



GLOBAL SOCIAL RESPONSIBILITY SUPPLIER MANUAL

CARHARTT'S MISSION

We Serve and Protect All Hardworking People by Building Durable Products.

A photograph of a large, multi-story brick industrial building, likely a Carhartt factory. In the foreground, there is a field of tall grass and a fence. A prominent water tower stands in the middle ground, and a tall, thin chimney is visible in the background under a blue sky with some clouds.

CARHARTT, INC., 5750 MERCURY DR., DEARBORN MI 48126

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1.1 Message from the President & CEO

For more than 137 years, Carhartt has been guided by a longstanding commitment to operating with integrity and respect throughout our supply chain. This commitment is rooted in our Mission: We Serve and Protect All Hardworking People by Making Durable Products and reinforced by our dedication to ethical business practices and human rights.

Our Global Social Responsibility Manual serves as a guide for our associates and partners on the company's policies across our global operations. While it does not address every situation, it does provide clear direction for how Carhartt's Mission and values should be represented and outlines the standards we expect for the fair treatment of all individuals.

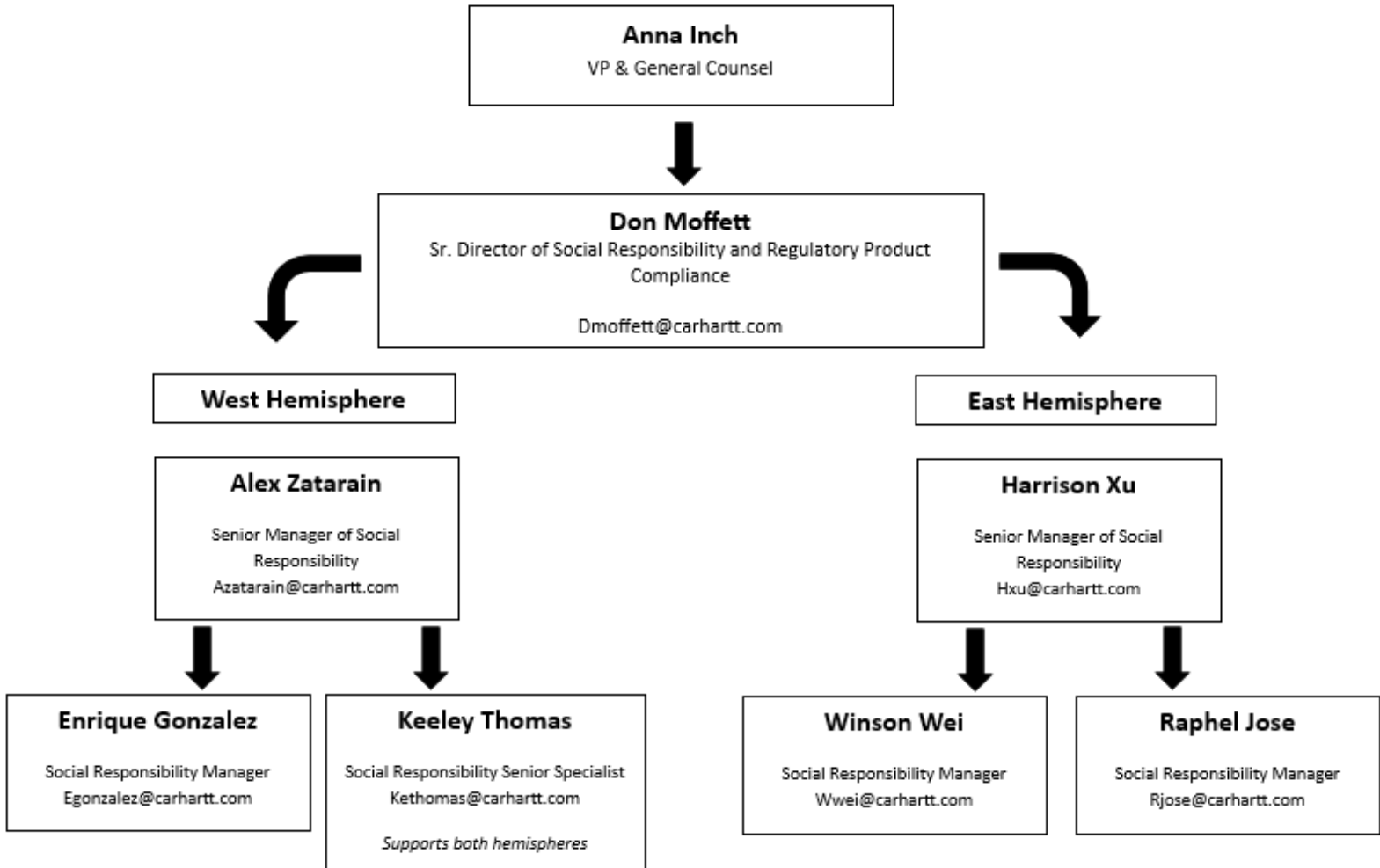
Within this document, you will find a range of resources and information intended to support your understanding of these policies. We appreciate your close review of this document. If you have questions, please contact a member of our Social Responsibility team.

Thank you for your commitment to Carhartt and for supporting hardworking people everywhere.

A handwritten signature in black ink that reads 'Linda Hubbard'.

Linda Hubbard, President & CEO

1.2 Global Social Responsibility Team



Global Social Responsibility Team Group Email Address: FactoryCompliance@carhartt.com



SUPPLIER CODE OF CONDUCT

Carhartt's commitment to integrity, fairness, and respect for human rights is embedded in everything we do, from design and sourcing to manufacturing, marketing, and operations. The principles outlined in this Supplier Code of Conduct ("Code") guide our entire organization and reflect standards that go beyond the Global Social Responsibility program.

Carhartt's mission is **"We Serve and Protect All Hardworking People by Building Durable Products."** In alignment with this mission, Carhartt has developed this Code to define the minimum standards expected of all Suppliers.

Scope

This Code is grounded in internationally recognized labor and human rights standards, including the International Labour Organization's (ILO) Core Conventions and the Universal Declaration of Human Rights. While the Code sets baseline expectations, Carhartt seeks to work with suppliers who share our values and are committed to continuous improvement in both social and environmental practices. Additionally, within this Code incorporated by reference is the Global Social Responsibility Manual ("Manual").

All Suppliers are required to comply with Carhartt's Global Social Responsibility program including its mandatory policies outlined within the Manual and will be held accountable for failing to meet its requirements.

Non-compliance with this Code may result in consequences including, but not limited to, the cancellation of current orders or termination of future business relationships with Carhartt.

Supplier Definition

The term "Supplier" is broadly defined to include all partners involved in producing, finishing, decorating, storing, or otherwise handling Carhartt products or materials. This includes finished-goods factories; sub-factories; laundries; printing and embroidery facilities; raw-material suppliers to Carhartt-owned and cut-make-trim (CMT) factories; co-branded production partners; off-site warehouses operated by suppliers; and any facilities performing rework or secondary processing.

A more detailed definition of Supplier, along with the process for approval and compliance enforcement, is provided in the Manual.

1. Compliance with Laws and Regulations – Suppliers must comply with all applicable laws ("Applicable Laws") and regulations in the countries where they operate, including those related to labor, social insurance/security, health and safety, and environmental protection. "Applicable Laws" means all laws, statutes, ordinances, regulations, rules, codes, orders, and requirements of any governmental authority having jurisdiction over Supplier,

the subject matter of this Code, or the performance of the obligations hereunder, including but not limited to federal, state, and local laws, as well as any binding judicial or administrative interpretations thereof. Suppliers are also expected to fully cooperate with Carhartt in meeting legal obligations in the countries where Carhartt conducts business. In cases where local laws or standards differ from Carhartt's requirements, the stricter standard shall apply.

2. Employment Relationship – Suppliers must establish and maintain employment relationships that respect workers and comply, at a minimum, with all Applicable Laws including but not limited to national labor laws, international labor standards, and social security regulations. All terms and conditions of employment should promote fair treatment and protect workers’ rights.

3. Prohibition of Forced Labor – Carhartt strictly prohibits the use of any form of involuntary or coerced labor. This includes bonded labor, debt servitude, forced prison labor, or any work performed under threat or penalty. All workers must enter employment voluntarily and have the freedom to leave their job with reasonable notice. Suppliers must not withhold personal documents, restrict freedom of movement, or charge workers fees related to recruitment or employment. These practices are incompatible with Carhartt’s Code and are grounds for immediate corrective action. **(ILO Conventions 29, 105, 182)**

4. Prohibition of Child Labor – Carhartt is committed to protecting the rights and well-being of children and does not permit the use of child labor in any part of its supply chain. Suppliers must ensure that no one under the age of 15—or the legal minimum working age in the country of operation, whichever is higher—is employed. Additionally, anyone under the age of 18 must not be assigned tasks that are hazardous or that could interfere with their education, health, or personal development. Suppliers are expected to have systems in place to verify workers’ ages and prevent underage employment. **(ILO Convention 138 and 182)**

5. Prohibition of Harassment or Abuse – Suppliers must ensure that all workers are treated with dignity and respect. No worker shall be subjected to physical, sexual, psychological, or verbal harassment, abuse, corporal punishment, or monetary fines.

6. Prohibition of Discrimination – Suppliers will employ, pay, promote, and terminate based on their ability to do the job, rather than based on personal characteristics or beliefs. Discrimination based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group, or ethnic origin is strictly prohibited. **(ILO Conventions 100 and 111)**

7. Freedom of Association & Collective Bargaining – Suppliers must recognize and respect the rights of workers to freely associate, join or form trade unions, and to engage in collective bargaining, in accordance with applicable laws. Workers must be able to exercise these rights without interference, intimidation, or retaliation. In the event of a labor strike, work stoppage, or other labor-related unrest at any factory producing Carhartt goods, the supplier is required to notify Carhartt within **48 hours**, in accordance with Carhartt’s **Reporting Policy. (ILO Conventions 87, 98 and 135)**

8. Grievance Mechanism - Suppliers must establish and maintain accessible, confidential, effective grievance mechanisms that allow all workers to raise concerns, report violations, or file complaints without fear of retaliation. These mechanisms must be clearly communicated to workers and support fair and timely resolution of issues. Carhartt expects Suppliers to regularly monitor and improve these systems and to ensure that workers’ voices are heard and respected, in accordance with Carhartt’s **Grievance Mechanism Policy. (ILO Conventions 87 and 98)**

9. Compensation and Benefits – Suppliers must pay workers at least the minimum total compensation required by applicable law, including base wages, overtime, allowances, and legally mandated benefits. Where overtime premiums are not clearly defined by law, Suppliers must provide premium pay for all overtime hours worked. Workers must receive clear, written pay statements each pay period, and accurate payroll records must be maintained. Final wages for workers who resign or otherwise separate from employment must be paid promptly and without unreasonable barriers. Carhartt strictly enforces a zero-recruitment fee policy, as outlined in its **Migrant Labor Policy**, and workers must not bear any costs associated with their recruitment or hiring. **(ILO Conventions 26 and 131)**

10. Hours of Work – Suppliers must comply with all Applicable Laws regarding working hours in the countries where they operate. At a minimum, workers must receive at least one day off (defined as 24 consecutive hours) in every seven-day period, except in urgent business circumstances. Suppliers are encouraged to limit total weekly working hours to 60 or fewer, and all overtime must be voluntary. **(ILO Convention 1 and 30)**

11. Health and Safety – Supplier practices must comply with Applicable Laws for Health and Safety and always prioritize worker safety. Suppliers must provide a safe, clean, and healthy work environment that prevents accidents and protects workers’ physical and mental well-being. Facilities must be maintained to avoid hazardous or unsanitary conditions, including in housing and cafeteria areas where provided. Special attention must be given to workers performing repetitive tasks, to reduce physical strain and support overall health. **(ILO Convention 155)**

12. Environmental – Suppliers must comply with environmental Applicable Laws and take proactive steps to reduce the environmental impact of their operations. This includes responsible management of hazardous waste, general waste, air emissions, water treatment, and other significant environmental risks. Carhartt expects Suppliers to adopt sustainable practices that protect the environment and promote long-term resource stewardship.

13. Bribery and Corruption – Suppliers shall not, in connection with any aspect of their business with Carhartt, directly or indirectly offer, give, or promise any bribe, kickback, or improper payment or benefit to influence any individual, company, organization, government official or body, political party, or candidate, regardless of whether such conduct is

tolerated or condoned locally, as outlined in Carhartt’s **Anti-Bribery Policy**. Additionally, no payments, gifts, rewards, or gratuities of any kind shall be made directly or indirectly to Carhartt employees, buying agents, or staff members in consideration of business being placed with the Supplier.

14. Falsified Information – Honesty and transparency is critical for a relationship with Carhartt. Suppliers must always provide accurate and truthful information to Carhartt, in accordance with Carhartt’s **Falsified Information Policy**.

15. Animal Welfare – Carhartt expects all Suppliers to support the humane and ethical treatment of animals. Animal-derived materials must be sourced in a responsible manner, and suppliers should ensure compliance with applicable laws and broadly accepted animal welfare principles. Carhartt reserves the right to request information or take further action if concerns arise.

16. Source of Cotton Fiber – Carhartt is committed to preventing forced labor and child labor in the sourcing of cotton. Accordingly, Carhartt and its suppliers pledge not to knowingly use cotton or cotton-based materials sourced from regions with known labor abuses. Suppliers must comply with Carhartt’s **Cotton Source Policy** to ensure responsible sourcing.

Reporting Code of Conduct Violations

To report questions, concerns, or potential violations of this Code of Conduct, contact factorycompliance@carhartt.com.

Reporting Other Serious Concerns

For concerns involving Carhartt personnel misconduct, bribery, corruption, or other unethical behavior, contact www.carharttlistens.com



*Carhartt reviews all reports promptly, maintains confidentiality where appropriate, and prohibits retaliation against anyone reporting in good faith.



MONITORING SCOPE AND PROGRAM

3.1 Suppliers in Monitoring Scope

Supplier Definition

As used in this manual, the term supplier is defined broadly to include a wide range of Carhartt's supply chain partners. All suppliers are expected to comply with Carhartt's Code of Conduct. The suppliers listed below fall within the scope of Carhartt's Global Social Responsibility (GSR) Monitoring Program and must be approved to do business with Carhartt.

Suppliers Included in Monitoring Scope

The following supplier types are included in Carhartt's GSR Monitoring Program:

- **Finished Goods Factories**

All factories that manufacture finished products for Carhartt or produce goods bearing the Carhartt brand or logo, including:

- Full-package factories producing finished goods for Carhartt
 - This includes any sub-factories involved in cutting, sewing, packing, or storing goods under the control or direction of the primary supplier.
- Finished goods factories working with Carhartt licensees
 - This includes any sub-factories involved in cutting, sewing, packing, or storing goods under the control or direction of the primary supplier.
- Factories producing marketing products or promotional goods for Carhartt that bear the Carhartt logo and are sold or distributed to consumers.

- **Laundry, Printing, and Embroidery Facilities**

- All laundry facilities used to process finished products manufactured at the factories listed above.
- All printing, embroidery, embossing, and other similar textile-based processing facilities, regardless of whether these processes are performed on finished goods or on component parts that are later assembled into the final product at another facility.
 - This includes facilities that print, embroider, emboss, or apply other textile-based treatments for non-Carhartt branded logos on Carhartt products.

- **Raw Material and Trim Factories**

- Raw material factories that supply materials directly to Carhartt-owned U.S. or CMT (Cut, Make, Trim) factories that go into making a final product. Packaging materials are excluded.
 - This includes all textile and trim suppliers, regardless of whether the material or component is branded exclusively for Carhartt.

- **Co-Branded Suppliers**

- Suppliers where products are manufactured by another company using both the Carhartt brand and an additional brand.

- **Warehouse and Distribution Locations**

- Any offsite warehouse or distribution location that is separate from a supplier's main facility, provided the workers at the warehouse are employed by the supplier or its parent company.

- **Rework and Secondary Processing Facilities**

- Rework facilities contracted by Carhartt to conduct secondary operations on products after initial production is completed (e.g., relabeling, additional cleaning or laundering).

- **Multi-Unit Facilities Under Single Management**
 - Where a Supplier operates multiple units or buildings (including, but not limited to, production facilities, dormitories, canteens, or other supporting sites) under the same business license, management team, and management system, all such units are included within Carhartt's Monitoring Scope.
 - The First Pillar assessment applies across all units and will cover each location, regardless of whether individual units are directly involved in the production of Carhartt products.
- **Additional Facilities**
 - Additional factories, including raw material suppliers for finished-goods factories and licensees, may be added to this program at a future time.

Suppliers Generally Excluded from Scope

- **Packaging Suppliers**
 - Packaging suppliers are not considered in scope unless the packaging is considered part of the product or has a direct consumer-facing use once the product is removed from it.

Any subcontracted facilities must comply with Carhartt's Subcontracting Policy (Section 5.3).

3.2 Suppliers Out of Monitoring Scope

The following supplier types and facilities are generally **not included** in the scope of Carhartt's Global Social Responsibility (GSR) Monitoring Program:

- **Business-to-Business (B2B) Product Suppliers**
 - Suppliers producing items that are not sold or distributed to consumers, such as store fixtures, employee gifts, office furnishings, or similar business-use products.
- **Electroplating, Injection Molding, and Similar Processes**
 - Electroplating, injection molding, die casting, and other similar manufacturing processes for metal or plastic products are not currently in monitoring scope unless the process is conducted within the primary production facility approved by Carhartt.
- **Certain Raw Material Suppliers**
 - Nominated raw material suppliers that do not supply materials to Carhartt-owned factories.
 - Subcontractors of raw material suppliers, including coating, dyeing, drying, bleaching, laminating, or other processing subcontractors.
- **Packaging Suppliers**
 - Packaging suppliers are excluded from scope for all packaging types, regardless of whether the packaging is branded exclusively for Carhartt, unless the packaging:
 - Is considered an integral part of the product, or
 - Has significant value or utility to the consumer once the product is removed.
- **Third-Party Warehouses**
 - Rented or third-party warehouses that are not operated by employees of the supplier or the supplier's parent company (e.g., third-party logistics providers, shipping companies).
- **Multi-Tenant Factory Campuses**
 - Factory campuses where multiple suppliers operate under different business licenses will only have the Carhartt supplier's specific building monitored, provided the buildings are not physically connected.
 - Any shared or common facilities within such campuses will remain within scope.

If there is any question regarding whether a facility falls within the scope of Carhartt's GSR Monitoring Program, suppliers should contact Carhartt's Global Social Responsibility team for clarification.

3.3 Carhartt's Supplier Approval and Certification Program

Carhartt has implemented a **Two-Pillar Supplier Approval and Certification Program** to approve new suppliers and ensure ongoing compliance among existing suppliers. Grounded in our purpose to *Protect the Hardworking People Who Make Our Products*, this approach strengthens Carhartt's ability to assess compliance with the Code of Conduct and, more importantly, helps identify where improvement is needed.

Carhartt's goal is to work collaboratively with suppliers to address issues and drive continuous improvement. Depending on the nature and severity of an issue, improvements may be required immediately or implemented over time.

All new suppliers must be approved **before**:

- Any bulk purchase of Carhartt-branded raw materials, and/or
- The production of sales samples or any other production-level samples made using final production fabric, trim, and accessories, including samples or products intended to be shown or presented to customers or third parties outside of the organization for sales, marketing, or order-placement purposes.

Right to Audit

You acknowledge that Carhartt reserves the right to access and assess any facility where Carhartt product is produced or handled at any time, whether announced, semi-announced, or unannounced, by Carhartt personnel or designated third parties. Denial of access to facilities, workers, or required information constitutes a Zero Tolerance violation.

3.3.1 First Pillar

First Pillar Overview

The First Pillar requires suppliers to maintain certificate and/or report under an approved third-party auditing program that evaluates workplace conditions. These programs are based on independent assessments of social compliance.

Carhartt recognizes that many suppliers are audited under multiple programs for different customers. To reduce audit duplication and associated costs, Carhartt accepts specific auditing programs that meet the requirements of Carhartt's Code of Conduct. Only **one approved First Pillar program** is required.

Approved First Pillar Programs

Current approved First Pillar programs include:

- **Worldwide Responsible Accredited Production (WRAP)**
- **SA8000 Standard (Social Accountability International)**
- **Better Work**
- **amfori BSCI**
 - A rating of **C or above** is required.
- **Fair Labor Association (FLA)**
- **Sedex Members Ethical Trade Audit (SMETA)**
 - Two-pillar or four-pillar audits are acceptable.
- **Social & Labor Convergence Program (SLCP)**
- **Specific Brand Programs**
 - Factories working with select brands that maintain robust social compliance programs may be considered as meeting First Pillar requirements, provided evidence of active supplier status is submitted.
 - Carhartt's Global Social Responsibility (GSR) team can confirm which programs are acceptable upon request.
- **Other Programs**
 - Other audit programs may be considered but require specific approval from Carhartt's GSR team.

Certification Requirements by Facility Type

- **Finished goods factories** are required to have a valid First Pillar certificate and/or report in place to do business with Carhartt, unless otherwise approved by Carhartt based on assessment outcomes and defined approval guidance.
- **Non-finished-goods facilities** (e.g., laundry, printing, embroidery, raw material suppliers) are strongly encouraged to obtain First Pillar certificate and/or report. If First Pillar Program Document is not in place, Carhartt will conduct an assessment to determine whether a certificate and/or report is required.

Approval and Closure of Findings

For a First Pillar report to be approved, the following conditions should be met:

- All audit findings should either be compliant with, or adequately addressed and closed in alignment with, Carhartt's Code of Conduct.
- If any findings require a third-party follow-up audit, the supplier is expected to coordinate the audit, address the findings, and share the follow-up report with Carhartt.
- In cases where a follow-up audit is not applicable, suppliers may provide corrective action evidence directly to Carhartt for review.
- When a review confirms that findings have been adequately addressed, the applicable First Pillar certificate and/or report may be approved.

Ongoing Responsibilities and Expiration Management

Suppliers are responsible for:

- Addressing and closing all findings on First Pillar reports
- Monitoring First Pillar program and certification expiration dates
- Renewing program or certifications in a timely manner
- Submitting updated reports, certificates, or documentation to Carhartt (if applicable)

Carhartt licensees are also responsible for holding their suppliers accountable for maintaining valid First Pillar certificate and/or report and tracking the status.

Suppliers must notify Carhartt if:

- They plan to change to a different First Pillar program, or
- A First Pillar certificate and/or report expires and cannot be renewed immediately due to extraordinary circumstances

Maintaining an active First Pillar certificate and/or report supports continuity of production. If renewal is delayed without documented progress toward renewal, Carhartt reserves the right to temporarily pause production activities or place orders on hold until the certification is reinstated.

Additional First Pillar Requirements

Suppliers Located in Bangladesh

In addition to a First Pillar certificate and/or report, suppliers located in Bangladesh must maintain current safety inspection reports from the Accord, Nirapon, RSC, or a comparable agency confirming compliance with structural integrity, fire and electrical safety requirements. Suppliers should provide these safety inspection reports to Carhartt for review.

If such agencies are no longer available, suppliers must engage an approved and certified third-party firm specializing in structural engineering to conduct certification. Carhartt will work with suppliers to identify approved third-party providers if needed.

Building Construction and Structural Changes

Expanded, newly added, or rented buildings (including those used for production, warehousing, dormitories, or other supporting activities) are expected to be covered within an applicable First Pillar certificate and/or report, as determined through Carhartt's assessment and approval process.

Collaborations, non-Apparel, and Small Factories

Factories producing collaborative products (featuring Carhartt and another brand), non-apparel facilities, and certain small factories may require alternative First Pillar approaches. Where appropriate, Carhartt may approve alternative assessment methods at its discretion.

3.3.2 Second Pillar

Onsite Verification Assessment

Prior to production and on an ongoing basis, an Onsite Verification Assessment must be conducted by Carhartt's Global Social Responsibility (GSR) team or an authorized agent.

The Onsite Verification Assessment includes a physical visit to the facility to:

- Verify workplace conditions, and
- Validate information and results obtained through the First Pillar reports.

This assessment also provides an opportunity for Carhartt to work collaboratively with suppliers to identify and address opportunities for improvement and to support long-term, sustainable compliance with Carhartt's Code of Conduct.

Compliance Expectations

During the assessment, strict adherence to Carhartt's Code of Conduct requirements related to **Falsified Information and Bribery is critical**. Failure to comply with these requirements may result in the immediate disqualification of current or future business with Carhartt.

Continuous Improvement

Carhartt recognizes that achieving full compliance may, in some cases, require operational changes that take time to implement.

Carhartt is committed to continuous improvement and will work with suppliers to support remediation efforts, provided that:

- The issues do not involve Zero Tolerance findings, and
- The supplier demonstrates good-faith efforts toward timely resolution.

Supplier Reporting Obligations

Suppliers are expected to:

- Notify Carhartt promptly of any actual or anticipated challenges in meeting Code of Conduct requirements, and
- Report to Carhartt any labor, environmental, or security-related inquiries raised by media or other third parties, in accordance with Carhartt's Reporting Policy.

Desktop Reviews

In unique circumstances, Carhartt may conduct a Desktop Global Social Responsibility Review in place of an onsite assessment.

3.3.3 Onboarding New Supplier and Continued Monitoring

New Supplier Onboarding

Prior to production, all potential new suppliers that fall within Carhartt's monitoring scope must complete Carhartt's Global Social Responsibility (GSR) onboarding process. A detailed process flow for onboarding is outlined in **Section 4.1**.

The following four documents are required to onboard a new supplier:

1. **Factory Profile**
2. **Signed Code of Conduct**
3. **Approved First Pillar documentation** (including full audit report and applicable certificates)
4. **Onboarding Questionnaire**

The **Factory Profile** is used internally by Carhartt's GSR team to understand key details of the facility, including location, contact information, number of employees, and building and/or lot size. This document must be completed directly by the supplier and submitted by an individual with appropriate authority (e.g., General Manager, Human Resources lead, owner, or equivalent).

The **Code of Conduct** must be signed by an authorized executive leader or officer of the factory, supplier, and/or licensee, where applicable, acknowledging commitment to meet Carhartt's requirements.

All **First Pillar documentation** must be submitted in accordance with the requirements outlined in **Section 3.3.1** and must include the complete assessment report and any associated certificates.

The **Onboarding Questionnaire** is completed by Carhartt licensees or Carhartt's internal sourcing team and is used to confirm that appropriate diligence has been conducted to verify the factory's compliance with Carhartt's Code of Conduct.

Once all onboarding documents have been reviewed and approved by Carhartt's GSR team, the **Second Pillar Onsite Verification Assessment** may proceed.

Continued Monitoring of Active Suppliers

Active suppliers are monitored on an ongoing basis at intervals determined by Carhartt's GSR team. Monitoring frequency is based on multiple risk factors, including but not limited to facility type, geography, performance history, and audit outcomes.

Suppliers selected for continued monitoring will be notified by Carhartt and assessed in accordance with the monitoring process flow outlined in **Section 4.2**.

The purpose of continued monitoring is to:

- Confirm that no significant or undisclosed changes have occurred at the facility, and
- Provide guidance and support to help suppliers maintain compliance with Carhartt's Code of Conduct.

3.3.4 Second Pillar Onsite Assessment Guidance

The **Second Pillar Onsite Verification Assessment** generally follows the process outlined below. Specific activities may vary at the discretion of the assessor based on the facility, risk factors, and time available on site.

Opening Meeting

- Carhartt requires attendance from the supplier's key decision-maker, senior management, and social compliance representatives.
- The Carhartt assessor will explain the purpose, scope, process, and estimated timeframe of the Second Pillar assessment.
- The assessor will review Carhartt's brand history and Workplace Code of Conduct, including key policies such as:
 - Falsified Information
 - Multi-Tenant Facilities
 - Migrant Labor
 - Subcontracting
 - Continuous Improvement Program
 - Any additional policies relevant to the facility.
- The assessor will seek to understand the supplier's background, operational history, and management structure.
- Supplier cooperation is required throughout the assessment, including participation in document review, facility walkthroughs, and employee interviews.
 - Only staff necessary to support the assessment are required to accompany the assessor. Other employees may return to work to minimize operational disruption.

Facility Walkthrough

- The Carhartt assessor will conduct a walkthrough of each floor and all relevant buildings, including accessible roofs, to review:
 - Fire safety
 - Chemical safety
 - Machinery and equipment safety
 - Building safety
 - Working conditions, hygiene, and general health and safety practices.
- General photographs of buildings, production areas, and health and safety conditions may be taken for internal reference only.
 - All photos are treated as confidential and used solely for Carhartt's internal purposes.
 - At the supplier's request, the assessor will not photograph proprietary processes, materials, or areas involving technology, confidentiality, or privacy concerns.

Document Review

- The assessor will review documentation listed in the Visit Plan and Document Checklist, selecting documents based on the supplier's specific circumstances and the time available on site.
- Photographs of key documents may be taken for Carhartt's internal reference and will be handled confidentially.

Employee Interviews

- The assessor will determine the sample size, timing, and locations based on the facility and time constraints.
- Interviews may be conducted:
 - Onsite (e.g., production areas, dormitories, canteens, warehouses), or
 - Off-site if deemed necessary.
- Interviews may be conducted individually or in groups.
- If translation support is required, the assessor may request the supplier to arrange a translator or approve the use of an independent third-party translator.
- Suppliers must support the assessor in providing a suitable interview environment that protects worker privacy and confidentiality.

Closing Meeting

- Prior to the closing meeting, the assessor will review preliminary findings, potential remediation options, and anticipated closure timelines with supplier management.
- During the closing meeting:
 - All findings, expectations, timelines, and any areas of disagreement will be discussed with senior management.
 - Suppliers are encouraged to provide clarification or additional context regarding any findings.
 - Supplier feedback will be reviewed internally by Carhartt's Global Social Responsibility team before final decisions are made.
- If the supplier is required to participate in Carhartt's Continuous Improvement Program (**Section 3.5**), the assessor will provide guidance to management and relevant staff on data collection and form completion.
- The assessor will outline next steps, which may include:
 - Issuance of a formal report (directly or through a business partner),
 - Submission of a Corrective Action Plan (CAP) and supporting evidence within established timelines, and
 - Communication of approval or non-approval status.
- All findings will be communicated verbally during the closing meeting. No official written report will be provided on site.

3.3.5 Corrective Action Plan (CAP) Guidance

Following completion of the Second Pillar Onsite Verification Assessment, Carhartt will issue an official Global Social Responsibility assessment report, which includes required Corrective Action Plan (CAP) items. The CAP summarizes general facility information, assessment details, and all identified findings.

All findings must be appropriately addressed and closed to maintain compliance with Carhartt's Workplace Code of Conduct. The guidance below outlines expectations for completing and submitting a CAP.

CAP Completion Requirements

Upon receipt of the assessment report, the supplier must complete the CAP and submit it to the Carhartt assessor for review. The completed CAP must include, at minimum:

- Proposed target closure date(s)
- A clear root-cause analysis
- Corrective actions to address the issue
- Preventive actions to avoid recurrence
- Identification of the responsible individual(s)

(Refer to the **Corrective Action Plan Example** for additional detail.)

- The Carhartt assessor will review the submitted CAP and provide feedback or guidance on next steps, including recommended corrective actions, tools, or resources where appropriate.
- Suppliers are expected to actively implement corrections and should prioritize the most serious or critical findings.
- Suppliers must submit improvement and/or closure evidence to the Carhartt assessor within the established timeframe.

- All evidence submitted (e.g., documents, photographs) must be clear, complete, and sufficient to demonstrate effective closure of the findings.

Non-Compliance Issue	Proposed Closing Day	Factory Proposed Action (Root Cause / Corrective / Preventive)	Person Responsible
<p>Non-conformity:</p> <ul style="list-style-type: none"> • Two exit doors are blocked outside; • No evacuation passage mark on ground to avoid blocking; • Lots of evacuation passages in the workshops are partially blocked by goods; • No evacuation passage marks on the ground for the main passage between buildings. <p>Recommendation for improvement:</p> <p>Supplier should analyze the root cause and ensure all evacuation passages and exit doors are not blocked, and mark clear evacuation passage on the ground to avoid blocking:</p>	<p>Improve completely within one week</p>	<p>Root Cause:</p> <ol style="list-style-type: none"> 1. The electrician had normally placed his workbench station outside the exit door, blocking its access passage; OSH personnel had forgotten to draw evacuation passage mark at the external area, of the exit door. 2. Unable to delegate jobs to related workers to return materials/goods to their proper storage area or to keep areas clean and organized in a timely manner. 3. Negligence from OSH personnel did not know the main passageway between buildings also needs evacuation passage marks. <p>Immediate Corrective Action Plan:</p> <ol style="list-style-type: none"> 1. Relevant departments were instructed immediately to remove all obstructions and ensure all evacuation passages and exit doors are unblocked. 2. All missing and/or unclear evacuation passage marks are drawn. <p>Permanent Preventive Action Plan:</p> <ol style="list-style-type: none"> 1. Add additional OSH personnel and report to the highest level of management to conduct daily inspections on the implementation of OSH procedure in each department to ensure they are in accordance with factory standard operating procedures. Corrective actions shall be carried out accordingly. 2. Add OSH implementation as one of the annual work performance evaluation criteria; such criteria shall be included as part of the work performance evaluation score. 3. Increase OSH related educational trainings for all department supervisors. 	<p>Factory manager, OSH personnel, and General Affairs staff</p>

CAP Timeframe Requirements

- Suppliers must submit the completed CAP and all corresponding improvement or closure evidence within the agreed timeframe.
- Closure timelines are established and confirmed during the closing meeting of the assessment and must be adhered to unless otherwise approved by Carhartt.

Finding Type	Timeframe to Submit Completed CAP	Timeframe to Submit Closing Evidence
Zero Tolerance	Immediately, or within 2 working days , or within the timeframe specified by Carhartt	Immediately, or within 2 working days , or within the timeframe specified by Carhartt
Major / Minor Findings	Within 7 working days , or within the timeframe specified by Carhartt	Within 30 working days , or within the timeframe specified by Carhartt
CI Program-Related Findings	Within 14 working days , or within the timeframe specified by Carhartt	Within 30 working days , or within the timeframe specified by Carhartt

CAP Review and Closure

- Most findings may be reviewed and closed through a desktop review.
- Certain findings may require verification through:
 - A follow-up assessment, and/or
 - Ongoing communication and documentation review.
- The Carhartt assessor will provide final approval of the CAP once all findings have been resolved or will communicate additional required steps if closure is not yet achieved.

3.4 Zero Tolerance

A **Zero Tolerance Violation (ZTV)** is a serious breach of Carhartt's Workplace Code of Conduct that may result in severe harm to individual rights, life safety, and/or Carhartt's corporate reputation.

Zero Tolerance Violations may be identified through in-depth assessments, including facility visits, worker and management interviews, and detailed reviews of records. This may include, but is not limited to, review of personnel files, payroll records, financial deposits, and working hour schedules.

Examples of Zero Tolerance Violations

Zero Tolerance Violations include, but are not limited to, the following:

- Failure to cooperate with assessments, including:
 - Denying assessors access to facilities, workers, or documents
 - Falsification of records
 - Any attempt to mislead the assessment process or provide false or inaccurate information
- Use of child labor
- Use of forced labor, forced labor practices, or human trafficking
- Discrimination of any form
- Harassment or abuse, including mental or physical abuse or corporal punishment
- Attempting to bribe Carhartt assessors or other Carhartt representatives
- Providing falsified information, including the submission of false or misleading evidence to close Corrective Action Plans
- Use of unauthorized subcontractors
- Structural, fire, or other critical safety hazards that create immediate life-threatening conditions
- Failure to complete corrective actions within agreed-upon timelines, including both Zero Tolerance and non-Zero Tolerance findings

Response to Zero Tolerance Violations

Carhartt seeks to partner with suppliers that share Carhartt's values and, where possible, will work with suppliers to **immediately remediate Zero Tolerance Violations** to address risk and protect workers.

However, to manage risk to the brand:

- **New production will not be placed with suppliers that have unresolved Zero Tolerance Violations.**
- For existing suppliers, Carhartt reserves the right to:
 - Place production or shipments on hold, and/or
 - Terminate the business relationship if the supplier is unwilling or unable to remediate violations promptly.

3.5 Continuous Improvement

Carhartt recognizes that certain labor-related challenges, such as **excess overtime hours**, **consecutive working days without adequate rest**, and **reduced social insurance participation** (including China-specific requirements), may not be resolved within a short period of time. Achieving full compliance in these areas may require operational changes that take time to design, implement, and sustain. Carhartt is committed to working with suppliers through a **Continuous Improvement (CI) Program** to support measurable, sustainable progress where appropriate. Participation in the CI Program is permitted only when issues do not involve Zero-Tolerance findings and when all overtime remains voluntary, properly compensated, and accurately recorded.

Overview of the Continuous Improvement Program

The CI Program is a **risk-based program** designed to help suppliers reduce identified risks over time through structured planning, ongoing data review, and transparent reporting. The program focuses on the following areas, as applicable:

- Working hours and overtime
- Consecutive days worked without rest
- Social insurance participation (including China-specific requirements)

Suppliers participating in the program are expected to develop a **three-year improvement plan** with realistic, measurable commitments. Progress against these commitments is monitored through regular data/CAP submission and review by Carhartt’s Global Social Responsibility (GSR) team.

Honesty and transparency are essential to the success of the CI Program. Suppliers are expected to report accurate data at all times, even when results do not yet meet Carhartt’s requirements. **The use of falsified records, double bookkeeping, or misleading information constitutes a breach of trust and may result in removal from the program and escalation as a Zero-Tolerance violation.**

Step One: Determining CI Program Eligibility

CI Program eligibility is assessed during the **Second Pillar assessment**.

During the assessment, the supplier’s performance related to working hours, consecutive working days, and social insurance participation is analyzed and compared against **Carhartt’s CI Program Risk Matrices**. These matrices are used to determine risk level and whether participation in the CI Program is required.

The Carhartt assessor will review results and discuss findings with the supplier before confirming whether CI Program enrollment is necessary.

Carhartt’s Continuous Improvement Program Risk Matrix – Working Hours

% Employees	< 10%				10 - 25%				25 - 50%				> 50%			
	1	2-3	4-6	7-12	1	2-3	4-6	7-12	1	2-3	4-6	7-12	1	2-3	4-6	7-12
Weekly Hours																
< 60 Hours	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
61-66 Hours	1	1	1	2	1	1	2	2	1	2	2	2	2	2	2	3
67-72 Hours	2	2	3	3	2	3	3	3	3	3	3	4	3	3	4	4
73 - 85 Hours	3	3	4	4	3	4	4	5	4	4	5	5	4	5	5	5
> 85 Hours	4	4	5	5	4	5	5	5	5	5	5	5	5	5	5	5

Levels	Status	Actions
1	Complies	No need for CI program.
2	Lower risk	CAP is required from factory. If still recurring during second visit (> 12 months) factory must enter into CI program.
3	Moderate risk	Must enter into CI program.
4	High risk	Must enter into CI program. Social Compliance team to check in with factory at 3 month mark for progress check and assistance as needed.
5	Very high risk	Must enter into CI program. Social Compliance team to check in with factory at 3 month mark for progress check and assistance as needed.

Carhartt's Continuous Improvement Program Risk Matrix – Consecutive Working Days

% Employees	< 10%				10 - 25%				25 - 50%				> 50%			
	1	2-3	4-6	7-12	1	2-3	4-6	7-12	1	2-3	4-6	7-12	1	2-3	4-6	7-12
Consecutive Days																
< 7 Days	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
7 - 10 Days	1	1	1	2	1	1	2	2	1	2	2	2	2	3	2	3
11 - 14 Days	2	2	3	3	2	3	3	3	3	3	3	4	3	3	4	4
15 - 21 Days	3	3	4	4	3	4	4	5	4	4	5	5	4	5	5	5
> 21 Days	4	4	5	5	4	5	5	5	5	5	5	5	5	5	5	5

Levels	Status	Actions
1	Complies	No need for CI program.
2	Lower risk	CAP is required from factory. If still recurring during second visit (> 12 months) factory must enter into CI program.
3	Moderate risk	Must enter into CI program.
4	High risk	Must enter into CI program. Social Compliance team to check in with factory at 3 month mark for progress check and assistance as needed.
5	Very high risk	Must enter into CI program. Social Compliance team to check in with factory at 3 month mark for progress check and assistance as needed.

Carhartt's Continuous Improvement Program Risk Matrix – Social Insurance and Daily Working Hours

% Employees	< 25%			25 - 50%			> 50%			Social Insurance	
	1-5 Days	6-30 Days	> 30 days	1-5 Days	6-30 Days	> 30 days	1-5 Days	6-30 Days	> 30 days	% Employees Insured	Level
Total Occurrences per Employee											
Daily Work Hours											
≤ 10 Hours	1	1	1	1	1	1	1	1	1	> 95%	1
11 - 14 Hours	1	1	2	1	1	2	1	2	2	75-94%	2
15 - 18 Hours	1	2	4	1	3	4	1	4	5	25-74%	3
> 18 Hours	2	4	5	2	4	5	2	5	5	< 25%	4

Levels	Status	Actions
1	Complies	No need for CI program.
2	Lower risk	CAP is required from factory. If still recurring during second visit (> 12 months) factory must enter into CI program.
3	Moderate risk	Must enter into CI program.
4	High risk	Must enter into CI program. Social Compliance team to check in with factory at 3 month mark for progress check and assistance as needed.
5	Very high risk	Must enter into CI program. Social Compliance team to check in with factory at 3 month mark for progress check and assistance as needed.

Step Two: Completing the CI Form and Establishing Commitments

Suppliers confirmed for CI Program participation will be introduced to the program during a dedicated meeting facilitated by the Carhartt assessor and supplier management.

During this step:

- The supplier completes the CI Form using the most current approved version
- The supplier, in collaboration with Carhartt, establishes realistic improvement commitments, including:
 - A goal to reduce at least one risk level within three years
 - Commitments to transparent data reporting
 - Timely submission of quarterly corrective action plans (CAPs)

Without realistic and achievable commitments, meaningful improvement is unlikely. Carhartt will work with supplier leadership to set goals that are appropriate to the factory's size, risk profile, and operating context.

Step Three: Monitoring Progress

Once enrolled, supplier progress is monitored through a structured review process:

- Newly enrolled suppliers may receive initial follow-up support after entering the program to confirm that required CI information has been completed as expected.
- Suppliers are expected to submit relevant information as part of program participation, including:

- Data covering prior operating periods, and
- Periodic CAP updates outlining actions taken to address identified risks.
- Carhartt reviews submitted CI data and self-assessment information on a regular basis to evaluate progress against established commitments.

Monitoring focuses on both achieved outcomes and the effectiveness of corrective actions, rather than solely on numerical targets.

Step Four: Follow-Up Actions and Special Review

Suppliers who fail to meet self-established commitments or who do not implement agreed corrective actions may be subject to additional follow-up actions, including a CI Program Special Review.

Special Review may be triggered by:

- Repeated failure to meet commitments over multiple quarters without justification or prior notification
- Continued high-risk or very high-risk status
- Lack of transparency or inaccurate CI data submission

Where necessary, Carhartt may:

- Escalate concerns internally and engage relevant business partners
- Require additional training or external support
- Place the factory under enhanced monitoring
- Consider further enforcement actions where progress remains insufficient

Non-transparent reporting or falsification of CI data while in the program will be treated as a serious violation and may result in immediate escalation under Carhartt's Zero-Tolerance standards.

Step Five: Exiting the CI Program

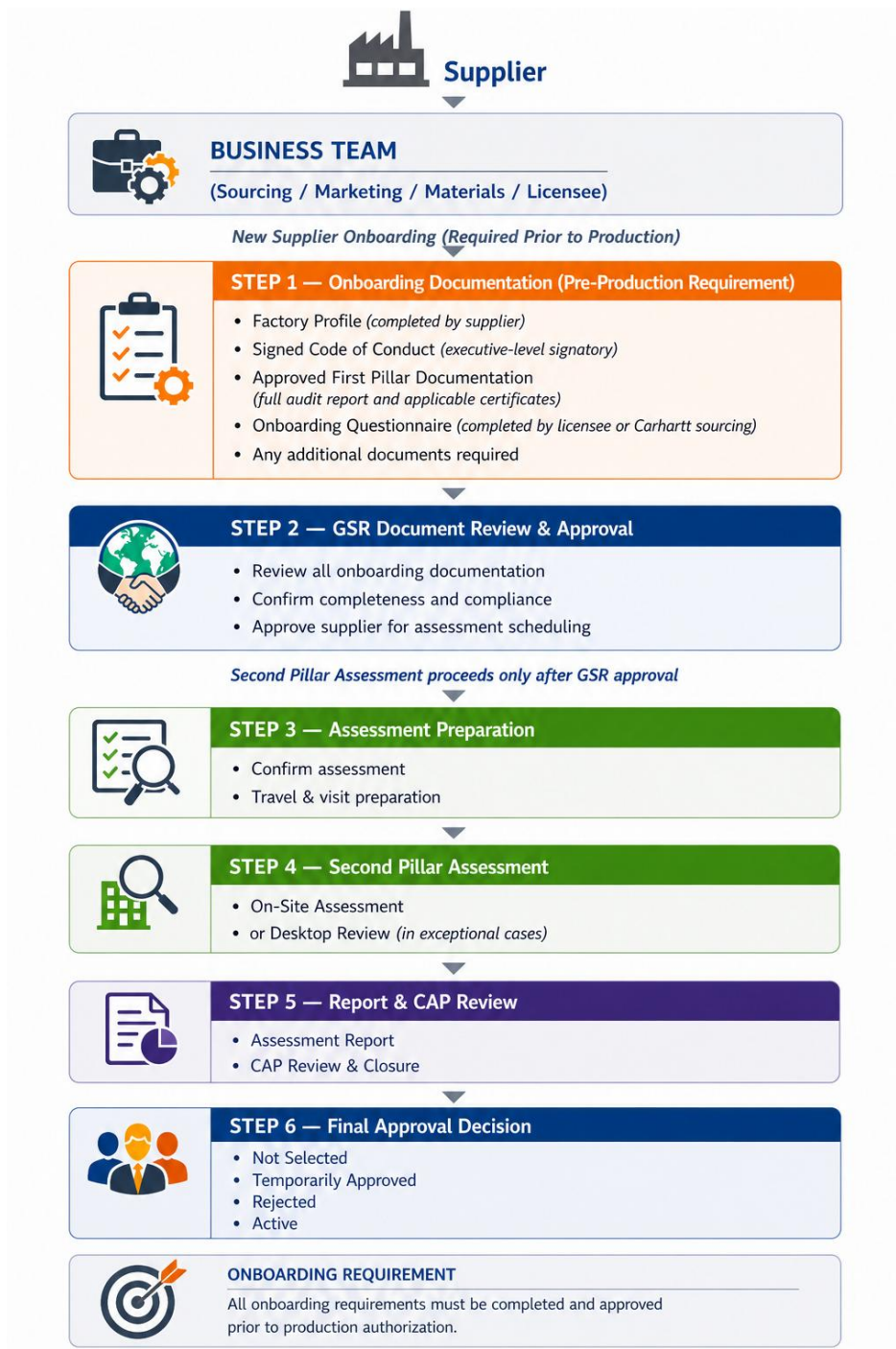
A supplier may exit the CI Program once it has:

- Achieved full compliance, or
- Maintained a reduced risk level (Level 2 or lower) for a continuous period of at least six months

Carhartt will review overall performance and determine whether the supplier may formally exit the program. Following exit, future verification assessments will continue to monitor these risk areas to ensure sustained compliance.

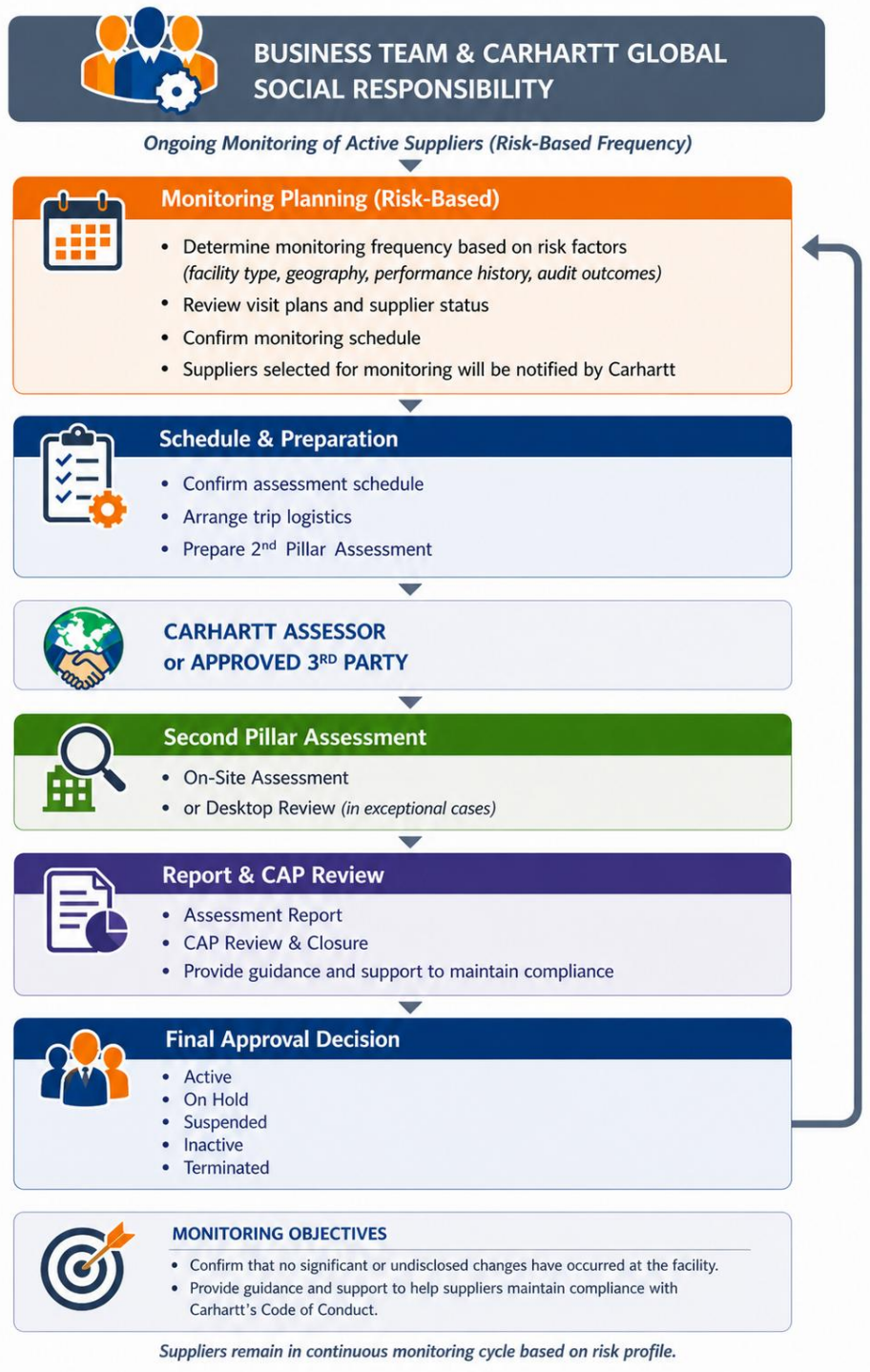
CARHARTT'S GLOBAL SOCIAL RESPONSIBILITY APPROVAL AND MONITORING PROCESS

4.1 Potential New Factory Approval Process Flowchart



4.2 Active Factory Monitoring Process Flowchart

Similar to the onboarding of a new factory, the flowchart below outlines how Carhartt monitors and maintains its active factory base.



4.3 Factory Status Process

Each factory is assigned a status during the onboarding and ongoing monitoring process based on the definitions below.

Potential

A new factory that has been requested by a business partner and is currently under review by Carhartt.

- **Not Selected**
A potential factory that a business partner has decided not to proceed with.
- **Temporarily Approved**
A factory that requires additional follow-up to achieve full approval but is granted temporary approval based on criteria managed by Carhartt’s Global Social Responsibility (GSR) team while open issues are being resolved.
- **Rejected**
A potential factory that is non-compliant and unwilling or unable to address identified findings.
- **Active**
Factory approved

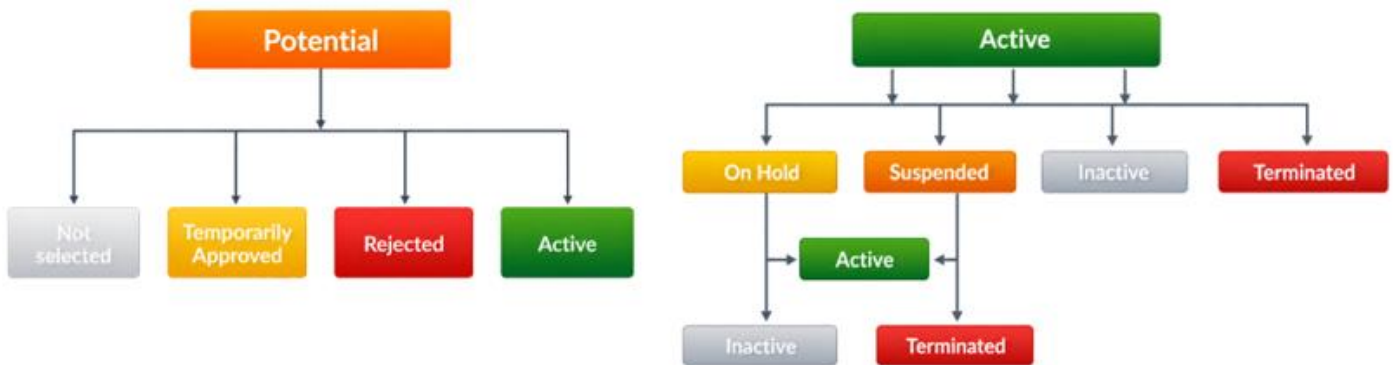
Active

A factory that has successfully completed the onboarding process and resolved all required Corrective Action Plan (CAP) items.

- **On Hold**
An active factory that is temporarily placed on hold due to no current production plans, but potential for future use. On hold status can last for up to one year and will either transition back to **Active** status or be reclassified as **Inactive**.
- **Suspended**
A factory placed on production hold due to **Zero Tolerance Violations** or other serious compliance concerns requiring immediate action.
- **Inactive**
A previously active factory that is no longer used for production. Factories must have **no open CAP items** prior to being designated inactive to ensure that all issues from prior production have been resolved.
- **Terminated**
An active factory that has demonstrated non-compliance and is unwilling or unable to meet the requirements of Carhartt’s Global Social Responsibility program. The business relationship is ended.

Factory status may change at any point throughout the onboarding and monitoring process for both potential and active factories.

Factory Status





5.1 Anti-Bribery Policy

Carhartt Suppliers must conduct business with integrity and comply with all applicable anti-bribery and anti-corruption laws, including the Foreign Corrupt Practices Act and the UK Bribery Act. Carhartt maintains a zero-tolerance approach to bribery and corruption across its global operations and Supplier Network.

Suppliers must not, directly or indirectly, offer, give, request, or accept any bribe, kickback, facilitation payment, or other improper benefits. This includes providing anything of value to influence business decisions, audit outcomes, or regulatory actions. Suppliers are strictly prohibited from offering gifts, payments, or favors to Carhartt employees, agents, or third-party assessors in connection with Carhartt business, particularly during audits, assessments, or active business decisions.

Any business courtesies must be reasonable, infrequent, and not intended to influence decision-making, and must comply with applicable laws. Cash or cash equivalents and any form of excessive or inappropriate hospitality are not permitted.

Suppliers are responsible for ensuring these requirements are communicated and enforced across their operations and Supplier Network, including subcontractors and third parties. Suppliers must also maintain accurate and transparent books and records that properly reflect all transactions and must not falsify or conceal any payments or activities.

Reporting Concerns

Suppliers are required to report any actual or suspected bribery, corruption, or unethical behavior. For concerns involving Carhartt personnel misconduct, bribery, corruption, or other unethical behavior, contact: www.carharttlistens.com or scan below QR code.



Carhartt reviews all reports promptly, maintains confidentiality where appropriate, and prohibits retaliation against anyone reporting in good faith.

Any attempted or confirmed violation of this policy may result in immediate termination of the business relationship.

5.2 Falsified Information Policy

Honesty and transparency are essential to maintaining a successful and long-term business relationship with Carhartt. Carhartt expects all business partners, including factories, suppliers, licensees, and agents—to be truthful and transparent regarding their ability to comply with Carhartt’s policies, processes, standards, and Code of Conduct requirements during assessments, audits, and supplier investigations.

Supplier Expectations

Business partners are required to adhere to the following expectations:

- **Accurate Records**
Suppliers must provide Carhartt assessors with complete, accurate, and legally required business records for at least the previous **12 months**, including but not limited to records related to wages, working hours, personnel, production, permits, and registrations. Records must be made available either onsite or electronically upon request.
- **Full Document Access**
Suppliers must provide unrestricted access to all records and documentation relevant to assessments, audits, or investigations.
- **Truthful Communication**
Suppliers must be truthful and transparent in all communications with Carhartt representatives.
- **Facility and Worker Access**
Suppliers must grant assessors full access to all factory areas, workshops, and to all workers, including management and both directly and indirectly employed workers.
- **CCTV and Video Access**
Suppliers must provide access to CCTV footage and other video recordings for any timeframe requested, subject to the factory’s established video retention policy.
- **Protection of Workers**
Suppliers must not coach, intimidate, influence, or retaliate against any workers or staff members who participate in interviews or provide information to Carhartt assessors.

Zero-Tolerance Enforcement

Any denial of access to documentation, facility areas, or workers, or the provision of false, misleading, or incomplete information, constitutes a **Zero-Tolerance Violation**.

This includes, but is not limited to:

- Concealing, falsifying, or altering records
- Providing knowingly false or misleading responses
- Coaching or instructing workers prior to or during interviews
- Interfering with assessment or investigation processes in any way

Such actions are considered a severe breach of trust and the business partnership and **may result in immediate disqualification from current or future business with Carhartt**.

Carhartt is committed to building transparent, honest, and collaborative relationships with its business partners. In return for openness and integrity, suppliers can expect Carhartt’s support and engagement in addressing challenges and driving continuous improvement.

5.3 Subcontracting Policy

Subcontracting occurs when a Carhartt supplier outsources all or part of the production or processing of Carhartt products to another company, factory, or facility. This includes, but is not limited to, activities such as cutting, sewing, embroidery, screen printing, washing, ironing, packing, or any other production-related process. Monitoring scope and program applicability are defined in **Sections 3.1 and 3.2**. Suppliers should refer to these sections to confirm whether facilities and operations fall within Carhartt's monitoring requirements.

Approval Requirements

Suppliers must notify Carhartt **in advance** of any intention to use subcontractors. All subcontracting facilities must be:

- Reviewed and approved by Carhartt's Global Social Responsibility (GSR) team; and
- Fully onboarded in accordance with Carhartt's supplier approval process.

Approved subcontractors are required to meet the **same Code of Conduct requirements** as primary Carhartt suppliers and are subject to the same monitoring, assessment, and corrective action requirements.

Related Facilities and Supplier Group Requirements

For the purposes of this policy, the following activities are considered **subcontracting and require prior disclosure and approval**, even if facilities are related through common ownership or management:

- Use of a different building, unit, or location within the same factory campus or factory group that has not been disclosed and approved by Carhartt.
- Use of other factories within the same supplier group (including sister factories, affiliate factories, or factories under the same parent company) that are not specifically approved for Carhartt production; and
- Movement of production or processing activities between approved and unapproved facilities without prior written approval from Carhartt.

Carhartt approval applies only to the specific facility locations on record. Approval of one facility does not extend to additional buildings, units, or factories, regardless of ownership or organizational structure.

Unauthorized Subcontracting

The use of any facility that has **not been approved by Carhartt** is considered **unauthorized subcontracting** and constitutes a **Zero-Tolerance Violation**.

Unauthorized subcontracting may result in:

- The destruction of products manufactured at the unauthorized facility,
- Immediate cancellation of open orders, and/or
- Termination of the business relationship between Carhartt and the primary supplier.

Home Work Prohibition

Carhartt does not permit the use of Home Work in the production of its products. Home Work refers to any production activity performed, in whole or in part, by workers outside of an approved factory or facility setting, including work conducted in private residences.

This practice presents elevated risks, including child labor, excessive working hours, and improper wage practices, and is therefore not consistent with Carhartt's Social Responsibility expectations. All production must occur within approved facilities that are disclosed, assessed, and authorized in accordance with Carhartt's subcontracting and facility approval requirements.

Supplier Responsibility

Suppliers are responsible for ensuring that **all facilities involved** in the production or processing of Carhartt products are properly disclosed and approved prior to use. To avoid unauthorized subcontracting findings, suppliers are strongly encouraged to work closely with Carhartt's Global Social Responsibility team to confirm whether any facility, building, location, or process requires approval under Carhartt's program.

5.4 Multi-Tenant Policy

Scope

In buildings with multiple tenants, the ability of workers to evacuate safely during an emergency depends on the **safety practices of all tenants within the building**, not solely on the practices of the individual employer. Risks are particularly elevated in **multi-story buildings**, where industry experience has shown repeated incidents in which workers on upper floors were unable to evacuate due to unsafe conditions created by other tenants on lower floors (e.g., blocked stairwells, exits, or shared corridors).

In addition to evacuation risks, unsafe conditions maintained by one tenant may impact multiple safety systems shared throughout the building. These risks may include, but are not limited to:

- **Fire safety risks**, such as blocked exits, disabled alarms, or non-functional suppression systems that affect the entire structure.
- **Building and structural safety risks**, including unauthorized structural modifications, overloading of floors, or damage to shared walls or load-bearing elements.
- **Electrical safety risks**, such as overloaded electrical panels, improper wiring, or unsafe shared electrical infrastructure that increases the likelihood of fire or electrical shock.
- **Chemical safety risks**, including improper storage, handling, or disposal of hazardous substances that may expose workers in adjacent tenant spaces through shared air, drainage, or utility systems.

When these hazards are not properly identified and controlled by all tenants, workers in compliant facilities may still be exposed to serious safety risks beyond their employer's direct control. For this reason, effective coordination, shared safety systems, and consistent enforcement of safety requirements across all tenants are essential in multi-tenant facilities.

This policy establishes the requirements that suppliers must follow when operating in multi-tenant buildings to address shared safety risks, protect workers, and ensure compliance with Carhartt's Global Social Responsibility program.

Purpose

Carhartt does not prohibit the use of multi-tenant facilities. Instead, this policy establishes minimum requirements and best-practice guidelines that suppliers must follow when operating in multi-tenant buildings to protect worker safety and ensure compliance with Carhartt's Global Social Responsibility program.

Definition of Multi-Tenant Buildings

Multi-tenant buildings may include, but are not limited to:

- Multi-story buildings where different businesses occupy separate floors
- Single-story buildings with shared walls or structural connections where fire or other hazards could spread between businesses
- Buildings or workshops shared by multiple businesses within the same structure, separated by walls, partitions, or other dividers

Multi-Tenant Facility Requirements

Carhartt strongly encourages suppliers to avoid the use of multi-tenant facilities where possible. If this is not feasible, all the conditions below must be met in full for a facility to be permitted:

- A documented fire-safety management system must be in place covering all tenants within the building or building complex.
 - The management system must clearly define responsibilities for ongoing internal fire-safety assessments.
 - The system must be signed and formally approved by the owners of all tenant businesses.
 - The system must include requirements for maintaining fire-safety equipment, alarm systems, and clear, unobstructed emergency exit routes at all times.
- Joint fire drills must be conducted with participation from all tenants.
- Interconnected fire alarm systems must be installed so that activation in any area or on any floor triggers alarms throughout the entire building.
- All tenants must allow full access to their facilities for fire-safety inspections during Carhartt assessments, upon request.

Failure to meet these requirements may result in the facility being deemed non-compliant with Carhartt's Global Social Responsibility standards.

5.5 Grievance Mechanism Policy

Carhartt is committed to ensuring that all workers involved in the manufacturing of our products are treated with dignity and respect, in alignment with our Supplier Code of Conduct. As part of this commitment, it is essential that factory workers have access to a grievance mechanism that allows them to raise concerns directly with factory management in a safe and constructive manner. To support this, Carhartt requires all suppliers within our program scope to establish at least one effective, confidential, and anonymous communication channel through which workers can report grievances without fear of retaliation. Suppliers must also implement documented procedures that clearly define the internal process for receiving, reviewing, and resolving grievances. These procedures should include a system for collecting and analyzing grievance data to support continuous improvement in addressing worker concerns.

1. Policy Requirements

1.1 Grievance Mechanism Availability

Suppliers must implement a discreet and effective grievance mechanism accessible to all workers. This mechanism must be capable of addressing a wide range of concerns, including but not limited to:

- Working environment and safety
- Terms and conditions of employment
- Treatment by supervisors or management
- Equal opportunity and non-discrimination issues

1.2 Confidential Reporting Channels

Suppliers are required to provide at least one confidential grievance reporting channel. Acceptable formats include:

- Locked suggestion boxes
- QR-code enabled digital forms
- Dedicated hotlines
- Confidential email addresses
- Verbal Report to Supervisor
- Labor Unions
- Workers Representatives

These channels must be clearly communicated to all workers and maintained in a secure and accessible manner.

1.3 Effective Handling Process

All grievances must be handled through a consistent and documented process that includes the following steps:

1. Documentation of the grievance upon receipt
2. Escalation to senior management where appropriate
3. Investigation conducted fairly and thoroughly
4. Feedback to the complainant, when possible
5. Formal closure of the grievance, with resolution details recorded

Grievances should be acknowledged within 7 days and fully resolved within 4 weeks, unless there are special circumstances requiring more time.

2. Grievance Procedures

2.1 Conflict Resolution Protocol

Suppliers must maintain a well-defined and documented conflict resolution process that applies to:

- Disputes between employees
- Disputes between employees and management

2.2 Appointment of Grievance Handlers

Individuals selected to manage grievances must be trusted by both workers and management and must demonstrate:

- Cultural sensitivity
- Gender sensitivity
- Impartiality and discretion

2.3 Internal Appeals Process

Suppliers must offer a confidential internal appeal procedure for:

- Workers dissatisfied with how their grievance was handled
- Workers who believe they were treated unfairly in disciplinary proceedings

3. Confidentiality and Documentation

- All grievance records, including investigations, outcomes, and any disciplinary actions, must be treated as confidential and stored securely.
- Disclosure of grievance details must only occur with consent from the parties involved or as required by law.
- Complete records must be maintained and made available to Carhartt upon request for auditing or review purposes.

4. Oversight and Accountability

Senior leadership at the supplier level must be involved in the review and resolution of grievances to ensure:

- Transparency in handling
- Accountability for actions taken
- Continuous improvement of the grievance process

5. Compliance

Suppliers are required to maintain complete grievance records and provide access upon request.

5.6 Migrant Labor Policy

Any Carhartt supplier or subcontractor that employs migrant workers is required to either:

- Adopt the **Carhartt Migrant Labor Policy** in full, or
- Implement its own migrant labor policy that meets or exceeds the requirements outlined below.

Any violations related to migrant labor must be remediated immediately, including reimbursement of all inappropriate fees paid by migrant workers. New suppliers found to be non-compliant with this policy must work with Carhartt to implement corrective actions prior to approval.

All applicable laws in both the country of origin and country of employment must be followed. Where Carhartt's Migrant Labor Policy is more stringent than local law, Carhartt's policy shall apply.

Background

In some regions, migrant workers are employed due to labor shortages or domestic workforce limitations. Carhartt supports the lawful employment of migrant workers and recognizes their right to seek employment outside their home country.

Carhartt also maintains the fundamental principle that:

- Workers must **not pay fees for the opportunity to work**, and
- All workers must be treated fairly and ethically, in accordance with Carhartt's Code of Conduct.

Industry experience has shown recurring risks associated with migrant labor recruitment, including excessive recruitment fees, improper travel or training charges, wage exploitation, passport retention, poor living conditions, and other abusive practices. These practices are strictly prohibited under Carhartt's Code of Conduct.

While recruitment practices often occur before a worker reaches the factory, suppliers and their recruitment partners are in the best position to prevent abuse. As such, suppliers are expected to conduct due diligence, implement robust hiring practices, and hold recruitment agencies accountable.

This policy provides guidance to suppliers on preventing known risks related to migrant labor recruitment. A migrant worker interview questionnaire may be provided by Carhartt, as needed, to support compliance verification.

Supplier Responsibilities

All Carhartt suppliers and subcontractors employing foreign migrant workers are responsible for ensuring workers' rights are protected and that all practices comply with the Code of Conduct, this policy, and applicable law.

5.6.1 Fair Treatment

Migrant workers must be treated equally to local workers with respect to:

- Wages
- Working hours
- Holidays and leave
- Benefits
- Employer-provided housing (if applicable)

"In-kind" benefits (e.g., food, housing, services) may be considered part of compensation only if they are:

- Fairly valued, and
- Not used to justify unequal treatment.

5.6.2 Pre-Departure / Pre-Hire Requirements

5.6.2.1 Fees and Costs

Migrant workers must **not pay any fees** in exchange for employment. This includes, but is not limited to:

- Recruitment or agency fees
- Medical examinations (when mandatory)
- Visa, permit, or documentation fees
- Inbound or outbound travel costs

Suppliers must:

- Investigate whether any fees were paid to home-country recruiters or agencies
- Interview recruitment agencies and require them to interview workers about any fees paid
- Ensure all recruitment partners comply with this policy

If fees have been paid:

- The agency or recruiter must reimburse the worker **prior to employment**, or
- The supplier must reimburse the worker in full, including any interest paid.

Local agency fees may be permitted only if:

- Explicitly allowed by local law, and
- The total does not exceed **one month's salary per year**

Fees exceeding these limits must be reimbursed by the supplier. Carhartt may consider whether fees provide a direct benefit to workers (e.g., food, housing, cultural support), provided they are not discriminatory.

5.6.2.2 Passport Retention

Neither the factory nor recruitment agencies may retain a worker's passport except temporarily for legal visa processing.

Suppliers must ensure:

- Workers have **continuous access** to their personal documents
- Secure storage is always provided and is accessible
- Off-site safes or safes controlled by a single individual are **not acceptable**

5.6.2.3 Employee Contracts

Written contracts must be signed by:

- The worker, and
- The agency and/or supplier

Contracts must:

- Be written in the worker's native language
- Match exactly any local-language versions
- Be provided to the worker prior to departure from their home country
- Include at a minimum:
 - Wages (regular, overtime, holiday)
 - Working hours
 - Living conditions
 - Benefits and insurance
 - Job description and skill requirements
 - Contract duration
 - Termination and repatriation terms
 - Permitted fees (not exceeding one month's salary annually)

5.6.2.4 Agency Contracts

Contracts between the factory and recruitment agency must document:

- Fees paid by the factory
- Wages and working hours
- Benefits and insurance
- Job scope and skills
- Contract term
- Termination and repatriation terms

5.6.3 Post-Arrival / Post-Hire Requirements

Contracts and agency agreements must always be readily available at the factory.

Factory-worker contracts must meet or exceed agency-worker contract terms.

5.6.3.4 Orientation

Factories must provide migrant workers with an orientation in their native language covering:

- Job training
- Health and safety
- Factory rules
- Grievance mechanisms
- Termination and repatriation policies

5.6.3.5 Ongoing Requirements

Factories must ensure migrant workers receive appropriate medical care, including:

- Annual medical examinations funded by the factory (unless local law permits otherwise)
- Access to doctors or interpreters in the worker's native language
- Confidential handling of medical information
- The right to refuse medical exams without coercion

5.6.4 Repatriation Requirements

Suppliers must provide return transportation at the end of employment or upon early termination, regardless of contract terms.

This requirement does not apply where a worker:

- Is terminated for illegal conduct
- Secures legal employment elsewhere
- Voluntarily resigns early

However, suppliers **must still pay** repatriation costs if early termination occurs due to:

- Breach of contract by the supplier, or
- Unresolved harassment or abuse

5.7 Body Check Policy

Carhartt recognizes the risks associated with security concerns and employee theft and supports the right of suppliers to implement reasonable measures to protect facilities, materials, and products. However, **Carhartt does not allow intrusive, inappropriate, or degrading body searches.**

Physical body checks (including pat-downs) are **not permitted as a routine practice** and may only be conducted when there is a legitimate, documented need, after alternative methods have been attempted or evaluated, and only in accordance with the guidelines outlined below.

Recommended Methods (Preferred Alternatives)

Carhartt strongly encourages suppliers to utilize non-intrusive methods to address theft and security risks. Carhartt is available to provide guidance on implementing or combining the following approaches:

- **Robust Material Control Systems**
Batch tracking and monitoring material usage by production line are among the most effective controls to prevent theft.
- **CCTV Monitoring**
CCTV may be used to monitor premises and production areas, particularly in higher-risk locations or where material discrepancies are identified.
- **Anonymous Reporting Mechanisms**
Anonymous employee reporting systems should be available so workers can report suspected theft without fear of retaliation.
- **Searches of Personal Belongings**
Searches of bags or personal items are permitted.
- **Limited, Randomized Checks**
Random bi-weekly or monthly checks may be conducted by trained security personnel in conjunction with other methods, provided employee dignity is protected, and the requirements below are followed.
- **Non-Intrusive Detection Methods**
Metal detection wands, walk-through metal detectors, or similar tools are preferred over physical pat-downs for security or safety concerns.

Physical Body Check Guidelines

If the recommended methods above are determined to be ineffective or not feasible, physical body checks may be conducted **only if all the following requirements are met.**

5.7.1 Documented Policy

Suppliers must maintain a **formal, written body check policy** approved by senior management. At a minimum, the policy must include:

- The purpose of body checks and what specifically is being checked
- Clear instructions requiring respectful and dignified treatment of all employees
- Step-by-step procedures for conducting body checks
- A process for employees to report policy violations, including harassment or inappropriate conduct
- Defined disciplinary procedures for confirmed findings
- Translation of the policy into all relevant local language(s)
- Posting of the policy in prominent workplace locations

All employees and security personnel must receive at least annual training on this policy. Security staff must be trained more frequently as appropriate. Body check policy training must be included in **new-hire orientation.**

5.7.2 Location of Body Checks

General body checks for theft must be conducted:

- Inside the facility gate and out of public view
- In areas equipped with CCTV coverage to allow investigation of reported abuse or violation

5.7.3 Procedures for Body Checks

Physical body checks must adhere to all of the following requirements:

- Body checks must be conducted by a person of the same gender as the employee
- Checks are limited to the outside of clothing only
- No contact with an employee's skin under clothing is permitted
- Body checks may only involve:
 - Arms
 - Shoulders
 - Back
 - Stomach
 - Legs
- Private areas are strictly prohibited, including the pelvic region, breasts, and buttocks
- Body checks must be applied consistently and equally to all employees, regardless of position or status

Escalation Procedures for Suspected Theft

If theft is suspected, the policy must clearly define escalation procedures, which must include:

- Moving the employee to a private room inside the facility
- Conducting further investigation in the presence of **at least three individuals**, which may include:
 - Human Resources
 - Security
 - Employee representative or union representative
 - Worker committee member
 - Supervisor or managementAt least one investigator must be management-level, and at least one must be the same gender as the employee.
- **Strip searches are strictly prohibited** under all circumstances
- If partial or full disrobing is required for investigation:
 - A private changing area must be provided
 - A gown or clothing must be provided to maintain full coverage
- Precautions must be taken to prevent **any physical, verbal, or sexual abuse**

All investigations must be **fully documented**, including:

- Date and time
- Reason for the search
- Names and roles of all people present
- Findings and supporting evidence
- Disciplinary actions, if applicable
- Signatures of all participants confirming the outcome

Where labor unions are present, suppliers must engage and involve them constructively throughout the process.

5.8 Cotton Source Policy

Carhartt has joined other brands in pledging not to knowingly use cotton or cotton-based products that involve **forced labor or child labor at any stage of the supply chain**. There is substantial evidence that cotton grown in certain regions of the world is produced using forced or child labor during growing or harvesting activities.

Based on this evidence and applicable legal requirements, Carhartt has determined that **cotton sourced from restricted regions may not be used in Carhartt products in any form**, including cotton fiber, yarn, fabric, or cotton-based materials.

Supplier Disclosure Requirements

Suppliers are required to **fully disclose the origin of all cotton** used in materials supplied to Carhartt, including but not limited to:

- Cotton fiber
- Yarn
- Fabrics
- Trim materials or other cotton-based components

Carhartt's Product Development and Sourcing teams maintain the **current list of restricted cotton-producing regions** and will work directly with suppliers to confirm that cotton sources are not included on this list. Carhartt licensees are also provided with the most current restricted region list and are responsible for working with their supply chains to ensure compliance.

Supply Chain Due Diligence

When a supplier is responsible for sourcing cotton materials, the supplier must:

- Investigate the **entire cotton supply chain**, including upstream suppliers, to identify the origin of the cotton fiber; and
- Provide sufficient information to Carhartt to confirm compliance with this policy.

If the origin of the cotton cannot be confirmed, suppliers must disclose to Carhartt the names of all relevant supply-chain partners, which may include:

- Cotton brokers
- Mills
- Spinners
- Fabric manufacturers
- Sewing factories or other processing facilities

Suppliers are expected to work cooperatively with Carhartt to investigate the supply chain and ensure that cotton sourced from restricted regions is not present.

Certification and Verification

Carhartt may require suppliers, on an as-needed basis, to sign a **Declaration of Cotton / Cotton-Based Products** to certify compliance with this policy and with specific sourcing requirements.

Failure to comply with this policy may result in corrective actions, suspension of sourcing, or other enforcement measures in accordance with Carhartt's Global Social Responsibility program.

5.9 Reporting Policy

Suppliers must promptly notify Carhartt of any significant issues that occur at their facility or at any facility involved in the production of Carhartt products or materials.

Reportable Events

Suppliers are required to report the occurrence of any of the following events, including but not limited to:

- **Labor Issues**
 - Labor strikes, work stoppages, or other forms of labor unrest
- **Serious Safety Incidents**
 - Major fire incidents
 - Chemical accidents
 - Food poisoning
 - Serious injuries or fatalities
 - Any life-threatening workplace incidents
- **Building and Structural Changes**
 - Major construction activities
 - Structural modifications such as:
 - Adding additional floors
 - Removing exterior or load-bearing walls
 - Expanding facilities
 - Installing heavy machinery or large structures
- **Reputational Risk**
 - Adverse media coverage
 - Reports or allegations from NGOs claiming negative findings related to the facility
- **Ownership or Management Changes**
 - Changes to the factory's name, address, ownership, or top management
- **Workforce Changes**
 - Significant workforce fluctuations, defined as an increase or decrease of **25% or more** within a one-month period
- **Other Significant Events**
 - Any other unpredictable or critical circumstances that may impact compliance, worker safety, or Carhartt's supply chain

Timing of Notification

- **Unforeseen or Emergency Issues**

Carhartt must be notified **within 48 hours** of the event occurring, even if full details are not yet available. Initial notification must be followed by supplemental information and documentation as it becomes available.
- **Planned or Known Changes**

Carhartt must be notified as soon **as plans are known and prior to implementation**, such as in cases of planned construction, restructuring, or workforce reductions. Supporting documentation related to the planned change must be included with the notification when available.

Additional details or follow-up reports may be provided later if further investigation or information collection is required.

How to Report

Notifications should be submitted through one or more of the following channels and must include relevant details, timelines, and supporting documentation (e.g., reports, photos, permits, statements, or other records, as applicable):

- The appropriate **Carhartt Sourcing Manager**
- Email to **FactoryCompliance@carhartt.com**
- Direct contact with the local **Carhartt Global Social Responsibility leader**

Failure to report significant events in a timely manner may result in further review or enforcement actions under Carhartt's Global Social Responsibility program.



DOCUMENTS AND FORMS

6.1 Global Social Responsibility Introduction Letter



Introduction Letter
GSR

6.4 Visit Plan and Document Checklist



Visit Plan &
Document Checklist

6.2 Transparency and Anti-Bribery Letter



Transparency and
Anti-Bribery Letter

6.5 Factory Profile Document



Factory Profile
Document V4

6.3 Grievance Mechanism Guidance



Grievance Guidance

6.6 Onboarding Questionnaire



On Boarding
Questionnaire V4