

California Transparency in the Supply Chain Act

At Crate and Barrel, we take responsibility for ensuring that our economic activities support our social and environmental standards. In today's international marketplace, we have become increasingly aware of our need to ensure that all of our brands (Crate and Barrel, CB2 and The Land of Nod) and their agents and vendors treat individuals employed or engaged by them with the highest level of respect and regard for their rights. Accordingly, we have instituted a Code of Conduct for ourselves, our suppliers and agents, and any other suppliers working on their behalf, in relation to the production of goods for Crate and Barrel (collectively, our "Business Partners"). The Code of Conduct, which is based on the SA8000 global social accountability standard developed and overseen by Social Accountability International (SAI), was first communicated to our Business Partners in 2002. It acknowledges the critical role of those Business Partners in bringing new and innovative products to our customers and requires them not only to comply with the requirements of the Code of Conduct, but to exceed them when possible.

Among many other relevant subjects, the Code of Conduct specifically addresses human trafficking and slavery, stating: ***"Crate and Barrel tolerates no form of forced or compulsory labor, bondage, servitude, slavery or conditions similar thereto. It also disapproves of prison labor. Employees must not be compelled to work by way of violence or intimidation, be it directly or indirectly. Instead, all employees must have sought work and/or employment on their own free will. ILO conventions 29 and 105 apply."***

These values are shared by our parent company, the Otto Group. As a founding member of the Business Social Compliance Initiative (BSCI), the goal of which is to improve the working conditions in the global supply chain worldwide, the Otto Group has developed industry-leading initiatives to prohibit human trafficking and slavery.

Current Activities

Crate and Barrel has taken specific actions to ensure compliance with the Code of Conduct and to ban human trafficking and slavery from our supply chain. For example:

- **Certification:** Business Partners are required to certify in writing that they have read and will abide by the terms of the Code of Conduct. Requirements apply to primary manufacturing facilities and any material suppliers used in the products we purchase. Business Partners must guarantee, and are responsible for acceptance of and compliance with the principles set forth in the Code of Conduct.
- **Verification, Monitoring and Audit:** Crate and Barrel has embarked on a program to employ a third-party auditor to conduct verification activities to identify, assess and manage the risks of human trafficking in our supply chain and to monitor, audit and ensure compliance with the Code of Conduct. Each direct Business Partner must identify to Crate and Barrel in writing all production sites used in or tangential to the production of goods or services of any kind for Crate and Barrel. Then, on a periodic

basis, at Crate and Barrel's request, each such Business Partner must submit itself and each of its production sites to social audits and/or audits of books and records and/or to a review of its (and its suppliers') compliance with the Code of Conduct. Such audits and reviews may be conducted by Crate and Barrel or by its third-party auditor, and may be announced or unannounced. When any non-compliance is discovered, Crate and Barrel requires immediate remedial action. If a Business Partner is unable or unwilling to comply, or if non-compliance is material or repeated, Crate and Barrel reserves the right to terminate its relationship with any Business Partner or to require the Business Partner to terminate any of its suppliers working for such partner on Crate and Barrel's products or services.

- **Training:** Crate and Barrel trains its Merchandising team members in our sourcing ethics and social responsibility standards. This training includes, among other things, a review of our Code of Conduct with a focus on mitigating violations and encouraging compliance by our Business Partners. Additional training on our Code of Conduct is provided at our corporate office through annual seminars.
- **Internal Accountability:** Crate and Barrel requires prompt notification from its Business Partners of any violation of the Code of Conduct. We follow up on any and all reports we receive, and we strictly prohibit retaliation or discipline of any kind, whether by a Crate and Barrel associate or a Business Partner, against any person or entity as a result of making a report or raising a concern about compliance.