribute to the improvement of working conditions and strive to meet our requirements stated in the Nordstrom Partnership Guidelines.

LEGAL REQUIREMENTS:

Nordstrom expects all its business suppliers ("suppliers" as used in these Partnership Guidelines must include all agents, vendors, manufacturers, factories and subcontractors) to comply with all applicable laws and regulations of the United States and those of the respective country of manufacture or exportation, including, but not limited to, the Fair Labor Standards Act (Department of Labor Monitoring Guide), International Labor Organization (ILO) Conventions and the United Nations (UN) Guiding Principles on Business and Human Rights. All products must be accurately labeled and clearly identified as to their country of origin and content. The language to be used for purposes of notice and interpreting the meaning of these guidelines must be English. For more information on these other requirements, please visit www.nordstromsupplier.com.

CHANGE OF CONTROL:

Suppliers must notify Nordstrom in writing if ownership, location, sale or purchase of any factory that houses Nordstrom production changes. All of the above requires the factory to undergo the New Supplier setup process.

SUBCONTRACTING:

Suppliers must not subcontract any portion of the manufacturing process without written approval prior to production. As a condition of approval, subcontractors must agree to comply with the Partnership Guidelines.

DOCUMENTATION & INSPECTION:

Nordstrom will review and may terminate its relationship with any supplier who is unwilling or unable to comply with the Partnership Guidelines. Nordstrom monitors compliance with our Partnership Guidelines and undertakes onsite inspections of suppliers' factories. Factories must be transparent and maintain all accurate documentation on file. Factories must authorize Nordstrom representatives and designated third-party monitors to engage in announced and unannounced monitoring activities to ensure compliance, including confidential worker interviews.

ANTI-CORRUPTION:

Nordstrom expects all of its suppliers to comply with all applicable laws relating to bribery, money laundering and/or corruption, including, but not limited to, the Foreign Corruption Practices Act (FCPA), Corruption of Foreign Public Officials Act of Canada and the U.K. Bribery Act (Anti-corruption Laws). Suppliers must further have and maintain policies, programs, trainings and record-keeping practices in place to comply with all applicable Anti-Corruption Laws and prevent unlawful payments made for the purpose of obtaining or retaining business. If requested, suppliers must provide Nordstrom with reasonable assistance to perform any activities required by any government or agency in a relevant jurisdiction for the purpose of anti-corruption compliance.

CUSTOMS COMPLIANCE:

Suppliers will comply with U.S. and Canada Customs importing laws and, in particular, will establish programs and maintain documentation to support country-of-origin production verification and preferential trade claims. Suppliers will comply with international supply-chain security requirements and criteria per U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) and Canada Partners in Protection (PIP). Suppliers are subject to audits and corrective action plans as applicable.

CHILD LABOR:

Factories will not employ anyone: under the age of 15, under the minimum age as established by applicable law in the country of manufacture, under the age of completing compulsory education, whichever is older. Factories must not expose anyone under the age of 18 to situations that are hazardous, unsafe or unhealthy, and will provide adequate protection from exposure to such conditions and materials. Factories must also have established procedures for age verification as part of their hiring process. Refer to ILO Conventions 138 and the UN Convention on the Right of the Child.

FORCED LABOR:

Nordstrom will not conduct business with any supplier that uses involuntary labor of any kind; including prison labor, indentured labor, bonded labor or labor obtained through human trafficking, coercion, or slavery. Workers must not be restricted from movement or required to lodge "deposits" or identity papers upon commencing employment with the company. Refer to ILO Conventions 29 & 105.

HARASSMENT & ABUSE:

Suppliers must treat every worker with dignity and respect. Workers must not be subject to physical, sexual, psychological or verbal harassment or abuse. Suppliers must not use monetary fines as a disciplinary practice. Furthermore, workers must be free to voice concerns to Nordstrom or Nordstrom-appointed staff, without fear of retaliation by factory management. Refer to UN Guiding Principles 29 & 31.

WAGES & BENEFITS:

Wages, overtime and legally mandated benefits must be paid regularly, on time, with documentation and accordance to applicable laws. Employers must pay at least the minimum wage, the industry wage or the wage negotiated in a collective agreement, whichever is higher. Suppliers must not deduct wages that are not provided for by applicable local law. Suppliers are encouraged to pay workers a wage that meets basic needs and provides discretionary income. Refer to ILO Conventions 95 & 131.

HOURS & OVERTIME:

Workers' hours should not extend past 60 hours per week or above the local law. All overtime work must be voluntary and at a compensated rate per local law. Workers should be allowed one day off in seven. Refer to ILO Convention 14.

HEALTH & SAFETY:

Suppliers must provide safe, hygienic, and healthy working conditions. This includes written standards that comply with local laws. This includes safety standards related to building structure, electrical safety, fire safety, chemical safety, sanitation, emergency preparedness, first aid, personal protective equipment and other safety policies. Refer to ILO Convention 187.

NONDISCRIMINATION:

Suppliers must not discriminate in employment practices, including recruiting, hiring and promoting qualified people of all backgrounds, regardless of sex, race, color, national origin, religion, age, marital status, pregnancy, physical or mental disability, political opinion, personal characteristics and beliefs, sexual orientation, gender identity or any basis protected by local law. Refer to ILO Conventions 100 & 111.

FREEDOM OF ASSOCIATION:

Suppliers will respect workers' rights to freedom of association and collective bargaining. Refer to ILO Conventions 87, 98, and 154.

ENVIRONMENT:

Suppliers must comply with all applicable environmental laws and regulations in the country of operation. In addition, suppliers must have policies and procedures in place to manage and minimize environmental impacts to energy, air, emissions and water, and safely store, prevent or mitigate releases of chemicals and hazardous materials.

CONFLICT MINERALS & THE KIMBERLEY PROCESS:

Nordstrom expects all of its suppliers to share its commitment to responsible sourcing and requires suppliers to adhere to all responsible sourcing regulatory requirements. Suppliers must comply with applicable laws and regulations relating to responsible sourcing, including the sourcing of Conflict Minerals and diamonds. Section 1502 of the Dodd-Frank Act relates to the responsible sourcing of Conflict Minerals, which include: tin, tantalum, tungsten and gold (collectively "3TG") mined in

conditions of armed conflict and human rights abuses in the Democratic Republic of the Congo (DRC) or its adjoining countries. Under Section 1502, applicable suppliers must confirm the source of 3TG used in their products. The Kimberley Process resolution relate to the responsible sourcing of diamonds and requires that the seller guarantees that diamonds are conflict-free based on personal knowledge or a written guarantee provided by the supplier of the diamonds and stated on all invoices. See our Conflict Mineral Policy (PDF).

ANIMAL WELFARE:

Suppliers must adhere to codes of practice that meet or exceed International, National and State Government, and best practice standards for animal welfare.

INTELLECTUAL PROPERTY:

Nordstrom respects the intellectual property (IP) rights of others and expects the same of its suppliers. Unauthorized copying of third parties' designs or prints is not acceptable. Any authorized use of another's IP and the transfer of proprietary information must be handled in a secure manner that protects the IP and rights of the IP owner, Nordstrom and its suppliers. Nordstrom's trademarks, logos and proprietary work may only be used to fulfill contracted services, and shall not be released to any other party unless preapproved in writing by Nordstrom.

SECTION 2 – REQUIREMENTS AND STANDARDS

Nutritional Information Requirements

Suppliers must provide complete and accurate nutritional information for their products, including at a minimum:

1. Serving Size
2. Serving Units (*in grams or ounces*)
3. Total calories
4. Calories from fat
5. Total fat (*in grams*)
6. Saturated fat (*in grams*)
7. Trans fat (*in grams*)
8. Cholesterol (*in milligrams*)
9. Sodium (*in milligrams*)
10. Total carbohydrates (*in grams*)
11. Fiber (*in grams*)
12. Sugar (*in grams*)
13. Protein (*in grams*)
14. Vitamin A % Daily Value
15. Vitamin C % Daily Value
16. Calcium % Daily Value
17. Iron % Daily Value

Nutritional information must be based on information obtained from nutrient databases, cookbooks, laboratory analyses, the Nutrition Facts labels and other reasonable means in accordance with FDA requirements.

Suppliers need to take reasonable steps to ensure that the method of preparation and amount of the standard menu item for their products adhere to the factors on which the nutrient values were determined. This includes following all recipes and cooking procedures, using scales and portioning tools and maintaining consistency in product and package sizes.

Labeling Requirements

All labeling must follow and comply with all applicable FDA, USDA and FTC rules, requirements and regulations. It is the responsibility of Suppliers to understand and apply all labeling rules and requirements.

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Notice of Disclaimer

The information contained within this manual should not be taken as legal advice or as a legal guide to your situation or to any law, statute, or dealings with public authorities. Please consult with your legal counsel on any questions you may have about compliance with and/or interpretations of laws, rules, regulations or other legal questions.

Nordstrom is not responsible for:

1. Your reliance on any information contained in or omitted from this manual
2. Your reliance on the accuracy of such information, including whether or not the information is correct, current or complete, and/or
3. The consequences of any action you or any other person takes or fails to take, whether or not based on information provided by or as a result of the use of this manual