

Madewell

DO WELL REPORT



EDITION #1 - 2019

LETTER FROM THE CEO



To our community,

Welcome to our first Do Well Report! We know that the fashion industry was not originally built with sustainability in mind. But we also know that the health of our planet is at stake and that it is our responsibility to do better. We have launched several Do Well initiatives over the past few years, and we are always looking to do more.

A little over two years ago we decided to go full force and make significant changes—changes that would allow us to be sustainable throughout our business, from our manufacturers to our HQ to our retail stores. For us, taking action (and quickly) is the only option. Our planet depends on it.

We also recognize that the well-being of our community is directly tied to us making lasting social and environmental changes that will have a positive impact on current and future generations who need it the most. With that in mind, we've organized our report into two sections—Planet and People—in order to highlight the work we've done for both.

We'll be releasing our Do Well Reports annually to keep you informed on new initiatives and products, and how we're improving our sustainability practices across our operations. We are proud of the work we've done so far, and we hope you are too.

All my best,

A stylized, handwritten signature in black ink, consisting of a large, sweeping initial 'L' followed by a long, horizontal stroke that ends in a small loop.

LIBBY WADLE, CEO

OUR APPROACH

Now more than ever, we recognize the need to act with urgency to address the climate crisis and ensure those in our community are protected. That’s why we set long-term commitments to further our sustainable practices across all areas of our business.

Our sustainability initiatives are led by the Corporate Social Responsibility team, which reports to our Sourcing, Supply Chain and Sustainability department. Our senior leadership is heavily involved in our sustainability efforts through our Do Well Committee, and we work to align on strategic decisions for all sustainability activities and updates.

In 2015 the United Nations agreed on a new development path—the 2030 Agenda for Sustainable Development, a groundbreaking plan of action for people, planet and prosperity. Implementing this plan requires partnerships and collaboration, which is why we’ve aligned our sustainability strategy with the United Nations’ Sustainable Development Goals (SDGs). The 17 goals and 169 targets outlined by the UN provide a blueprint for countries and organizations around the globe to work toward creating a healthier world. In order to stimulate action, we mapped our sustainability strategy against the SDGs and identified seven SDGs that align with our commitments and values, which are:



We’ve used the above goals as guidelines in shaping our sustainability strategy, our major milestones and ongoing initiatives, and our social and environmental impacts.

OUR GOALS

We know that sustainability is a journey, and we are committed to continue improving our practices. In the coming years we will be partnering with our supply chain to develop strategies and goals to mitigate water risk, contribute to water basin conservation and reduce Scope 3 carbon emissions (according to the World Resources Institute’s Greenhouse Gas Protocol).

BY 2025:



**100% OF THE
KEY FIBERS
USED IN OUR
MATERIALS
WILL BE
SUSTAINABLY
SOURCED
AND FREE
OF VIRGIN
PLASTIC**



**100% OF OUR
PACKAGING
WILL BE
SUSTAINABLY
SOURCED
AND FREE
OF VIRGIN
PLASTIC**

Edition #1 - 2019



**MORE THAN
90% OF OUR
DENIM WILL BE
FAIR TRADE
CERTIFIED™**

BY 2030:



**OUR ENTIRE
OPERATIONS
WILL BE
CARBON
NEUTRAL**

PLANET

THIS SECTION COVERS THE IMPACT WE HAVE ON THE PLANET—FROM THE MATERIALS WE SOURCE, TO OUR ENVIRONMENTAL FOOTPRINT, TO OUR SUPPLY CHAIN. WE'RE IMPLEMENTING CHANGES AS QUICKLY AS POSSIBLE ACROSS OUR OPERATIONS TO ENSURE THAT WE'RE EFFECTIVELY ADDRESSING THE CLIMATE CRISIS AT EVERY STEP OF OUR PRODUCTION.

CIRCULARITY

Creating a circular life cycle solution for our denim is a priority for us. The fashion industry tends to be resource intensive and the stats are staggering: Clothing production has doubled within the last 15 years with less than one percent of the material recycled into new garments. And every second, the equivalent of one garbage truck of textiles is burned or sent to landfills.



QUALITY

We're committed to extending the life cycle of our products by designing durable pieces crafted with quality materials. (The [Sustainable Apparel Coalition](#) lists durability as having a "very high" relevance to overall environmental performance.) To that end, we'll be creating programs to make your jeans last longer than ever—and to keep denim out of landfills.



ECO-FRIENDLY GARMENT CARE

Frequently laundering denim (and clothing in general) isn't great for the environment. That's why we've designed our jeans with instructions printed in the inner pocket that teach customers how to be more eco-conscious when caring for their jeans. Our garment labels provide helpful tips like washing with cold water, skipping the dryer to save energy and ways to keep jeans as fresh as possible before having to wash them. (Plus, proper care will make denim last longer!) You can also read about best practices for greener laundry days in this [blog post](#).



REUSE AND RENEW

In October 2019 we launched our partnership with **thredUP** to become the first retail brand to test out an in-store resale platform. The Madewell Archive is a carefully curated selection of our favorite pre-owned denim styles—hand-selected, washed and refurbished—that are available for customers to purchase at select stores. This program allows our customers to get rid of their worn-in jeans responsibly and to buy an upcycled style (rather than buying new).

We also partnered with **Rent the Runway**, a membership-based clothing rental company, so customers can rent Madewell clothes instead of having to buy new. This means that a single item might be worn by multiple customers, reducing the unnecessary purchase of items that are only worn a few times.

Through these partnerships that encourage the reuse of garments, in 2019 we were able to save:



1,674,607 LITERS OF WATER—

this is approximately the same amount of water that 1,475 U.S. households use each day.



28,273 KG OF CO₂—

these are emissions equivalent to charging 3,605,719 smartphones.



310,048 MJ OF ENERGY

(or 86,124 kWh)— this is equivalent to powering about 2,800 households in the U.S. for a day.



COTTON'S BLUE JEANS GO GREEN™ PROGRAM

We know that some worn-out jeans will end up in conditions beyond repair. Luckily, we have a solution for what to do with those well-loved styles. Through our partnership with Cotton's Blue Jeans Go Green™ program, we take worn-out denim and turn it into housing insulation for communities in need, which keeps homes warmer in the winter and cooler in the summer. As of September 2020, we've recycled more than 1,058,672 pairs of jeans, which has diverted 529 tons of total waste and helped to insulate 1,412 homes (or 2,117,344 square feet).

OUR MATERIALS

On average, about two-thirds of the environmental impact of a fashion brand—in terms of water, energy and land use—happens at the raw materials stage. Over the past two years, we've transitioned into using sustainable raw material sources for many of our products, which we call our Do Well Materials. We're focused on our five key fibers, which combined represent over 90% of our material consumption by total fiber volume. They are:



COTTON

Currently, 44% of our cotton is organic, recycled or sourced through Better Cotton Initiative (BCI), which trains farmers in more environmentally, socially and economically sustainable farming practices.



SYNTHETICS

Currently, 4% of our synthetic fibers are made from recycled polyester and recycled nylon.



CELLULOSICS

Currently, 25% of our cellulosic fibers—Lenzing™ Ecovero™, Refibra™ and Tencel™ Lyocell—are made from responsibly and sustainably sourced trees.



LEATHER

Currently, 5% of our leather is recycled or sourced from tanneries audited against the Leather Working Group (LWG) standard, which evaluates the compliance and environmental performance of tanners and promotes sustainable environmental practices within the leather industry.



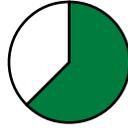
WOOL

We're committed to sourcing wool that is organic, recycled or certified to the Textile Exchange's Responsible Wool Standard (RWS), or to equivalent standards. We are currently in the process of certifying our supply chain and converting our products to RWS or equivalent certifications. We're actively working to drive the use of RWS wool and we're excited to bring certified wool products to you this year!



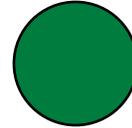
IN 2019,

almost 35% of our fibers by total fiber volume that we procured were sourced from Do Well Materials.



BY SPRING 2020,

60% of our collection used at least one major sustainable Do Well Material.



BY 2025,

100% of the key fibers used in our materials will be sustainably sourced and free of non-recycled plastics.

TRUST AND VERIFICATION

As we source more sustainable raw materials for our products, we will continue to verify the authenticity of our sustainability claims. For this, we rely on trusted third-party certifying bodies.

OUR MATERIAL VERIFICATION PARTNERS INCLUDE:

-▶ For Organic Content: Global Organic Textile Standard (GOTS), Organic Content Standard (OCS) or the U.S. Department of Agriculture (USDA Organic)
-▶ For Recycled Content: Global Recycled Standard (GRS) or Recycled Content Standard (RCS)
-▶ For Cotton sourced through the Better Cotton Initiative (BCI): We use BCI's mass balance system to track our annual consumption of Better Cotton
-▶ For Responsible Wool: Responsible Wool Standard (RWS)
-▶ For Cellulosic Fibers: Forest Stewardship Council (FSC) Certification, Programme for the Endorsement of Forest Certification (PEFC) or sourced from suppliers approved by Canopy, an organization working to eliminate the use of Ancient and Endangered Forests in viscose and other cellulosic fabrics
-▶ For Leather: Tanneries certified by the Leather Working Group (LWG), an organization that works to promote sustainable environmental practices in the leather industry

OUR SOURCING POLICIES

We are committed to a standard of excellence in every aspect of our business, including legal, ethical and responsible conduct, and responsible sourcing. We uphold such principles and practices by setting clear expectations with our suppliers. Our full set of responsible sourcing policies can be found [here](#) and include, among other topics, the prohibition of sandblasting and cotton from Uzbekistan. To ensure accountability and compliance with our sourcing policy, we also require that suppliers have the ability to trace back their materials to the country of origin along with verifiable documentation.

OPERATIONS

Last year, we focused on measuring and understanding the environmental impact of our own operations. As our company continues to grow, so too does our operational footprint. That's why it's important for us to manage and reduce our energy usage. By 2030, our goal is to achieve carbon neutrality in our operations (Scope 1 and Scope 2 emissions for our owned and operated facilities, according to the [World Resources Institute's Greenhouse Gas Protocol](#)).



OUR FLEET INCLUDES:

One corporate office in Long Island City, NY;
59,626 square feet

Two distribution centers:
one in Virginia, the other in North Carolina;
both total 710,000 square feet



OUR RETAIL LOCATIONS

ACROSS THE U.S.:

In 2018: 129 stores; total 440,526 square feet

In 2019: 140 stores; total 473,021 square feet
(we increased our overall retail store square
footage by 7%)

OUR CARBON FOOTPRINT

The following figures cover the greenhouse gas emissions of the electricity and natural gas usage from our retail locations, corporate office and distribution centers. Our energy usage data is continuously captured and tracked by a third party.

-▶ 3,470 MT CO₂e across all Madewell operations
-▶ 1.01 MT CO₂e per employee
-▶ MT CO₂e per retail square footage in 2018: .007876
-▶ MT CO₂e per retail square footage in 2019: .007335
-▶ Decrease of CO₂e per sf 6.8% in 2019

OFFSETTING OUR CARBON FOOTPRINT

In an effort to help offset our carbon footprint, we partnered with the National Forest Foundation (NFF) in 2019 to fund the planting of 15,315 ponderosa pine seedlings to aid in reforesting the Boise National Forest, which experienced a massive fire in 2016. Once these seedlings grow, they will sequester approximately 7,500 tons of CO₂. [Click here](#) to learn more about this program.

In addition, here are other areas we're working on in order to become a more energy efficient business:



LED LIGHTS

We're using energy-efficient LED lights in all stores, which last longer and use up to 80% less energy than incandescent bulbs.



PAPER IMPACT

- We're planting enough trees to offset the total usage of printing paper that we use in our HQ and stores, in partnership with our paper supplier FlexPrint and the nonprofit organization Trees for the Future.
- We're removing packing slips from all orders.
- We offer paperless receipts for store customers, which has reduced the average monthly usage of paper receipts in our stores by 37% in comparison to 2018.



ENERGY USAGE

We reduced our average monthly energy usage in our corporate office by 40% in comparison to last year.



PACKAGING

- Our shopping bags are made of 80% post-consumer recycled content. Later this year, we'll ensure that all our bags are certified by the [Forest Stewardship Council](#).
- We've engineered our mailers to be usable for two deliveries so returns and exchanges can be sent back in the original packaging. Our mailers are currently made from 30% recycled content; in 2021, our mailers will be made from 50% recycled content.
- We're working to incorporate recycled content into our polybags, as well as continuing to research plastic packaging alternatives and innovations.
- **BY 2025, 100% OF OUR PACKAGING WILL BE SUSTAINABLY SOURCED AND FREE OF VIRGIN PLASTIC.**



TRANSPORTATION

We partnered with UPS's Carbon Neutral Shipping program, which supports environmental projects that offset the emissions of shipment transport via online orders. This means that

for every ton of CO₂ emitted by a package shipment, an equivalent amount of CO₂ is saved by a verified emission reduction project somewhere else in the world. Through this program with UPS, we have offset 6,026 metric tons of emissions in 2019 (equivalent to taking 1,300+ cars off the road for a year) and funded efforts to conserve forestland in Canada, capture biogas from a tapioca starch manufacturer in Thailand and capture methane from a Georgia landfill. (These projects have been verified and certified by a third party in accordance with The CarbonNeutral Protocol.)

OUR SUPPLY CHAIN IMPACT

We have a responsibility to ensure that our supply chains are taking steps to reduce the impact of our products.

HIGG FEM

In 2019, we developed a long-term plan to use the Higg Facility Environmental Module (FEM)—a sustainability assessment tool that standardizes how facilities measure and evaluate their environmental performance—to understand the environmental impacts of our supply chain and to find opportunities to improve environmental performance. We rolled out the adoption of the Higg FEM to our strategic vendors and additionally to strategic mills and trim suppliers. This effort resulted in 147 vendor factories, mills and trim suppliers reported to the Higg Index FEM, which represents 99% of our targeted facilities in our plan, and we will be leveraging the data from the Higg FEM to reduce the environmental impact in our supply chain.

BEST PRACTICES IN CHEMICAL MANAGEMENT

In late 2019, we started working with Bluesign, an organization that developed systems and standards to address chemical inputs, energy consumption, water use, wastewater, hazardous waste and air emissions. Bluesign addresses the types of chemicals and how those chemicals are used at the mills, dyers and finishers. We're looking forward to continuing our work together and learning how to improve our efforts. We'll be sharing our progress in our 2021 sustainability report.

To manage chemical use in our global supply chain and products, we've adopted AFIRM's Restricted Substance List (RSL), which is designed to reduce the total usage and impact of harmful substances in the apparel and footwear supply chain and helps us make sure that harmful substances are not present in our products. We require our vendors to comply with the AFIRM RSL and we work with third-party organizations to test our products and monitor compliance with our chemical restrictions. You can access AFIRM's Restricted Substances List [here](#), available on our Social Responsibility practices and policies [page](#).

PEOPLE

THE PEOPLE SECTION COVERS THE PEOPLE IN OUR COMMUNITY—FROM OUR SUPPLIERS, TO OUR HQ AND OUR STORES. TO BE A SUSTAINABLE COMPANY, WE HAVE TO ENSURE THAT EVERYONE INVOLVED IN THE MADEWELL COMMUNITY IS TREATED WELL AND WITH RESPECT. THIS DATA FROM THE 2019 FISCAL YEAR SHOWS OUR COMMITMENT TO CREATING AN INCLUSIVE ENVIRONMENT AND GIVING BACK TO THE COMMUNITY.

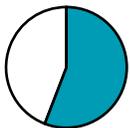
FAIR TRADE



In early 2018, we began partnering with Fair Trade USA when we started the certification process of Saitex, our Vietnam-based factory. This partnership allows us to foster an environment where people are empowered to generate and sustain lasting impact at work, at home and in their communities. For each certified product, we pay a premium that goes to a community development fund run by the workers. Currently it takes an estimated eight to 12 months for a factory to attain a Fair Trade USA certification.



BY 2025, MORE THAN 90% OF OUR DENIM WILL BE FAIR TRADE CERTIFIED™



CURRENTLY, 56% OF OUR DENIM COLLECTION IS FAIR TRADE CERTIFIED™

The full requirements for earning Fair Trade certification can be found at the [Factory Standard for Apparel and Home Goods](#).

As of Fall 2020, our collection is manufactured at a total of six Fair Trade Certified™ factories, which is up by five factories from when we launched last year.

- ▶ We've launched three new clothing categories: Denim, Wovens and Sweaters.
- ▶ We offer 124 Fair Trade Certified™ styles in our Fall 2020 collection, up from the 16 styles in our Spring 2019 collection when we launched our fair trade program in January.
 - ♦ Denim: 81
 - ♦ Wovens: 35
 - ♦ Sweaters: 8
- ▶ We added 57 new styles to our Fall 2020 collection.
- ▶ 56% of our denim is now Fair Trade Certified™, up from 29% in Spring 2020.

GET TO KNOW: BETTER COTTON INITIATIVE



The Better Cotton Initiative (BCI) is a nonprofit organization that promotes continuous improvement for cotton farmers across the globe. BCI partners with brands—like us!—to get funding for farmer trainings and certification so they can learn and implement more sustainable farming techniques. Training topics include integrated pest management (that keeps the good bugs and removes the bad), organic fertilizer options and safety training for pickers and owners (e.g., chemical safety and protective equipment). Implementing these sustainable practices leads to reduced resource costs and increased yields, resulting in economic benefits for the farmers.

Because we source more cotton than any other material, it's paramount to our sustainability mission to find a way to improve the way cotton is grown. Partnering with BCI was an easy decision for us. We first started working with BCI in 2016, and our commitment has grown since then. Our contributions to the program in 2019 alone have led to an additional 1.3 million Better Cotton Claim Units (aka BCCUs, which equate to a kilogram of Better Cotton) entering the global supply chain.

Our sourcing of Better Cotton in 2019 enabled:

- ▶ Training of more than 800 farmers on sustainable agricultural practices.
- ▶ Cultivation on approximately 1,500 hectares of farmland of Better Cotton—that's equivalent to roughly 2,800 football fields.
- ▶ The demand for approximately 1.3 million kilograms of Better Cotton to be produced—that's how much cotton it takes to make over 2 million pairs of jeans!

OUR TEAM



AS OF 2019, OUR COMPANY HAS:

690 FULL-TIME **2,736 PART-TIME**
AND **PEOPLE**

We prioritize diversity, inclusion and the overall well-being of our associates. In 2019, the J.Crew Group (Madewell is a subsidiary company within the J.Crew Group) scored 100% on the Human Rights Campaign Corporate Equality Index, earning the designation of Best Place to Work for LGBTQ Equality. We're committed to upholding this score for years to come.

OUR COMMUNITY



Community is at the core of Madewell and we recognize that our sustainability efforts have to include a commitment to fostering a diverse, inclusive environment. We've made a promise to better serve our Black and local communities through ongoing donation and volunteer programs and through initiatives like our Hometown Heroes program. These commitments act as the groundwork for a plan that will continue to grow and evolve.

DIVERSITY, EQUITY AND INCLUSION

We stand with the Black community, and we pledge to be an actively antiracist company. Here are our commitments:

WE WILL LISTEN TO LEARN

This will include community forums for all associates, available in group and individual formats, to encourage conversations and share experiences around racial injustice as well as gather feedback. Our goal is to better equip our teams with the right tools and destigmatize these crucial conversations.

WE WILL EDUCATE OURSELVES AND OTHERS

To create understanding and awareness around important issues in our workplace, we will build on existing programs like our diversity dialogue training and mandatory unconscious bias workshops for our leadership team.

WE WILL BUILD OUR TALENT PIPELINE

This will include a partnership with Jopwell, a career advancement platform for Black, Latinx and Native American students and professionals. We will also work with colleges, universities and organizations that promote racial and socioeconomic diversity to invest in how we attract, retain and promote talent from underrepresented and minority backgrounds. We've also partnered with America Needs You, an organization that fights for economic mobility for

ambitious low-income, first-generation college students. Our recruiting department supports any and all students who want to further their career development by hosting a dedicated virtual Career Day for them.

WE WILL SUPPORT COMMUNITY ENGAGEMENT

This will include creating associate interest groups for individuals to come together around common interests and continuing our internal donations and employee matching programs to encourage giving back to organizations that we believe in.

WE WILL AMPLIFY BLACK VOICES

We remain committed to featuring Black Indigenous People of Color in our content and to ensuring diversity both in front of and behind the camera. We will continue to use our platform to amplify the voices of Black Indigenous People of Color in the stories we tell.

WE WILL SUPPORT BLACK-OWNED BUSINESSES

As a long-standing supporter of small businesses and creatives and knowing the disproportionate impact that COVID-19 has had on Black-owned businesses specifically, we are committing today to increasing their representation as part of our Labels We Love and Hometown Heroes programs.

WE WILL ADVOCATE FOR CHANGE

To further our partnership with the ACLU, we have pledged to donate at least \$750,000, funded by sales of our entire Vote collection, to support their mission to ensure equality in our country and combat issues that disproportionately affect Black Americans, like voting rights.

WE WILL VOTE

We believe in the power of voting to enact change so will be closing all stores, our distribution center and our corporate offices on November 3rd to allow our teams ample time to vote.

OPEN TO ALL

We're committed to the mission of [Open To All](#), a nondiscrimination campaign that works with businesses and companies taking a stand against discrimination. We are pledging to:

- ▶ Maintain a welcoming and safe environment for people—including employees, visitors, customers, vendors and clients—regardless of race, ethnicity, national origin, sex, sexual orientation, gender identity and expression, immigration status, religion or disability.
- ▶ Not discriminate against any individuals or deny them goods or services based on any of these characteristics and to provide all goods and services to everyone on the same terms.

CAUSES WE BELIEVE IN

Throughout the year, we team up with organizations across the country that are aligned with our values and we find ways to support their missions, whether it's through monetary donations, collaborating with them on exclusive collections, hosting events or volunteering. In addition to offering our full-time associates paid volunteer time off, we encourage them to choose any nonprofits they wish to personally support through several give-back programs including a donation-match opportunity called You Give, We Give. Here are a few ways we support the causes we care about:



GIVE BACK PARTNERS

We collaborate with organizations we believe in and that align with our values.

.....▶ AMERICAN CIVIL LIBERTIES UNION

In 2020, we partnered with the American Civil Liberties Union to support its mission in maintaining and advancing civil liberties, which includes protecting the fundamental right to vote for all who are eligible. Along with providing educational resources to both our internal and customer communities, we created a [Vote collection](#) with 100% of the proceeds going back to the ACLU.

.....▶ NO KID HUNGRY

We're proud to support No Kid Hungry, a campaign that is committed to feeding kids in need during the pandemic crisis and beyond. Since March, we've helped provide up to one million meals to kids in need. Learn more at [NoKidHungry.org/OneDollar](#).

.....▶ ADDITIONAL PARTNERS

In 2019, we partnered with [charity: water](#), [Girls Inc.](#) and the [Human Rights Campaign](#). With the support of our customers, we were able to donate a total of \$486,000 back to these nonprofit partners.



HOMETOWN HEROES COMMUNITY & COLLECTIVE

Our Hometown Heroes Community program was launched in 2010 to support local communities by giving artists and makers the opportunity to sell their goods in Madewell stores. Since its launch 10 years ago, the Hometown Heroes Community has become a foundation of Madewell—we now host thousands of Hometown Heroes events in stores each year.

In 2019, Madewell teamed up with nonprofit [Nest](#) to launch the next iteration of the Hometown Heroes program, called the Hometown Heroes Collective. Nest is a vital force in the maker community—the

organization works to build a new handworker economy to increase global workforce inclusivity, improve the well-being of women beyond factories and preserve important cultural traditions around the world. In partnership with [Nest](#), the Collective supports four classes of makers per year, celebrating their communities and American craftsmanship. We offer our makers monetary grants, expert mentorship, networking opportunities, marketing support and the ability to sell their goods on [Madewell.com](#). Since the launch of the Hometown Heroes Collective, we've featured six classes made up of 42 talented makers and we've provided them meaningful support to help them grow their businesses.

Through our Hometown Heroes Collective program, we're committed to amplifying our values around diversity and inclusion. With that, we'll ensure that each class consists of at least 40% BIPOC makers, 20% of those who identify as Black.



COMMUNITY GIVE BACK EVENTS

We encourage our stores to host events where a portion of the proceeds are donated to local charitable organizations. This allows our associates to choose the initiatives that best resonate with their community. In 2019, we hosted 170 charitable store events.



YOU GIVE, WE GIVE

We know our associates have their own causes that they're passionate about supporting. With the J.Crew "You Give, We Give" matching fund, we've been able to set up individual support of causes through cash donations made on our associates' behalf from J.Crew. We encourage full-time associates who have contributed their own money and/or volunteer time to a nonprofit to submit a request for a cash or time donation match on their behalf from J.Crew to the charity of their choice.



GOOD360

We support Good360, a 501(c)(3) nonprofit whose mission is to transform lives by providing hope, dignity and a sense of renewed possibility to individuals, families and communities impacted by disasters or other challenging life circumstances. We partnered with [Good360.org](#) on our 2:1 disaster match which funded disaster recovery relief and the long-term rebuilding of resilient communities.

SUPPLY CHAIN: LABOR PRACTICES & SOCIAL IMPACT



At Madewell we believe that fair and decent working conditions, the freedom of opinion and expression, and an adequate standard of living are basic human rights. We have direct relationships with 75 factories (Tier 1, garment manufacturing) from 16 countries. We have various processes and policies in place to ensure that our vendors are reliable partners who strictly adhere to social and labor law.

We strictly prohibit the use of any form of forced labor or human rights abuses and continue to work closely with international and regional stakeholder groups to stay abreast of potential issues that could lead to increased vulnerability of workers in our global supply chain. Our [Vendor Code of Conduct](#) outlines our expectations for all the factories, subcontractors, suppliers and others who are affiliated with the production of our goods. These standards are based on the International Labor Organization (ILO) conventions and other internationally recognized labor rights groups.

For more information, you can read our Code of Ethics & Business Conduct [here](#) and our Social Responsibility Approach [here](#).

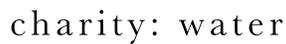
THIRD-PARTY AUDITING

While it’s relatively simple to communicate our expectations to our vendors, it is more complicated to verify compliance throughout all areas of our supply chain. That’s why we also monitor compliance with our standards and policies on a regular basis by partnering with third-party organizations to conduct both semi-announced and fully unannounced inspections of our manufacturing facilities. Through these external audits we are able to identify any potential issues and their root causes and work with our vendors on building capacity for positive change.

To date, we work directly with 75 factories, all of which are inspected based on their compliance performance and are rated based on the compliance status of the factory.

	GREEN	YELLOW	ORANGE	RED
Number of factories:	30	42	3	0
Percent of factories:	40%	56%	4%	0%
Compliance Status:	<p>Facility meets our standards.</p> <p>Next Audit: 12 months</p>	<p>Facility has minor/moderate issues. Corrective Actions are required.</p> <p>Next Audit: 6-9 months</p>	<p>Facility has safety or labor related issues that may require change in systems, procedures or policies. Our team will work closely with the facility to provide support or training.</p> <p>Next Audit: 3-6 months</p>	<p>Factory has one or more Zero Tolerance issues and/or has failed to correct major safety, health or labor related issues. Our team will investigate the issues and depending on severity we may halt production or exit the facility.</p> <p>Next Audit: 0-3 months</p>

A LIST OF OUR CURRENT PARTNERSHIPS



For questions or more information on our Do Well Report, contact us at DoWell@madewell.com or visit our [Do Well hub](#).