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## ABOUT

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### POLICIES

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# Macy's, Inc. California Transparency in Supply Chains Act

## Human Trafficking and Slavery on the Supply Chain

Macy's and Bloomingdale's, affiliates of Macy's, Inc., require all of our suppliers to comply with the applicable laws and regulations of the United States, and those of the respective country of manufacture or exportation. In accordance with the California Transparency Supply Chains Act (SB 657), Macy's and Bloomingdale's efforts to address human trafficking and slavery in the direct supply chain, which include both private and national brands, are described herein. In addition to the efforts described, the company maintains an open dialogue with non-governmental organizations and socially responsible investor groups regarding developments in this arena.

### **Verification**

Macy's and Bloomingdale's supply and legal executives meet on an annual basis, and informally as needed, to assess the risk of human trafficking and slavery in our supply chains and to assess whether our policies and procedures appropriately address those risks.

### **Audits**

At Macy's, independent third party monitors conduct annual compliance audits of our private brand suppliers to identify possible areas of non-compliance with our Vendor and Supplier Code of Conduct (the "Vendor Code") or potential risks in Macy's private brands supply chain, while contractually holding our national brand suppliers to the same level of due diligence. Macy's will not tolerate, and will investigate, any reports alleging human trafficking and slavery in the supply chain. Action is taken against any supplier for non-compliance, resulting in possible termination of the business relationship. Indeed, from 2011-2018, non-compliance with the Vendor Code has resulted in termination of 130 factories. Macy's does not conduct audits of suppliers that provide us with national brand products.

At Bloomingdale's, independent third party monitors also conduct annual compliance audits of certain private brand suppliers under the same process outlined above. Bloomingdale's contractually holds our national brand suppliers and certain other private brand suppliers, who supply the vast majority of the products we offer for sale, to the same level of due diligence. Bloomingdale's will not tolerate, and will investigate, any reports alleging human trafficking and slavery in the supply chain. Action is taken against any supplier for non-compliance, resulting in possible termination of the business relationship.

### **Certification**

All Macy's and Bloomingdale's suppliers must adhere to our Vendor Code, which includes language strictly prohibiting human trafficking and slavery. The Vendor Code incorporates local laws and is based on international standards, such as International Labor Organization (ILO) and United Nations (UN) regulations. The Vendor Code states that all suppliers must also comply with the country of manufacture's labor laws, whichever is stricter.

Macy's and Bloomingdale's also include requirements of adherence to the Vendor Code in our Vendor Standards and Purchase Order Terms and Conditions, and we send periodic communications to suppliers

making them aware of new laws or revisions to existing laws as appropriate. By accepting each and every purchase order, Macy's and Bloomingdale's suppliers confirm their understanding and agreement to the standards set forth in the Vendor Code.

Human trafficking and slavery verbiage is also included in the Master Contract we enter into with Macy's private brand suppliers and certain Bloomingdale's private brand suppliers. Suppliers that produce these private brands agree to comply with the Vendor Code through confirmation and acknowledgement in writing.

### **Internal Accountability**

Macy's and Bloomingdale's associates adhere to an employee Code of Conduct that informs them about the requirements of the Vendor Code of Conduct relating to human trafficking.

### **Training**

The issue of human trafficking is addressed annually in Code of Conduct or General Legal Compliance Training. Over the past 3 years, more than 20,000 Macy's, Inc. employees have received this training each year. Employees responsible for supply chain-related decisions for private brands at Macy's and certain private brands at Bloomingdale's receive more detailed training on identifying and addressing human trafficking and slavery in our supply chain.