J.CREW Madewell J.CREW FACTORY

FABRIC AND MERCHANDISE INSPECTION STANDARDS

STANDARD OPERATING PROCEDURE (SOP)

Revision Date: May 4th, 2022

J.CREW TEAM
J.CREW GROUP, LLC.

STANDARD OPERATING PROCEDURE (SOP)
FABRIC AND MERCHANDISE INSPECTION STANDARDS

SOP #:

Date Issued: **July 20, 2020**

Issued By: Quality Assurance

OBJECTIVE: This process is intended to outline the standard operating procedure for fabric and merchandise inspection standards.

SCOPE: This process is for J.Crew Group, LLC, including J.Crew, Madewell, and J.Crew Factory.

STANDARD OPERATING PROCEDURE FOR MERCHANDISE INSPECTION STANDARDS:

MERCHANDISE INSPECTION

J.Crew requires that its vendors and agents have sufficient procedures in place to ensure the quality of the merchandise exiting the factories meets all J.Crew requirements. The J.CREW field inspection team conducts audits in select locations throughout the United States and Europe in accordance with MIL 105E Level II Standards AQL 2.5, as well as internal J.Crew standards. For all other locations, vendors/ agents are required to conduct audits in similar accordance. In special circumstances, J.Crew may also require that a vendor certify his shipment, at his own expense, utilizing an independent inspection service. Effective January 1, 1999, all direct placed production will be required to utilize this independent inspection service. The vendor will be billed directly for this by the respective agency. For a list of current agencies worldwide, please contact **Susan.Matteo@jcrew.com**

WAREHOUSE INSPECTION

In addition, to supplement the factory audits, J.CREW conducts inspections in our Asheville NC and Lynchburg VA distribution centers. Our objective to in-house auditing:

- Assure merchandise shipped by the factory is identical to what was ordered by the merchant.
- Identify and eliminate unsatisfactory merchandise from the assortment
- Confirm that measurements are within specifications and acceptable tolerances.
- Confirm that shades are acceptable and within the standard.

- To ensure compliance with all Federal Labeling regulations.

Merchandise is inspected using an AQL of 2.5 - Level II - Single Sampling Plan. The audit is random as garments are pulled according to lot size as well as the number of cartons in the shipment.

For example, A 3000-piece shipment is received in 200 cartons. Using an AQL of 2.5, we are required to inspect 125 garments across all sizes and colors from 13 cartons. Of these 125 garments, we would accept 10 defectives but reject the shipment on 11.

Merchandise is inspected against the purchase order in these general areas. For a detailed description of defects, please refer to J.Crew Workmanship Standards.

LABELS

- All care labels must be permanently attached, legible, and appropriate for the garment.
- Country of origin and fiber identification must be permanently attached, readily visible, and in full compliance with all Federal Trade Regulations.
- Size labels must be accurate and accessible to the consumer at the point of sale.

GARMENT INSPECTION

Garments will be checked for:

- General Appearance
- Color
- Hand
- Construction
- Fabric Flaws
- Hardware, Trim
- Measurements

If an order passes the audit, it goes on to full processing in the distribution centers. If it fails, samples are sent to Production and or the Merchant for review. A determination will be made as to 100 % sort of the goods or non-acceptance of the shipment. All decisions on failed audits must be communicated back to Quality Control within 24 Hours.

The inspection and release of the product by J.CREW or its designated inspection services do not release the supplier or its representative from any claims due to defective products not quantified through inspection.

SORT / REFURBISHMENT CHARGES

In the event that shipments must be sorted, the following charges will be incurred to the vendor. Certain refurbishments and sorts are at times sent to outside services to be completed. All relevant shipping charges would also be included in the chargeback.

Procedure to send out Products for Outside Rework (for washing or distressing)

To send out the product for rework, whether it is for distressing or washing, merchants must determine if the style number of the proposed rework item will be changed. If so,

- Style changes must be created (updated) in SAP.
- New POs should not be created in SAP for these existing items.
- Merchants must provide the vendor with the old/existing PO number as a "reference number – to be included on the vendor's invoice. If a PO gets created, it will duplicate the inventory on hand.
- Merchants will need to create (update) the new price in SAP.
- Once it has been determined what vendor will be assigned the rework project, production must alert the warehouse of the following: complete vendor address, contact information, phone, and e-mail address. Along with any shipping instructions and shipping account information.
- The vendor should be copied on all correspondence for the project.
- The vendor must submit an invoice to J.CREW with the old PO # (reference) and pricing.
- Invoice must be submitted to PO Box 1027.
- Upon receipt of the invoice, A/P will park in the A/P system and submit the invoice for coding & approval.

New price tickets will need to be created. The warehouse can help to facilitate this. You will need to determine if the warehouse will be putting on new price tickets or if the vendor is to do this directly (for a small fee). Also, for

direct business, if the style number changes, this change will need to be reflected on the polybag sticker.

Vendors will have to invoice J.Crew for any rework projects. There is specific coding that must be adhered to for these types of projects.

Please contact your A/P representative for details and further instructions.

***RATE CHANGE EFFECTIVE AS OF SPRING 2008**

Refurbishing / Sort	Cost / Unit USD $
Visual Inspection	$2.00
Measurement to a single point	$1.50
Measurement to full spec	$5.00
Remove | Attach the label	$1.25 minimum
Remove | attach button	$1.00 minimum
Hand Trim Threads	$1.50 minimum
Dry Clean	$6.00 minimum
Steam Tunnel Press	$2.50 minimum
Hand Press	$3.50 minimum
Tumbling	$1.25 minimum
Attach Hang Tags	$0.75 minimum
Change Hanger | Auto Bag	$0.50
Remove | Add Paper Bands	$0.50
Re-Label Color Codes | SKU | Barcodes | Bags	$0.50
Spot Clean Shoes	$2.00
Repair Shoes	$2.00 minimum
Open Seams	$5.00 minimum

Note that the above charges are quality control costs and have no relation to non-compliance chargebacks imposed by warehouse receiving.

WORKMANSHIP STANDARDS

The following defect classification guide outlines general workmanship, construction, fabric, finishing, and labeling defects that would render a garment unsaleable at J.Crew. J.Crew will inspect garments utilizing zoning as well as major and minor ratings. In general, zone A refers to the top 2/3 of an

item front and back. Zone B refers to the bottom third of the garment. Please refer to the enclosed illustrations.

FABRIC	ZONE A	ZONE B
Substituted, not matching approved swatch	Major	Major
Hand not matching swatch	Major	Major
Color, not matching approved swatch	Major	Major
Holes	Major	Major
Slubs out of agreed range	Major	Major
Knots up to 0.25"	Major	Major
Knots greater than 0.25"	Major	Major
Snags	Major	Major
Runners	Major	Major
Barre	Major	Major
Needle Streaks	Major	Major
Bald spots in brushed, peached, or napped goods	Major	Major
Poor print registration	Major	Major
Crack marks	Major	Major
Rope marks	Major	Major
Bleach spots	Major	Major
Dye streaks, uneven dye, smears	Major	Major

CONSTRUCTION	ZONE A	ZONE B
Seam substitution	Major	Major
Seam grin	Major	Major
Stitch count +/- 2 then specified	Major	Major
Stitch margin greater then 0.125" from edge lines	Major	Major
Broken stitches	Major	Major
Needle cuts	Major	Major
Open seams	Major	Major
Poor repair	Major	Major
Run off stitches up to 0.25"	Major	Major
Run off stitches greater than 0.25"	Major	Major
Seam pucker	Major	Major
Raw edges > 1/8"	Major	Major
Threads > 1/4" maximum of 2	Major	Major
Uneven pleating, shirring	Major	Major
Poor fusing	Major	Major

GARMENT APPEARANCE	ZONE A	ZONE B
Burn, scorch, pressing marks	Major	Major
Poor pressing, wrinkling	Major	Minor
Soilage, Stains up to 0.125"	Major	Minor
Soilage, Stains greater than 0.125"	Major	Major
Shaded components	Major	Major
Unbalanced patterns	Major	Major
Uneven collar points	Major	-------
Uneven sleeve, leg lengths	Major	-------
Uneven, roped hems	Major	-------
Bowed/ Skewed fabrics, stripes 1/4" max.	Major	-------
Side seam skew 3% of body length max.	Major	-------
Uncut buttonhole(s)	Major	-------
Untrimmed buttonhole(s)	Major	Minor
Misplaced buttonhole(s)	Major	-------
Missing button(s)	Major	-------
Broken, chipped button(s)	Major	-------
Non-functional closures	Major	-------
Exposed zipper tape	Major	-------
Uneven pockets	Major	-------
Uneven darts	Major	Major
Crooked, missing belt loops	Major	Major
Missing, incorrect, illegible labels.	Major	-------
Odors emanating from garment	Major	-------
PACKAGING	**ZONE A**	**ZONE B**
Crushed, broken boxes	Major	
Incorrect information on package	Major	
Torn, stained packaging	Major	
Fold not as prescribed	Major	
Incorrect, missing hanger	Major	

FABRIC INSPECTION

STANDARD OPERATING PROCEDURE FOR FABRIC INSPECTION STANDARDS:

The following fabric grading and inspection standards are to be used for all J.Crew fabric deliveries. The standards are reasonably defined for apparel products in accordance with current industry standards. In the event that these standards can not be achieved, the mill or its appointed representative should promptly notify **Susan.Matteo@jcrew.com** as to a special qualification standard.

All fabric inspections conducted for and by J.Crew are guided by the 4 Point System as endorsed by the American Apparel Manufacturers Association. It is derived from the basic grading rule that a maximum of four penalty points can be assessed for any single defect and that no linear yard can be assessed more than four points regardless of the number of defects within that yard.

It is important to remember that the fabric is graded without relation to the finished product. It is expected to meet the acceptable point count limits as pre-determined by J.Crew, any deviation to these limits must be evidenced in writing to **Susan.Matteo@jcrew.com**

INSPECTION CONDITIONS

- All fabrics are to be graded from a distance of three (3) feet while running face up over an inspection frame. The frame should be illuminated by a minimum of two; forty-watt fluorescent lights as well as have backlighting capabilities.
- Maximum inspection speeds should be compatible with the inspector's ability but not to exceed twenty (20) yards per minute.

PENALTY POINT EVALUATION

Defects in both the warp/fill and course/wale direction are assigned points as follows:

1 Point - Defects up to 3"
2 Points - Defects greater than 3" but less than 6"
3 Points - Defects greater than 6" but less than 9"
4 Points - Defects greater than 9"

All severe defects are assigned the maximum penalty of 4 points. (i.e., A hole regardless of size is always 4 points.) Continuing conditions such as barre, uneven finishing, or side to side shading are assigned 4 points per linear yard.

Point Calculation

Calculations are based upon a square yard computation using the following formula:

$$\text{Points / 100 Square Yards} = \frac{\text{Total Points} \times 3600}{\text{Inspected Yards} \times \text{Ticketed Fabric Width}}$$

ACCEPTABLE POINT COUNT LEVELS

Any individual roll with point count levels that exceed J.Crew requirements shall be graded as second quality and removed from the shipment. A shipment will fail if the shipment point count exceeds the specified level. Due to the continuous complexity of fabric and finishing, we have classified fabrics into levels by construction. If construction is not listed, acceptable point counts should be negotiated at the time of purchase.

LEVEL	ROLL	SHIPMENT
Level 1 Tailored Suiting Fancy Shirting Worsteds	15 Pts. /100 Sq.Yds	10 Pts. /100 Sq.Yds
Level 2 Denims Twills Canvas Oxford Shirting	20 Pts. /100 Sq. Yds	12 Pts. /100 Sq.Yds
Level 3 All Silks Stretch Fabrics Plain Weave Fabrics	23 Pts. /100 Sq.Yds	15 Pts. /100 Sq.Yds
Level 4 Corduroy Velvet Circular Knits	28 Pts. /100 Sq.Yds	20 Pts. /100 Sq.Yds
Level 5 Linens	40 Pts. 100 Sq. Yds	32 Pts. / 100 Sq. Yds
Level 6 Madras Hand Weaves	50 Pts. /100 Sq.Yds	40 Pts. /100 Sq.Yds

INSPECTION QUANTITIES

The minimum quantity of material inspected for each color/pattern is as follows.

LOT SIZE	INSPECTION QUANTITY
Up to 2500 Yds.	100%
2501 - 5000 Yds	20%
5001 - 20,000 Yd	10%

Rolls will be randomly selected by the inspector.

FABRIC WIDTH

Cuttable fabric width will be checked a minimum of three times during the inspection of any roll. Rolls less than the contracted cuttable width will not be accepted.

SHADE LOT MATCHING

Each mill is required to sort and group all shipments by shade lot. ***Maximum shade lots generally should not exceed three groups***. Each shade group's tolerance should be measured against the approved standard and shall not exceed an AATCC gray scale rating of Class 4 - 5.

If utilizing color spectrophotometer readings, the following guidelines must be adhered to:

- **Hardware:** Close tolerance spectrophotometer
- **Color Difference Formula:** Results given in LCH (Lightness, Chroma, Hue)
- **Light Source Evaluation:** Primary: D65, Secondary: Inca-Store Light
- **Option Settings:** UV included, Specular included, 10-degree standard observer
- **Sample Presentation:** Small aperture Color Tolerance: delta E 1.0

VISUAL ASSESSMENT

Please refer to the Lab Dip department manuals for complete details of proper lightbox settings for review and assessment. They are located in the download area of the Packing List Section in jcrewimports.com (same area as the vendor manual). Documents to reference are Color Process Vendor Manual and Lab Dip Services Manual.

The inspector must take full-width shade swatches (max. 12") from each roll/shade group inspected. Rolls that exhibit side to side or end to end shading exceeding Class 4 - 5 will not be accepted.

Roll Length

Rolls that deviate more than 2% from the stated length on the roll ticket will be rejected.

SPLICES

Maximum splices per roll: 3, with a minimum of 20 yards in length.

BOW/BIAS

Fabric Width	Solids	Stripes
45"	1.0"	0.75"

60"	2.0"	1.50"
90"	3.0"	2.00"

FABRIC WEIGHT

Fabric weight will be checked a minimum of two times per inspection using ASTM / AATCC approved punches and scales.

FABRIC ODORS

No rolls will be accepted that exhibit objectionable odors.

AUDIT FORMAT

The enclosed format must be utilized for all J.Crew inspection audits. Results should be communicated upon completion of the audit. If the audit meets all criteria, the order can be released upon the factory's signature and J.Crew's representative. Hard copy results, including shade swatches, should be sent to J.Crew Production in New York within three working days.

FAILED AUDITS

If the fabric fails the inspection, the shipment will be held at the mill, pending notification to J.Crew. Hard copies and swatches must be sent to J.Crew Production in New York. At the discretion of J.Crew, the mill will be required to 100% re-inspect and provide full documentation or a cut map as to the extent of damages in the lot. Once corrective actions have been taken, the lot would be subjected to re-inspection by J.Crew or its designated inspector at the mill's expense.

The inspection and release of fabric by J.Crew or its designated inspection services do not release the fabric supplier or its representative from any claims due to defective fabric not quantified through inspection.
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