



## ANN INC.'S GLOBAL SUPPLIER PRINCIPLES & GUIDELINES

ANN INC. is committed to providing superior quality merchandise and service to our clients. As a part of our corporate culture and values, we strongly believe that the quality of our merchandise begins with the treatment of the people who manufacture our products. To uphold this belief, we have adopted the Global Supplier Principles and Guidelines which are the foundation of our approach to ethical sourcing and provide our expectations for protecting workers' rights and supporting a sustainable environment. The Principles and Guidelines are grounded in the eight fundamental ILO Conventions and Recommendations, which are covered in the ILO's Declaration on Fundamental Principles and Rights at Work (1998). We are committed to these standards and to engaging only with Suppliers that share this commitment.

In addition to the general requirements outlined in these Principles and Guidelines, ANN is also committed to working with Suppliers to provide a supportive working environment for women.

While ANN recognizes that there are different legal and cultural environments in which our Suppliers operate throughout the world, these Principles and Guidelines set forth the minimum requirements all Suppliers must meet in order to do business with us. Accordingly, we expect our suppliers to commit to our Global Supplier Principles and Guidelines annually and permit periodic monitoring to assess and ensure adherence to standards. If we find that a Supplier is not in compliance with any of these Principles and Guidelines, we will require immediate corrective action.

### LAWS AND REGULATIONS

ANN is committed to conducting its business lawfully, including those portions of ANN's business that involve any Suppliers, and ANN expects full compliance with all applicable laws and regulations by anyone participating in its business. ANN's Suppliers must operate in full compliance with all applicable laws and regulations of the countries in which they operate and applicable laws of the United States of America.

### NO CORRUPTION

ANN is committed to working with Suppliers who carry out their activities in an honest and transparent way. ANN's Suppliers must not pay bribes or otherwise make improper payments. This means that ANN's Suppliers must not, directly or indirectly, offer, pay, promise to pay or authorize the payment of any financial or other advantage, or anything else of value, to any person for the purpose of securing any improper advantage for Supplier or ANN, including an attempt to impact the objectivity of third party representatives appointed by ANN to carry out inspections and compliance audits.

### NO DISCRIMINATION

While ANN recognizes and respects cultural differences, Suppliers must not discriminate against its employees on the basis of personal characteristics or beliefs, such as age, race, color, nationality, social origin, gender, religion, marital status, sexual preference, maternity status, disability, or political beliefs at any stage of the employment relationship.

### NO HARASSMENT

ANN's Suppliers must treat all workers with respect and dignity. No worker will be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse. In addition, Suppliers will not use monetary fines as a disciplinary practice.

### NO FORCED LABOR

ANN's Suppliers must not use involuntary or forced labor, whether indentured, bonded, prison or labor obtained through slavery, human trafficking or otherwise.

### NO CHILD LABOR

Suppliers must not use child labor. In all circumstances, workers must meet the local legal minimum age for employment, the age for completing compulsory education or be at least 15 years old, whichever is higher. When employing workers under the age of 18, Suppliers must provide adequate protection against any conditions that may be hazardous to the health and safety of young workers.

### WAGES AND BENEFITS

ANN's Suppliers must compensate workers fairly by complying with the minimum wages and benefits required by local law or the local industry standard – whichever is higher. Workers must also be paid for overtime hours at the premium rate legally required in the country of manufacture. In those countries where such laws do not exist, employees must be compensated for overtime at a rate at least equal to their hourly compensation rate. In addition, suppliers must ensure that all workers are covered by health benefits, including relevant maternity and child care benefits as prescribed by national law.

### WORKING HOURS

Workers shall not be required to work more than 60 hours per week, including overtime, on a regularly scheduled basis. ANN's Suppliers must ensure that their workers are not penalized or dismissed for refusing to work more than the limits on regular and overtime hours allowed by local laws and regulations. Workers are entitled to at least one day off in every seven-day period.

### FREEDOM OF ASSOCIATION

Workers should be free to join organizations of their own choosing, and to refrain from joining organizations if that is their wish. Suppliers must not threaten or penalize workers for their efforts to organize or bargain collectively where permitted by the laws of the country of manufacture, nor may they discriminate against workers as a result of any such organization affiliation.

### WORKING CONDITIONS

ANN's Suppliers must provide their employees with a safe, healthy and clean workplace, designed to prevent accidents and injuries arising out of or occurring during the course of work. Factories must comply with all applicable laws of the countries in which they operate regarding work environment, sanitation and safety. Suppliers providing employee housing must ensure clean, safe and adequate sleeping quarters, bathing and toilet facilities.

### ENVIRONMENTAL STANDARDS

We strive to do business with Suppliers who share our concern for and commitment to preserving the environment. At a minimum, Suppliers must comply with all applicable local environmental laws and regulations where they do business.

### NO SUB-CONTRACTING WITHOUT PRIOR APPROVAL

ANN's Suppliers must not engage any subcontractor to perform any work for ANN's products or components without ANN's prior written approval, and only after the subcontractor has agreed to comply with these Principles and Guidelines.

### COMMUNICATION

ANN's Suppliers must communicate these Principles and Guidelines to workers and supervisors.

### IMPLEMENTATION AND GRIEVANCE PROCESSES

ANN expects Suppliers to establish a process to ensure that the requirements in these Principles and Guidelines are implemented and consistently applied. Such management systems should include Human Resources Policies and Procedures that are communicated to workers and which implementation is adequately monitored. In addition, ANN expects Suppliers to develop an effective grievance process that enables workers to raise concerns related to these Principles and Guidelines without fear of intimidation or retaliation.

### MONITORING AND COMPLIANCE

ANN's Suppliers will undertake affirmative measures, such as announced and unannounced on-site inspections of production facilities, to monitor compliance with these Principles and Guidelines. ANN's Suppliers must maintain on-site documentation necessary to demonstrate compliance with these Principles and Guidelines and allow ANN's representatives and designated third-party monitors full access to production facilities, worker records and workers for confidential interviews in connection with monitoring visits. Suppliers must demonstrate full transparency concerning working conditions and records and must not coach their workers in any way as to how to respond to questions about the facility conditions.

ANN's Suppliers are expected to take necessary corrective actions to promptly remediate any noncompliance. ANN reserves the right to terminate its business relationship with any Supplier who is unwilling to comply with these Principles and Guidelines.