

“J.Crew’s response”, 27 September 2022

Our *J.Crew Supplier Code of Conduct* requires that vendors and factories producing merchandise for J.Crew support fair working conditions and freedom of association for all workers. When we heard about the labor allegations against Chiefway, we conducted an independent investigation with a reputable 3rd party firm which included a two-day visit to the factory, interviews with factory management, a review of key documents and records, and interviews with current and past employees. Based on our comprehensive investigation, and continued communications with the vendor and factory, here is our response to the various issues you cited:

1. *The factory is maintaining the Employees’ Council as a parallel body, indicating a continuation of anti-union practices.*

Based on our understanding, Sri Lankan law mandates that employers establish an Employees’ Council to allow workers to provide input to management regarding their interests, welfare, and well-being. Both union and non-union workers participate in the EC in Chiefway, and we have no evidence that this worker organization is inhibiting the collective bargaining process between union members and management. In fact, Chiefway recognizes the union and continues to have open dialogue and negotiations with it, including meetings which have routinely taken place.

2. *Employees were terminated on “disciplinary grounds”.*

The incident which resulted in 23 workers being suspended was a very severe one involving threats, violence, and members of factory management being taken hostage. Based on a factory investigation, video footage, a police investigation, interviews and other evidence, the factory decided to suspend those involved and have the case reviewed and handled by the Department of Labor. The workers have representation, and the case is awaiting adjudication. J.Crew and Chiefway will support the final decision, and the factory will take action based on that decision.

3. *Employees were refused work during the COVID period.*

Our investigation did not find evidence that workers were denied work during the COVID period. The factory sent out communications to workers and reopened as soon as it was safe and legal to do so.

4. *Union dues checkoff are still pending.*

The manner in which union dues are collected can take many forms and it is an item that must be agreed between the factory and the union. We encourage the union and Chiefway to continue to negotiate this and any other open issue during collective bargaining.

As we mentioned, over the last few weeks there has been a meeting between Chiefway and Anton Marcus, and additional meetings that included the union, its branch, and Chiefway. We view these opportunities to negotiate and communicate as very positive and continue to believe that Chiefway and the union will negotiate and work collaboratively to resolve any issues.