

DISCRIMINATION AND HARASSMENT POLICY

VERSION 2.0
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ALDO

1. POLICY

The ALDO Group (Company) believes that everyone should be accorded equal rights and opportunities. We strongly believe that all associates have the right to a work environment where their dignity is respected and they are free from any kind of discrimination or harassment. It goes without saying that our customers also deserve the same treatment.

Every associate has the right to freedom from discrimination or harassment in the workplace. As a result, we maintain a strict policy prohibiting discrimination, sexual harassment and harassment against applicants and associates because of the following legally-protected characteristics: race, color, religion, sex, gender, pregnancy (including childbirth, lactation and related medical conditions), age (40 and over), national origin or ancestry, physical or mental disability, genetic information (including testing and characteristics), sexual orientation, gender identity, gender expression, or any other characteristic or status protected by federal, state or local laws. Any such discrimination or harassment is unlawful and the Company will not permit, condone or tolerate it. As well, the Company will not permit, condone or tolerate retaliation or adverse employment action of any kind taken against any associate as a result of reporting unlawful discrimination or harassment or from participating in an investigation.

This policy applies to all work relationships between supervisors and subordinates, as well as between associates, regardless of gender, meaning that this policy applies to males who sexually harass females or other males, and for females who sexually harass males or other females. Conduct prohibited by this policy is unacceptable in the workplace and during company sponsored events outside the workplace, including business meetings and company-sponsored social functions. The policy also protects any associate who, in the exercise of their functions, may be a victim of discrimination or harassment from outside persons such as suppliers, customers or visitors.

Finally, the same precepts of equality of treatment are to be applied at all times towards job applicants, customers and others who shop at our stores. Members of the public are entitled to be treated without regard to race, color, religion, sex, gender, pregnancy (including childbirth, lactation and related medical conditions), age (40 and over), national origin or ancestry, physical or mental disability, genetic information (including testing and characteristics), sexual orientation, gender identity, gender expression, or any other characteristic or status protected by federal, state or local laws when applying for a position, receiving service, making returns or shopping in our stores.

It is the policy of the Company to promptly and thoroughly investigate all alleged incidents of discrimination or harassment, and to take appropriate action to prevent discrimination or harassment in the future. Any associate who is determined to have engaged in any action or conduct constituting discrimination or harassment will be subject to appropriate disciplinary action, up to and including termination of employment without further notice or obligation. As well, any person who retaliates against another individual for reporting any perceived acts of discrimination or harassment will be subject to appropriate disciplinary action, up to and including termination of employment.

Where required by state law, associates will also receive additional information about the Company's sexual harassment policy.

2. UNLAWFUL DISCRIMINATION / HARASSMENT DEFINED

Unlawful discrimination is defined as a distinction in treatment, whether intentional or not, based on an individual's protected status, which has the effect of (i) imposing burdens, obligations, or disadvantages on such individual or group that are not imposed on other similarly-situated associates, or (ii) which withholds or limits access to opportunities, benefits, and advantages available to others who do not have that status.

Harassment is one form of discrimination. Unlawful harassment may include unwelcome verbal, vexatious or physical conduct that demeans or shows hostility towards an individual because of their race, color, religion, sex, gender, pregnancy (including childbirth, lactation and related medical conditions), age (40 and over), national origin or ancestry, physical or mental disability, genetic information (including testing and characteristics), sexual orientation, gender identity, gender expression, or any other characteristic or status protected by federal, state or local laws. Such conduct amounts to harassment when it has the purpose or effect of creating an intimidating, hostile or offensive work environment, unreasonably interfering with an individual's work performance, or otherwise adversely affecting an individual's employment opportunities.

It is important to understand that federal, state and local laws do not protect only associates from unlawful harassment and other forms of discrimination. Customers, shoppers and those accompanying them also are protected from

unlawful discrimination and harassment while they are in a retail establishment, such as an Aldo store. Any customer has the right to complain and bring an action for damages if they believe they have been harassed or denied equal treatment in any respect by a retail establishment.

The following is a partial list of inappropriate behaviors or communications that may constitute, or form part of a pattern of conduct comprising unlawful harassment:

- 2.1 Nicknames, insults, wisecracks, or negative stereotyping that relate to any protected group;
- 2.2 Threatening, intimidating or hostile acts that relate to any protected group;
- 2.3 Written or graphic material (including graffiti) that demeans or shows hostility toward an individual or group because of any protected grounds and that is placed on walls, bulletin boards, or elsewhere on the Company's premises, or circulated or displayed in the workplace;
- 2.4 Jokes, innuendoes, pranks or other attempted forms of humor that is demeaning or hostile in regard to any protected group.

3. SEXUAL HARASSMENT DEFINED

3.1 Sexual harassment is a form of sex discrimination and a type of unlawful harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and any other unwelcome conduct of a sexual nature that is visual, verbal, written or physical in nature, under circumstances where:

- 3.1.1 Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
- 3.1.2 Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or
- 3.1.3 Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

3.2 This definition includes many forms of offensive behavior, including any conversation, comment, slur, joke, innuendo or gesture of a sexual nature, that is demeaning to a specific sex. The behavior is unlawful whether it is directed at another associate or at someone shopping or otherwise lawfully on our premises. The following is a partial list of inappropriate behaviors that could become, or which under some circumstances could be, sexual harassment:

- 3.2.1 Unwanted sexual advances, flirtations, propositions or requests;
- 3.2.2 Offering employment benefits or favorable working conditions in exchange for sexual favors;
- 3.2.3 Making or threatening reprisals after a negative response to sexual advances;
- 3.2.4 Visual conduct such as leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons, or posters;
- 3.2.5 Verbal conduct such as making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about any associate's body or dress;
- 3.2.6 Using sexually degrading words to describe an individual, or suggestive or obscene letters, notes, or invitations;
- 3.2.7 Unwelcome inquiries or comments about a person's sex life or romantic relationships;
- 3.2.8 Physical conduct such as touching, assault, or impeding or blocking movements.

4. PROCEDURE WHEN ASSOCIATE PERCEIVES HARASSMENT OR DISCRIMINATION

4.1 REPORTING & INTERVENTION PROCEDURE

Any associate who believes that they have been harassed, discriminated against or subject to retaliation by a coworker, supervisor, agent, client, vendor or customer of the Company, or who is aware of the harassment, discrimination or retaliation of others, should immediately provide a written or verbal report to their manager, district sales manager or their sales director; or the ALDO Group's human resources department as soon as possible.

Associates can also report incidents of harassment and discrimination using the complaint form available on the Ethics Hotline accessible on <http://www.aldogroup.com/ethics.htm>.

If an associate perceives any unlawful discrimination or harassment of another individual, the associate should advise their immediate manager without delay.

All managers are instructed to report complaints of discrimination, harassment, or retaliation made to them to their district sales manager or sales director; or to the human resources department. There will be no exceptions. In order for a discrimination or harassment complaint to be properly investigated, the complainant should provide as many details as possible. Whenever feasible, the complaint should include the name(s) of the individual(s) involved, date(s) of occurrence(s), name(s) of any witness(es), direct quotations when language is relevant, any threats of reprisal made, and any documentary evidence (notes, pictures, cartoons, etc.) of the offensive conduct and any effort(s) made to get the conduct to cease.

In addition to the ALDO Group's internal complaint procedure, associates should also be aware that the federal Equal Employment Opportunity Commission (EEOC) and equivalent state agencies will accept and investigate charges of unlawful discrimination, harassment, or retaliation in employment. The nearest office of the EEOC and equivalent state agencies can be found in your local telephone directory.

4.2 INVESTIGATION

All reported incidents of discrimination or harassment will be investigated. Investigations will be conducted in as timely and thorough a manner as possible commensurate with the nature of the complaint, and will be confidential to the extent possible. Upon receiving a complaint, the Company will promptly review the allegations and, if appropriate, put interim measures in place during the investigation. The Company will also take reasonable steps to ensure that the interests of all those involved in the process are adequately addressed.

The ALDO Group cannot guarantee complete confidentiality, since it cannot conduct an effective investigation without revealing certain information to the alleged harasser and potential witnesses. A conflict between an associate's desire for confidentiality and the employer's duty to investigate may arise if an associate informs a manager about alleged harassment, but then asks that the matter not be disclosed to the alleged harasser and that no action be taken. Managers in such circumstances are expected to report the alleged harassment, discrimination, or retaliation to the sales director or human resources department.

Upon completion of the investigation, a determination regarding the reported incident will be made, which may consist of a finding that the evidence is inconclusive, and appropriate action will be taken. The determination and any action to be taken will be communicated to the associate who complained, as well as to the accused harasser(s) or discriminator(s).

4.3 ENFORCEMENT

The ALDO Group is committed to this policy and will take appropriate steps to enforce it. Any associate whose conduct or behavior does not comply with this policy, or is in violation of the law, including members of management who are found to have known about the discrimination or harassment but took no action to stop it, may be held personally responsible. Without limiting any of the ALDO Group's rights to terminate any associate at any time, with or without cause, the Company may impose disciplinary action, up to and including termination of employment without further notice or obligation, which it deems to be commensurate with the circumstances and which it finds appropriate to deter any similar future behavior.

The ALDO Group reserves the right to refuse to defend and/or pay a judgment entered against any associate found to have unlawfully discriminated against or harassed another associate or a member of the public while in an ALDO Group store or at a company-sponsored function.

The ALDO Group prohibits any and all conduct that may reasonably be interpreted as harassment as defined above, whether or not such conduct is pervasive enough or severe enough to meet the technical legal requirements of harassment.

4.4 PROTECTION AGAINST RETALIATION

Retaliation is prohibited against any person by another associate or by the ALDO Group for using this complaint procedure, reporting harassment or discrimination, objecting to such conduct or for filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by a governmental enforcement agency. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit.

Any associate who believes that they have been subject to any retaliation as set forth above should report the retaliation to their manager, district sales manager or sales director; or the ALDO Group's human resources department, as soon as possible.

Any report of retaliatory conduct will be investigated in a thorough and objective manner. If a report of retaliation is substantiated, appropriate disciplinary action, up to and including termination, will be taken.

5. PROCEDURE APPLICABLE TO COMPLAINT BY NON-ASSOCIATE OF HARASSMENT OR DISCRIMINATION

5.1 TAKE AND RECORD THE COMPLAINT

Should a customer or other person complain to any member of our staff that he has been harassed or discriminated against while in one of our stores, the complainant's name, address and telephone number should be taken and a manager should be summoned. Regardless of whether a manager is present, the complainant should be asked to prepare a brief written summary of their complaint. Should the complainant refuse, the essence of their complaint should be written out by the person to whom the complaint was made. The complainant should be thanked for coming forward and told that they will be hearing from an appropriate representative of the ALDO Group.

5.2 NOTIFY DISTRICT SALES MANAGER AND HUMAN RESOURCES

If a non-associate makes a complaint of unlawful harassment or discrimination, it is imperative that both the district sales manager and the human resources department be notified on the same day. If you are unable to speak with your district sales manager, contact your sales director. DO NOT treat a complaint of discrimination or harassment by a customer or shopper as a customer service complaint since it leaves human resources out of the loop. While such a complaint certainly has a customer service component to it, the failure to recognize and treat the complaint as one of discrimination or harassment could have severe legal consequences and could create adverse publicity that would be damaging to the Company's public image.

5.3 COOPERATE WITH INVESTIGATION

As with associate complaints, a customer complaint will be promptly and appropriately investigated, and corrective action will be taken to ensure that there is no repetition of any misconduct found. The cooperation of all management and staff will be expected.

6. REVISION HISTORY

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