



Transparency in Supply Chain Statement
Child Labor, Forced Labor, Modern Slavery and Human Trafficking
Reporting for FY 2023

I. INTRODUCTION

Carhartt is committed to conducting business in a fair and ethical manner. Carhartt's Global Social Responsibility Department's Mission is, "To serve and protect the hardworking people who make our products". Consistent with this Mission, Carhartt has established this Code of Conduct as a minimum set of standards for Carhartt suppliers. Carhartt's Code is based on internationally accepted labor standards, including the International Labor Organization's Core Conventions and the Universal Declaration of Human Rights. While this Code establishes minimum standards, Carhartt aspires to partner with companies that share Carhartt's corporate values and are committed to continuous improvements as it relates to social and environmental practices. Details of Carhartt's Global Social Responsibility program including policies can be found in [Carhartt's Global Social Responsibility Supplier Manual](#).

This statement generally discusses Carhartt's efforts to address child labor, forced labor, modern slavery, and human trafficking and is developed in compliance with the following global transparency act(s). Specifically, this statement pertains to the business fiscal year spanning from July 1, 2022, to June 30, 2023.

- **Canadian Fighting Against Forced and Child Labor in Supply Chains Act 2023**
On May 3, 2023, Canada passed its first reporting legislation for modern slavery and child labor, the Fighting Against Forced Labor and Child Labor in Supply Chains Act (the Act). The Act (Bill S-211) forms part of an increasing response from the Government of Canada on business and human rights considerations, and in particular human rights in supply chains. It aims to increase industry awareness and transparency and drive businesses to improve practices.
- **UK Modern Slavery Act 2015**
On March 26, 2015, the Parliament of the United Kingdom intends to combat modern slavery in the UK and consolidates previous offenses relating to trafficking and slavery. It requires those entities conducting business in the UK that meet specific criteria to disclose information about their actions taken to combat slavery and human trafficking within their supply chains during the previous year.
- **California Supply Chain Transparency Act 2010**
In September of 2010, the state of California enacted legislation requiring all companies doing business in the state to disclose information on the actions being taken to address the risks of human trafficking and slavery in their global supply chains.

II. COMPANY OVERVIEW

Carhartt, Inc. is an American apparel company founded in 1889, known as a manufacturer and retailer specializing in workwear and outerwear for both men and women. Carhartt remains a family-owned company, owned by the descendants of founder Hamilton Carhartt, with its headquarters in Dearborn, Michigan. The company provides a wide range of products, including rugged work jackets, overalls, pants, vests, jeans, dungarees, fire-resistant clothing, and durable accessories, thus it caters to industries such as construction, agriculture, manufacturing, and outdoor professions. Industries make use of the company's workwear and outerwear to ensure the comfort and safety of workers in demanding environments as these rugged garments offer protection from harsh conditions.

III. CARHARTT SUPPLY CHAIN AND STRUCTURE

Carhartt designs merchandise and relies on internal manufacturing and 3rd party suppliers to manufacture goods that meet the company's high-quality standards for its workwear. Carhartt also has Licensees that manufacture certain product categories who must also follow the same requirements.

In 2023, Carhartt's supply chain consisted of direct finished goods factories and material suppliers ranging across (29) countries. A list of direct finished goods factories is updated regularly and published on Carhartt's website alongside a [map](#).

IV. CARHARTT POLICY ON CHILD LABOR, FORCED LABOR, SLAVERY, AND HUMAN TRAFFICKING

Carhartt prohibits all forms of child labor, forced labor, slavery, trafficked labor, or labor otherwise obtained by force, fraud, or coercion -- indentured, bonded, or otherwise in the supply chain. Per requirements, Carhartt suppliers will not hire employees under the age of 15, or under the age interfering with compulsory schooling, or under the minimum age established by law, whichever is greater. Suppliers must maintain official and verifiable age documentation for each worker.

Carhartt has joined with many other brands in pledging to not knowingly use cotton or cotton-based products that use human trafficking, forced or child labor in any part of the supply chain. There is sufficient evidence that cotton grown in certain regions of the world uses human trafficking, child or forced labor in the growing or harvesting of cotton. Based on this evidence and due to legal requirements, Carhartt has decided that it will not source cotton, yarn, or fabrics from these regions.

If any supplier is found to be out of compliance with Carhartt's Code of Conduct, appropriate remedial actions are taken. While Carhartt prefers to work with suppliers to improve conditions in the factory, violations involving forced labor, child labor, human trafficking, or slavery are classified as "zero tolerance" issues that must be immediately corrected with long-term corrective actions implemented (approved and monitored by Carhartt) or Carhartt will terminate the contractual relationship.

Carhartt's requirements for suppliers are contained in the [Supplier Code of Conduct](#), which can be found on Carhartt's website.

V. AUDITS

Certification audits are conducted by reputable third-party assessment firms and are typically unannounced within a 15 to 30-day window. These audits evaluate present factory conditions as well as the policies, procedures and management systems that are necessary for ongoing compliance. Carhartt's Onsite Verification Assessments are conducted by Carhartt's Global Social Responsibility team (or contractors hired to act as representatives for Carhartt) and use a combination of announced and unannounced visits. These assessments are used to verify the information in the certification audits, assess the factory's overall compliance to Carhartt's requirements, and work directly with factories on any needed improvements.

VI. CERTIFICATION

Carhartt's Workplace Code of Conduct requires all suppliers to comply fully with all local laws, including those related to slavery and human trafficking. In the event local laws are not robust, Carhartt's Workplace Code of Conduct further prohibits suppliers from using "involuntary, prison or trafficked labor or labor otherwise obtained by force, fraud or coercion -- indentured, bonded or otherwise." Suppliers certify that they understand and comply with these expectations before starting Carhartt production and periodically thereafter.

VII. PROGRAM EFFORTS / MONITORING

To ensure suppliers are meeting these minimum standards, Carhartt has implemented a Two-Pillar approach for approving new suppliers and ensuring compliance of existing suppliers. This approach increases the ability to assess the supplier's compliance with the Code of Conduct, but more importantly, allows Carhartt to know where to work with suppliers to make improvements. The goal is to work closely with suppliers to make necessary improvements, either immediately or over time depending on the issue.

Carhartt's first pillar involves the supplier maintaining certification under an approved auditing program based on third-party certification of workplace conditions. Carhartt recognizes that some suppliers are audited for other customers under many different audit programs. As such, Carhartt is willing to accept specific auditing programs that meet the requirements outlined in Carhartt's Code of Conduct to reduce the number of audits being conducted and to allow factories to reduce expenses on audit programs. Carhartt only requires one first pillar program. The program currently recognizes a range of industry certifications, such as WRAP, BSCI, SMETA, FLA, BWP, and SLCP.

Carhartt's second pillar emphasizes the importance of fostering strong relationships with supply chain partners and working together with them to address any violations that may arise. Prior to production, and on an ongoing basis, an on-site verification assessment is conducted by Carhartt's Global Social Responsibility team. This assessment is conducted before any bulk purchase of Carhartt-branded raw materials and/or before the production of salesman samples. The assessment involves a visit by a member of the Global Social Responsibility team to verify the condition of the factory and to validate the results of the certification program used in the First Pillar. This assessment allows internal teams to identify any opportunities in which Carhartt can partner with the supplier to make necessary improvements for sustainable compliance with the Code of Conduct and verify any forms of child labor, forced labor, slavery, trafficked labor, or labor otherwise obtained by force, fraud, or coercion.

In 2023, Carhart's program conducted over 340 factory assessments. Throughout this timeframe, no instances of forced or child labor were uncovered.

VIII. REMEDIATION

Carhartt believes that the most effective way to address issues is by empowering suppliers to establish safe, compliant, and respectful workplaces for their employees. By maintaining open communication with suppliers and monitoring their efforts to eliminate human trafficking, modern slavery, forced labor, and child labor, the effectiveness of the initiatives are ensured.

Any findings not compliant with the Supplier Code of Conduct will result in a corrective action plan and closure of those findings with the focus on continuous improvement to bring about positive and lasting change. Suppliers can utilize Carhartt's resources, such as comprehensive guidance documents and extensive staff experience, to establish and execute these plans. While it is preferred to collaborate with suppliers to resolve issues, the right to end a supplier relationship is reserved in cases of severe or persistent non-compliance. Additionally, business partners are incentivized to adhere to labor standards and initiatives.

IX. TRAINING

Carhartt conducts regular training to internal employees and suppliers on the Company's Workplace Code of Conduct, including provisions related to child labor, forced labor, slavery, and human trafficking. A primary focus is to minimize the risks associated with the exploitation of workers, while also ensuring that all stakeholders possess a comprehensive understanding of the challenges and concerns of the supply chain.

Carhartt routinely informs internal supply chain and product development associates on policies and procedures concerning forced labor, child labor, slavery, and human trafficking. The training program covers a wide range of topics related to the potential risks linked to human trafficking, forced labor, and child labor in the apparel industry and supply chain. It also provides guidance on the appropriate internal procedures to follow when reporting any suspicious incidents.

X. EFFECTIVENESS OF ACTIONS

Numerous factors contribute to the effectiveness of Carhartt's program and its efforts combating child labor, forced labor, slavery, trafficked labor, or labor otherwise obtained by force, fraud, or coercion -- indentured, bonded, or other risk in the supply chain. Several of these attributes have already been outlined in this statement.

As previously stated, Carhartt maintains a dedicated Global Social Responsibility team that is passionate and committed to ensuring that individuals producing Carhartt products are treated with dignity and offered a safe working environment. The primary role of this team is to perform on-site visits to suppliers as part of the 2nd pillar process. During this process, Carhartt personnel can effectively communicate with the suppliers, ensuring that policies are conveyed and verified during the assessment process. This allows verification that the partner suppliers are adhering to the Supplier Code of Conduct. Carhartt believes that this process has played a significant role in evaluating the supply chain thoroughly and effectively preventing issues such as child labor, forced labor, slavery, trafficked labor, and other similar situations. Carhartt is achieving this objective

through active collaboration with key stakeholders, trade associations, and local non-governmental organizations (NGOs) to understand the risks encountered by the industry to ensure the program is current with any relevant laws, regulations or industry issues.

XI. ACCOUNTABILITY

Responsible labor conditions have been a core value at Carhartt since it was established in 1889. Internal accountability resides with the leadership of the core business functions responsible for the relevant supplier relationship - e.g., the Sourcing function for all relationships with cut and sew suppliers, product development with raw material suppliers, and the Licensing Department for all licensee agreements. All Carhartt suppliers and licensees must adhere to the Code of Conduct and maintain third-party certifications as outlined in the Global Social Responsibility Supplier Manual.

SIGNATURE



Linda Hubbard, President and CEO Carhartt, Inc.

In accordance with the requirements of the Canadian Fighting Against Forced and Child Labor in Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purpose of the Act, for the reporting year listed above. This statement is also made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and constitutes the Company's slavery and human trafficking statement for the financial year ending June 30, 2023.