Disclosure with Respect to California's Supply Chain Law

Many companies selling products in the State of California, including Christopher & Banks ("CBK"), are required to disclose their efforts to address the issue of forced labor and human trafficking, per the requirements of the *California Transparency in Supply Chains Act of 2010*. The law is designed to increase the amount of information made available by companies as to their policies on and efforts to eradicate forced labor and human trafficking, in order to allow consumers to make better, more informed choices regarding the products they buy.

Forced labor and human trafficking can take many forms, including child labor. CBK has adopted a *Social Responsibility Code for Vendors* ("Supplier Code") that the suppliers of accessories and apparel to us are expected to meet, to ensure that the apparel and accessories we sell are made under working conditions that are consistent with our values and applicable law. Our Supplier Code expressly prohibits forced labor, as well as employing underage workers in violation of local laws or practices. Our Supplier Code and our purchase order terms and conditions include prohibitions on human trafficking and slavery.

We currently have various practices and procedures in place to safeguard against the use of forced labor including, but not limited to, the following:

- Through periodic factory visits by our personnel and by third parties acting on our behalf, we observe the working conditions at factories where our goods are produced.
- With respect to new vendors, we typically require a copy of a third party social compliance audit that has been conducted at that vendor's facility during the previous twelve months.
- With respect to vendors with which we have an existing relationship, we use third parties to conduct periodic announced and unannounced audits to evaluate compliance with various CBK standards, including those relating to forced and child labor.
- All audits performed by third party auditing firms must include assessments of human trafficking and slavery in order to be accepted by us.
- The initial audit of a particular supplier is typically announced in advance and is intended to monitor or verify compliance with our expectations and applicable law. Following an audit, suppliers are expected to prepare a corrective action plan ("CAP") with respect to any adverse audit findings, which CBK reviews to confirm that the proposed responsive action by the supplier is appropriate for the finding. A CAP outlines how a supplier will resolve issues that are identified in the audit and typically includes a timeline for completion of each item under the CAP. Depending upon the nature of the CAP, a follow-up audit may be conducted earlier than would otherwise be required in order to confirm resolution of the items in the CAP.
- CBK has a zero tolerance policy for the presence of forced or illegal child labor, including any human trafficking or slavery.
- Our purchase order terms require suppliers to warrant that in the production and manufacture of goods for us they will not use any forced or involuntary labor or any child labor, as such term is defined in the *International Labor Organization Convention 138 on Minimum Age for Employment* or under the laws of the country of manufacturer if such laws are more restrictive. We reserve the right to terminate our relationship with a

supplier if serious issues of non-compliance with our policies, requirements or expectations are discovered as part of an audit, a factory visit or otherwise.

- Representatives from our Logistics, Merchandise and Production & Sourcing groups periodically visit some of the overseas vendors and/or factories where some of our goods are produced and those factory visits may include an observation of the factories' working conditions relative to the expectations under our Supplier Code. In our visits to vendors or factories or when these vendors visit us, we also may discuss or review our Supplier Code, which discussion generally includes the topic of forced and child labor.
- Representatives from our Production & Sourcing and Merchandise groups regularly review social compliance issues. We also require all of our headquarters employees to comply with our Code of Conduct, which includes provisions aimed to ensure child or forced labor are not permitted or practiced by our suppliers. We periodically train our employees on the Code of Conduct and require annual certifications by certain members of our management group that they have acted in compliance with the Code of Conduct.