

Carter's Inc. (Carter's)

TICKER
NYS:CRI

MARKET CAPITALISATION
US\$3.93 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
Australia Modern Slavery Act: Not applicable

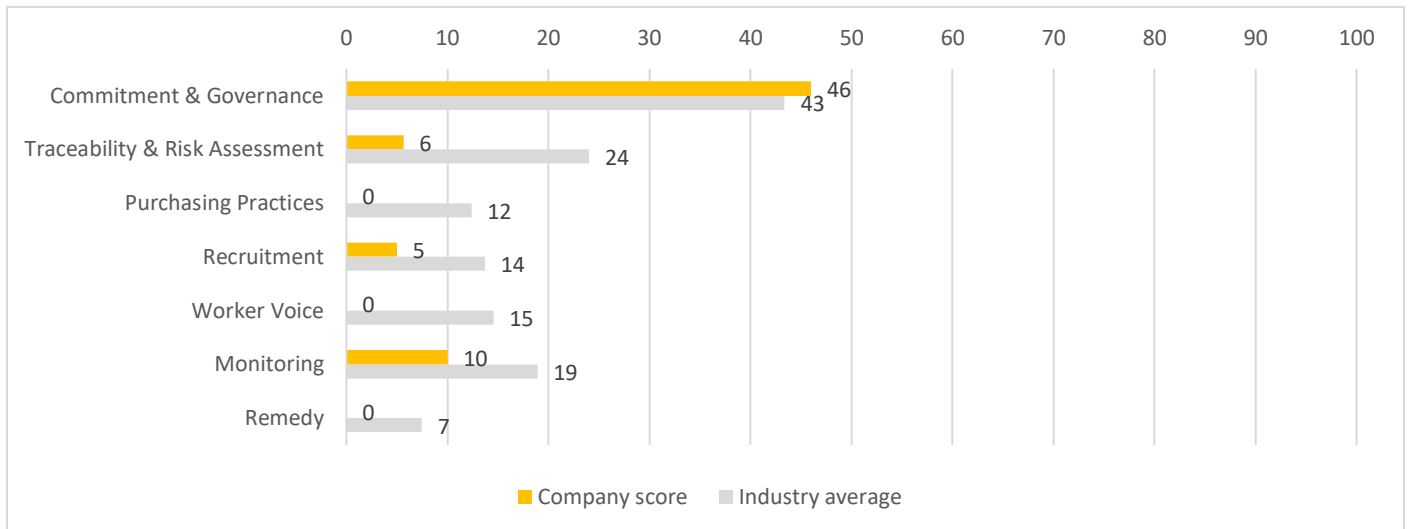
OVERALL RANKING

42 out of 65

[2021 Rank:](#) 24 out of 37

OVERALL SCORE

11 out of 100

THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST
 No

RISK ASSESSMENT
 No

DATA ON PURCHASING PRACTICES
 No

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes

REMEDY FOR SUPPLY CHAIN WORKERS
 No

HIGH-RISK RAW MATERIALS¹
 Cotton, viscose

SUMMARY

Carter's Inc. (Carter's), North America's largest branded marketer of children's apparel,³ ranks joint 42nd out of 65 companies. Since 2021, the company improved by disclosing a list of sourcing countries for 94% of its cotton fiber volume, providing limited information on the forced labour risks it identified in its supply chains, and introducing, in its CSR policy, a prohibition on the charging of recruitment-related fees to suppliers' workers. However, the company does not seem to have taken further steps since 2021 to strengthen its performance and disclosure on forced labour issues within its supply chains. As such, it was overtaken by other companies in the benchmark that presented stronger disclosure, and its rank has dropped by 18 places.⁴ The company scores slightly higher than average on the theme of Commitment & Governance, disclosing a supplier code covering forced labour, internal managerial responsibility for and board oversight over its implementation, and training for relevant decision-makers within the company, but lower than average on other themes.

KnowTheChain identified one allegation of forced labour in the company's supply chains, related to alleged Uyghur forced labour. The company does not disclose the steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers.

The company has an opportunity to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Worker Voice.

LEADING PRACTICES

None.

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, and the names and locations of below-first-tier suppliers. The company is further encouraged to disclose its process for assessing human rights risks in its supply chains, including the sources and stakeholders consulted, as well as the forced labour risks identified across different tiers of its supply chains.

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment, and disclose quantitative data evidencing the implementation of responsible purchasing practices. The company may further consider ring-fencing labour costs such that they are not impacted during pricing negotiations. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Worker Voice: The company is encouraged to clearly signpost a formal grievance mechanism open to supply chain workers and their labour representatives to report grievances regarding labour conditions in its supply chains, and to communicate it to suppliers' workers and other relevant stakeholders (e.g. worker organisations or labour NGOs). Further, the company may consider disclosing data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved. To evidence its commitment to improving working conditions, the company is further encouraged to engage with to work with local or global trade unions to support freedom of association in its supply chains, and, to guarantee such protections, it may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark findings report.

² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

³ Business Wire (13 April 2021), "[Carter's Launches First Children's Clothing Recycling Program With TerraCycle®.](#)"

⁴ KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. In addition, the number of companies assessed in the ranking has increased from 37 in 2021 to 65 in 2023. See [here](#) for more information.