

Carter's Inc.

TICKER
NYSE:CRI

MARKET CAPITALIZATION
US\$6 billion

HEADQUARTERS
United States

COMPLIANCE

UK Modern Slavery Act: [Voluntary disclosure](#)

California Transparency in Supply Chains Act: [Yes](#)

COMMITMENTS

[None](#)

OVERALL RANKING

19 out of 43

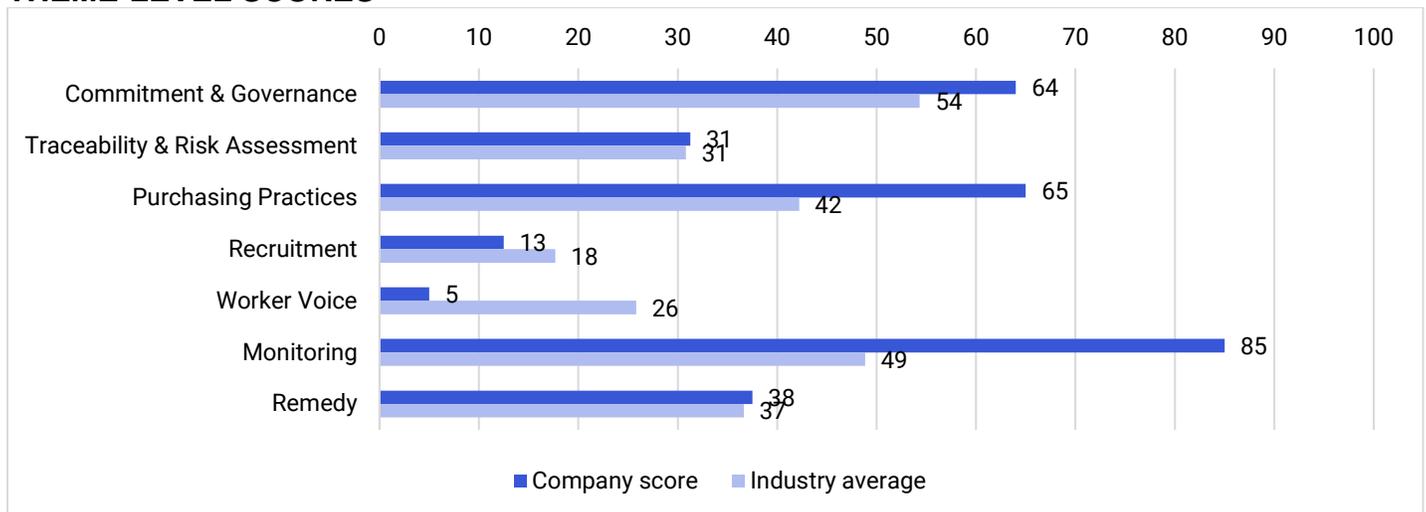
OVERALL SCORE

43 out of 100

SUMMARY

Carter's Inc. (Carter's), North America's largest branded marketer of young children's apparel,¹ ranks 19th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Recruitment and Worker Voice. It scores significantly higher than average on the theme of Monitoring, due to detailed disclosure of its audit process. The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Recruitment, and Worker Voice.

THEME-LEVEL SCORES



¹ Carter's (2017), "Annual report 2017," p. 6.

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance: Carter's discloses that it trains its employees on its supplier code of conduct addressing forced labor. The training includes employees from its corporate social responsibility, quality assurance, supply chain, and merchandising teams. It notes that it reinforces the requirements of its supplier code of conduct at supplier conferences and at annual CSR training for its suppliers delivered at summits, or in one-to-one sessions with suppliers.

Purchasing Practices: Carter's reports that it integrates its suppliers' audit data into its sourcing decisions, such that those suppliers that perform more strongly against social standards are awarded long-term business. Furthermore, the company participates in the ILO's Better Work program and, as such, is required to refrain from reducing or terminating orders at factories which are found to be non-compliant (provided factories make sufficient progress) and to review internal buying practices that may impact suppliers' compliance.

Monitoring: Carter's discloses that its supplier audit program includes a review of documentation, interviews with workers comprising approximately 10% of the workforce of the factory, and visits to worker accommodations. It reports that around 35% of these audits are unannounced and that it conducts 400 audits per year in 20 countries, which comprises 100% of disclosed supplier factories.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor and human trafficking, and information on its suppliers' workforce.

Recruitment: To avoid exploitation of migrant workers in its supply chains, the company may consider requiring that workers in its supply chains are not charged fees during any recruitment-related process. The company is encouraged to require that such fees be paid by the employer (Employer Pays Principle) and, where such fees have been paid by its suppliers' workers, to ensure that the fees are reimbursed to the workers.

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes](#), including [information on the company's business model](#).