

Madewell

**CALIFORNIA
TRANSPARENCY
IN SUPPLY
CHAINS ACT**

As of July 30, 2019

At Madewell, we believe that we have a responsibility to source our products in a legal, ethical and responsible manner consistent with the highest standards. The Responsible Sourcing Program at Madewell is in place to clearly communicate our expectations to our suppliers and to monitor and improve working conditions at the facilities that manufacture products for Madewell.

We are proud of our efforts to monitor and improve working conditions around the world. We are pleased to provide more information about these efforts so that you, our customer, can be confident in your decision to purchase Madewell.

As a company affected by the California Transparency in Supply Chains Act of 2010 (SB657), we are providing the following information about our program and our efforts to source our products responsibly. The purpose of the law is to provide customers with the information they need to make responsible and informed purchasing decisions. Specifically, the information we have provided explains how we are working to evaluate and address any risks of slavery and human trafficking in our supply chain.

OUR EFFORTS TO ALIGN WITH BOTH THE LETTER AND THE SPIRIT OF THE LAW ARE AS FOLLOWS:

I. ENGAGE IN VERIFICATION OF THE PRODUCT SUPPLY CHAINS TO EVALUATE AND ADDRESS RISKS OF HUMAN TRAFFICKING AND SLAVERY.

We have a robust Responsible Sourcing Program in place to evaluate and address risks in our supply chain, including the risk of slavery and human trafficking. We have three full-time associates dedicated to social responsibility, and we partner with leading independent organizations to implement various aspects of our program, including conducting factory inspections, trainings and remediation in the facilities that produce our goods.

The primary focus of our Responsible Sourcing Program is our direct suppliers—those vendors and factories that manufacture Madewell products on our behalf. We assess factory risk and determine our inspection strategy based on location, previous inspection reports and volume of production placed. We conduct regular inspections at the suppliers that manufacture Madewell products to monitor compliance to our Vendor Code of Conduct and related laws and regulations. All new factories are subject to inspection before any purchase orders are placed. Existing factories are typically inspected every 12 to 24 months unless follow-up is required, in which case we will inspect more frequently.

Similar to other retailers, our supply chain is complex and we have less visibility to the indirect suppliers that provide fabric, trim and other components to our direct suppliers and even less visibility to the origin of the raw materials of these components. Nevertheless, we recognize that we have a responsibility to identify risks and work to improve working conditions throughout our supply chain.

2. CONDUCT AUDITS OF SUPPLIERS TO EVALUATE SUPPLIER COMPLIANCE WITH COMPANY STANDARDS FOR TRAFFICKING AND SLAVERY IN SUPPLY CHAINS.

We conduct regular inspections at the suppliers that manufacture Madewell products to monitor compliance to our Vendor Code of Conduct and related laws and regulations. We carefully select and rely on independent external firms to conduct both announced and unannounced inspections of manufacturing facilities and to help

guide our program. In partnership with these firms, we've developed inspection procedures that address all the provisions covered by our Vendor Code of Conduct, including the risk of human trafficking. A typical inspection consists of document review, private worker interviews and a walk-through of the facility. When appropriate, we will also conduct surveillance and off-site interviews.

When issues of noncompliance are identified, it is our practice to work with a supplier to become compliant with our Vendor Code of Conduct. We aim to provide suppliers with the tools they need to improve working conditions, including training and in-factory consultations, and we conduct re-inspections when necessary to verify improvement.

We terminate a business relationship only as a last resort, if a critical issue of noncompliance is identified or when a supplier is unwilling to comply with our requirements despite our efforts to help them become compliant.

3. REQUIRE DIRECT SUPPLIERS TO CERTIFY THAT MATERIALS INCORPORATED INTO THE PRODUCT COMPLY WITH THE LAWS REGARDING SLAVERY AND HUMAN TRAFFICKING OF THE COUNTRY OR COUNTRIES IN WHICH THEY ARE DOING BUSINESS.

We seek to work with suppliers that share our commitment to responsible business practices. The Vendor Code of Conduct is the basis for the Responsible Sourcing Program at Madewell and sets forth the guiding principles that are expected of our suppliers. Our code prohibits the use of forced labor of any kind, including slavery and human trafficking.

Our vendors are contractually required to comply with our Responsible Sourcing Supplier Guidelines, which include our Vendor Code of Conduct, program policies and procedures and the requirement that our vendors do a reasonable inquiry to ensure that their own suppliers operate legally. We have communicated similar responsible sourcing expectations to the key mills that supply fabric for our products.

4. MAINTAIN ACCOUNTABILITY STANDARDS FOR CONTRACTORS FAILING TO MEET COMPANY STANDARDS REGARDING SLAVERY AND TRAFFICKING.

We seek to work with suppliers that share our commitment to responsible business practices. Vendors are contractually required to comply with our Responsible Sourcing Supplier Guidelines, which include our Vendor Code of Conduct. Any failure to comply with our Responsible Sourcing guidelines could lead to corrective action, up to and including termination.

5. PROVIDE COMPANY EMPLOYEES AND MANAGEMENT WHO HAVE DIRECT RESPONSIBILITY FOR THE SUPPLY CHAIN WITH MANAGEMENT TRAINING ON HUMAN TRAFFICKING AND SLAVERY, PARTICULARLY WITH RESPECT TO MITIGATING RISKS WITHIN THE SUPPLY CHAIN OF PRODUCTS.

The Madewell Production department is responsible for managing the relationship with our suppliers. Production and Responsible Sourcing work hand in hand to monitor supplier conditions and achieve program goals. All members of the Production team are required to participate in the University of Delaware's Risks of Human Trafficking and Slavery short course webinar, designed specifically to provide relevant information to sourcing professionals. In addition, we regularly conduct training seminars for our Production team on our Responsible Sourcing requirements and how to consistently manage suppliers to achieve our responsible sourcing goals.

In addition to internal trainings, we regularly conduct Responsible Sourcing training seminars for suppliers. These seminars focus on our Vendor Code of Conduct, program requirements and other relevant topics, including working hours and overtime, health and safety and management systems.