



Dennis J. Broderick
Executive Vice President
General Counsel and Secretary
Macy's, Inc.

November 1, 2011

Re: Slavery and Human Trafficking in the Supply Chain
The California Transparency in the Supply Chains Act
(CA SB 657)

Dear Valued Business Partner:

The purpose of this letter is to advise the Macy's supplier community of the California Transparency in the Supply Chains Act (CTSCA), which takes effect on January 1, 2012 and will require Macy's to disclose its efforts to eradicate slavery and human trafficking from its supply chains.

Since 1995, Macy's has had a stringent Vendor & Supplier Code of Conduct that sets out specific standards and requirements for any vendor doing business with Macy's and is designed to protect workers in this country and abroad. All of the company's vendors are required to agree in writing to comply with the company's Code of Conduct. Among other things, the Code requires Macy's vendors to allow unannounced factory inspections for contractual compliance, as well as for compliance with laws and regulations dealing with child or forced labor and unsafe working conditions. Macy's will not tolerate the involvement of its suppliers in human trafficking and slavery. It will quickly investigate any reports alleging human trafficking and slavery in the supply chain, and will take swift and decisive action against any supplier that is found to act improperly in this regard. Inspections of factories engaged in the production of private brand merchandise for the company are made routinely, and willful noncompliance with the Code will result in termination. Macy's policy on sweatshops and forced or child labor, as well as the company's Vendor & Supplier Code of Conduct, is posted on www.macysinc.com/AboutUs/Policies/vendorconduct.aspx. The Code of Conduct also is available by calling 1-800-261-5385.

For Private Brand Suppliers

Our third party auditors are under instructions to continue to be vigilant in uncovering potential forced or child labor.

For All Suppliers

Please review your compliance procedures and redouble your efforts to insure compliance with our Code of Conduct. In light of the implementation of the CTSCA, special efforts should be made to uncover any instance of forced labor, slavery and human trafficking in

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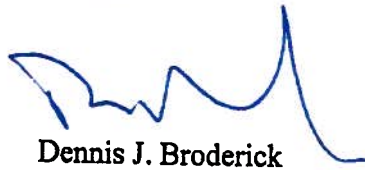
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your supply chain. While we expect full compliance, it is also imperative that there be immediate communication from any supplier that has concerns regarding compliance.

Macy's remains committed in its resolve to do business only with suppliers that share its concerns regarding the lawful and ethical manufacturing of merchandise.

We appreciate the continued cooperation of our valued supplier community.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Dennis J. Broderick". The signature is stylized with a prominent peak on the right side.

Dennis J. Broderick