

**Company Name** Carter's  
**Industry** Apparel (Supply Chain only)  
**Overall Score (\*)** 11.3 out of 100

Theme Score	Out of	For Theme
1.4	10	A. Governance and Policies
2.0	25	B. Embedding Respect and Human Rights Due Diligence
3.8	15	C. Remedies and Grievance Mechanisms
0.6	20	D. Performance: Company Human Rights Practices
2.3	20	E. Performance: Responses to Serious Allegations
1.3	10	F. Transparency

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: General HRs commitment: The Company commits in the code to 'respect the human rights of all people throughout the world'. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: UNGPs</li> <li>Not met: OECD</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: ILO Core: No public evidence found of commitment to ILO Declaration. It does mention 4 of their principle but not the right to Collective Bargaining. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> <li>Not met: UNGC principles 3-6</li> <li>Not met: Explicitly list ALL four ILO for AP suppliers: Although the rights mentioned apply for suppliers, It does not mention the right to Collective Bargain. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a> &amp; Social compliance policy, N/A: <a href="http://jayjaymills.com">jayjaymills.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Explicit commitment to All four ILO Core: As indicated above, no evidence found of the Company committing to respect the right to collective bargaining. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> <li>Met: Respect H&amp;S of workers: The code states that 'Maintaining a safe and healthy work environment is a priority at Carter's. We must all abide by the safety</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>rules, instructions, policies, and procedures in place at each of our facilities. In addition, we must all know and follow any safety-related laws and regulations that apply to our jobs'. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: H&amp;S applies to AP suppliers: There is a commitment that outlines standards of health and safety for its suppliers. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> <li>• Not met: working hours for workers</li> <li>• Not met: Working hours for AP suppliers: The social compliance policy states that 'vendors must establish a work schedule that is consistent with applicable legal requirements and must grant at least one-day rest period as part of the regular weekly work schedule'. However, no further details found as to whether work schedules must align with ILO standards regarding working hours. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a> &amp; Social compliance policy, N/A: <a href="http://jayjaymills.com">jayjaymills.com</a>]</li> </ul>
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's Rights</li> <li>• Not met: Children's Rights</li> <li>• Not met: Migrant worker's rights</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Respecting the right to water</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to stakeholder engagement</li> <li>• Not met: Regular stakeholder engagement</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Met: Regular stakeholder design engagement: The Company states that 'At least annually all relevant Carter's stakeholders review and evaluate our entire sourcing strategy to identify areas of increased risk, such as political instability, unfavorable economic conditions, international events, and new foreign regulations to identify potential issues, and then we adjust our plans and audits accordingly'. [California Transparency in supply chains act; UK Modern slavery act, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> </ul>
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy: No evidence found of commitment to remediation. It only mentions that it prefers to work together with the supplier to address concerns rather than terminating relationship in the context of compliance monitoring. [Social compliance policy, N/A: <a href="http://jayjaymills.com">jayjaymills.com</a> &amp; Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives: It does not show commitment, although it does say that it favours working with its business partners to address concerns rather than terminating the relationship. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> <li>• Not met: Work with AP suppliers to remedy impacts</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs)</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Expects AP suppliers to reflect company HRD commitments</li> </ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: CEO or Board approves policy: The Company's code of conduct contains the commitment on human rights and is prefaced and signed by the CEO. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</li> <li>• Not met: Board level responsibility for HRs</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Board/Committee review of salient HRs • Not met: Examples or trends re HR discussion Score 2 • Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Incentives for at least one board member • Not met: At least one key AP HR risk, beyond employee H&S Score 2 • Not met: Performance criteria made public

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Commits to ILO core conventions • Not met: Senior responsibility for HR Score 2 • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility for AP in supply chain
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Senior manager incentives for human rights • Not met: At least one key AP HR risk, beyond employee H&S Score 2 • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: HR risks is integrated as part of enterprise risk system Score 2 • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Commits to ILO core conventions: See indicator A.1.2 • Not met: Communicates its policy to all workers in own operations Score 2 • Not met: Commits to all 4 ILO core conventions: See indicator A.1.2 • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Commits to all 4 ILO core conventions for suppliers • Not met: Communicating policy down the whole AP supply chain • Met: Requiring AP suppliers to communicate policy down the chain: The Social compliance policy states that 'to ensure compliance with our standards, each vendor agrees to require all of its officers and employees responsible for or involved with the implementation of compliance procedures to review, familiarize themselves with, and conduct themselves according to these standards'. In addition, the Company states that it has a supplier training programme 'which is updated and communicated annually during our global supplier summit'. The Social compliance policy states that 'any subcontractor used by a vendor must comply with the same requirements required of the vendor's themselves. The vendor will be responsible for ensuring such compliances'. [Social compliance policy, N/A: <a href="http://jayjays.com">jayjays.com</a> ] Score 2 • Not met: How HR commitments made binding/contractual: The Company states that suppliers are 'required to contractually agree to follow the Policy and to ensure that their sub-suppliers comply as well'. Even if the actual policy is not included in the agreement (and just the obligation of complying with it), the policy is communicated based on the evidence above. [California Transparency in supply chains act; UK Modern slavery act, 25/02/2019: <a href="http://carters.com">carters.com</a> ]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Including on AP suppliers</li> </ul>
B.1.5	Training on Human Rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• Met: Trains all workers on HR policy commitments: It is stated in the California Transparency in Suppliers Act that "Code of Ethics training and certification of compliance is conducted annually for all Carter's employees, business partners, vendors, and suppliers. Additionally, our Corporate Social Responsibility, Quality Assurance, Sourcing, Supply Chain and Merchandising teams who regularly engage with suppliers receive at least annual training on our Social Responsibility Policy." [California Transparency in supply chains act; UK Modern slavery act, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> <li>• Met: Trains relevant AP managers including procurement: Merchandising, Sourcing and Supply Chain teams are trained on our social responsibility program to enhance program awareness and foster more active engagement. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• Not met: Monitoring implementation of HR policy commitments: It says that the monitoring of its supply chain is done y external auditors. It does not mention how their businesses are monitored when it comes to human rights. [Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> <li>• Met: Monitoring AP suppliers: The Company states that 'audits are conducted on an announced and semi-unannounced basis, and we retain the right to conduct unannounced audits at any time. Generally, we conduct about 400 audits in 20 countries each year'. [Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a> &amp; California Transparency in supply chains act; UK Modern slavery act, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Not met: Describes corrective action process</li> <li>• Not met: Example of corrective action</li> <li>• Not met: Discloses % of AP supply chain monitored</li> </ul>
B.1.7	Engaging business relationships	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR affects AP selection of suppliers: In the document California Transparency in Supply Chain Act the company states that 'In addition to our Code of Ethics and Social Responsibility Policy that our suppliers contractually agree to follow, Carter's implemented a supplier onboarding program, which outlines the requirements for existing and new suppliers. As part of this onboarding program, Carter's evaluates the background, reputation, quality, social compliance and other factors of each new supplier prior to engagement'. [Carter's Code of Business Ethics and Professional Conduct, 01/03/2019: <a href="http://sec.gov">sec.gov</a> &amp; California Transparency in supply chains act; UK Modern slavery act, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> <li>• Met: HR affects on-going AP supplier relationships: It is stated that after a human rights issue is identified, in general, the company prefers to work with Suppliers to address concerns rather than terminating the relationship (...). However, if the Supplier fails to demonstrate improvement, it reserves the right to terminate the business relationship with that Supplier. [Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirement under score 1 met</li> <li>• Not met: Working with AP suppliers to improve performance</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Stakeholder process or systems</li> <li>• Not met: Frequency and triggers for engagement</li> <li>• Not met: Workers in AP SC engaged</li> <li>• Not met: Communities in the AP SC engaged</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations</li> <li>• Not met: Identifying risks in AP suppliers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context)</li> <li>• Not met: Public disclosure of salient risks</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including in AP supply chain</li> <li>• Not met: Example of Actions decided</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including AP suppliers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

## C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: In the Code of Ethics, the company indicates two different channels to receive complaints and concerns about the company. 'Additionally, you may always ask any question or raise any concern anonymously through the Carter's Ethics and Compliance Hotline'. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved</li> <li>• Not met: Channel is available in all appropriate languages: It is stated in the Code of Ethics that If you work in another country, you can find the appropriate toll-free phone number at the back of this book. Regardless of your location, you may also access the Hotline via the Internet. However, no evidence found about other languages available. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a> &amp; Carter's ethicspoint (third party location), 25/02/19: <a href="http://secure.ethicspoint.com">secure.ethicspoint.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Opens own system to AP supplier workers: The Company states that 'employees, customers, business partners, shareholders, and other interested parties should feel comfortable asking questions and raising concerns'. The Company has an EthicsPoint available on the website. [Business Ethics, Financial ad Accounting Hotline, 01/03/2019: <a href="http://corporate.carters.com">corporate.carters.com</a> &amp; Carter's ethicspoint (third party location), 25/02/19: <a href="http://secure.ethicspoint.com">secure.ethicspoint.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The company's alert line can be accessed by anyone who wishes to raise a complaint against the company. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a> &amp; Carter's ethicspoint (third party location), 25/02/19: <a href="http://secure.ethicspoint.com">secure.ethicspoint.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages: Although the channel is available online, no evidence found of availability in local languages for all stakeholders. [Business Ethics, Financial ad Accounting Hotline, 01/03/2019: <a href="http://corporate.carters.com">corporate.carters.com</a> &amp; Carter's ethicspoint (third party location), 25/02/19: <a href="http://secure.ethicspoint.com">secure.ethicspoint.com</a>]</li> <li>• Met: AP supplier communities use global system: Although business partners' communities not explicitly mentioned, anyone can access the company's alert line, which is available online. [Business Ethics, Financial ad Accounting Hotline, 01/03/2019: <a href="http://corporate.carters.com">corporate.carters.com</a> &amp; Carter's ethicspoint (third party location), 25/02/19: <a href="http://secure.ethicspoint.com">secure.ethicspoint.com</a>]</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system</li> <li>• Not met: Description of how they do this</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: AP suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Met: How complainants will be informed: The Code states that users of the hotline 'are assigned an identification number and security code so that they can follow up on their report later'. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Escalation to senior/independent level [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public statement prohibiting retaliation: It is stated in the Code of Ethics that 'Carter's will neither accept nor tolerate any form of retaliation. Carter's prohibits retaliation against anyone for making a report in good faith involving an actual or potential violation of our Code, our policies, or the law. You should feel comfortable reporting concerns without fear of negative consequences, regardless of who may be implicated in your report. If you report an issue based on an honest belief, question, or concern, you will be protected from retaliation in any form' - [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</li> <li>• Met: Practical measures to prevent retaliation: The hotline accepts anonymous reporting of concerns. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects AP suppliers to prohibit retaliation</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse impacts and	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided</li> <li>• Not met: Says how it would remedy key sector risks</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	incorporating lessons learned		Score 2 <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

### D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts: In the document Compliance Policy, it is stated that 'Carter's requires vendors to pay employees in accordance with the applicable legal requirements of the State or Country of manufacture, including all regulations pertaining to minimum wage'. However it does not specify that it includes a living wage requirements, covering basic needs of employee and families plus some discretionary income. [Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Improving living wage practices of suppliers</li> </ul>
D.2.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Avoids business model pressure on HRs</li> <li>• Not met: Positive incentives to respect human rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
D.2.3	Mapping and disclosing the supply chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Identifies suppliers back to product source</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why</li> </ul>
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Child Labour rules in codes or contracts: In its Compliance Policy, the company states that 'Carter's will not tolerate child labour under any circumstances. Carter's will not do business with a vendor that employs individuals who are under the minimum age required by applicable law in the State or Country of manufacture, and in no event will Carter's do business with a vendor that employs individuals under 16 (sixteen) years of age'. However, it does not disclose its child labour guidelines (including verifying the age of job applicants and workers and remediation programmes) or its contractual arrangement with suppliers or supplier code of conduct. [Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on child labour</li> </ul>
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Debt and fees rules in codes or contracts: In the Code of Ethics the company claims that 'Carter's does not condone or permit the use of child, forced, or involuntary labor in any of our operations. We will only do business with suppliers and other business partners who have a similar commitment to human rights'. However, it does not disclose its debt bondage guidelines (including refraining from imposing any financial burdens on workers by withholding wages or expenses including recruitment fees and related recruitment costs) in its contractual arrangements with its suppliers or supplier code of conduct. [Code of Ethics: <a href="http://ir.carters.com">ir.carters.com</a> &amp; Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on debt &amp; fees</li> </ul>
			Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Free movement rules in codes or contracts: In the document California Transparency in Supply Chain Act, the company states that 'Carter's also established a Social Responsibility Policy, which prohibits human rights abuses, such as human trafficking, forced labor, slave labor, physical abuse, restricting worker's freedom of movement,(...). Suppliers are required to contractually agree to follow the Policy and to ensure that their sub-suppliers comply as well. This Policy also requires suppliers to comply with local laws in the countries where they operate'. However it does not have specific guidelines for these contracts. It does not mention refraining from restricting workers' movement through the retention of passports or other personal identification or travel documents or bank payment or similar arrangements for accessing wages or other measures to physically restrict movement. [California Transparency in supply chains act; UK Modern slavery act, 25/02/2019: <a href="http://carters.com">carters.com</a> &amp; Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: FoA &amp; CB rules in codes or contracts: The company acknowledge the right of freedom of association but not of collective bargaining in its policy. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a> &amp; Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> <li>• Not met: How working with suppliers on FoA and CB</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Sets out clear Health and Safety requirements: The Social compliance policy contains health and safety requirements, including safe and clean productive environment, allow access to medical treatment and provide first aid facilities, fire exits, safe equipment, etc. [Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a> &amp; Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a>]</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.8.b	Women's rights (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's rights in codes or contracts: The document Equal Employment Policy stated that 'In addition to sex discrimination prohibited by Title VII of the Civil Rights Act, as amended, the Equal Pay Act of 1963, as amended, prohibits sex discrimination in the payment of wages to women and men performing substantially equal work, in jobs that require equal skill, effort, and responsibility, under similar working conditions, in the same establishment'. However, it does not include women's rights requirements, including the provision of equal pay for equal work, and measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women workers, in its contractual arrangements with its suppliers or in its supplier code of conduct. [Equal Employment Opportunity is the law, 11/09: <a href="http://dol.gov">dol.gov</a>]</li> <li>• Not met: How working with suppliers on women's rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.9.b	Working hours (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Working hours in codes or contracts: The social compliance policy states that 'vendors must establish a work schedule that is consistent with applicable legal requirements and must grant at least a one-day rest period as part of the regular weekly work schedule'. However, no details found on requirements to international standards on maximum working hours, including overtime. [Social compliance policy, N/A: <a href="http://jayjaysmills.com">jayjaysmills.com</a> &amp; Our Commitment to Social Responsibility, 25/02/2019: <a href="http://carters.com">carters.com</a>]</li> <li>Not met: How working with suppliers on working hours</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends in progress made</li> </ul>

### E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 9.01 out of 80 points scored in themes A-D & F has been applied to produce a score of 2.25 out of 20 points for theme E.

### F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.3 out of 4	Out of a total of 40 indicators assessed under sections A-D of the benchmark, Carter's made data public that met one or more elements of the methodology in 13 cases, leading to a disclosure score of 1.3 out of 4 points.
F.2	Recognised Reporting Initiatives	0 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Company reports on GRI</li> <li>Not met: Company reports on SASB</li> <li>Not met: Company reports on UNGPRF</li> </ul>
F.3	Key, High Quality Disclosures	0 out of 4	<p>Carter's met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> <li>Not met: Score 2 for A.2.2 : Board discussions</li> <li>Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> <p>Discussing challenges openly</p> <ul style="list-style-type: none"> <li>Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> <p>Demonstrating a forward focus</p> <ul style="list-style-type: none"> <li>Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>Not met: Score 2 for B.1.2 : Incentives and performance management</li> </ul>

#### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.