

# SOCIAL COMPLIANCE

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## *Summary*

This chapter explains Burlington Coat Factory’s (BCF) social compliance terms of engagement. All vendors who conduct business with BCF must abide by these terms.

## *Terms of Engagement for BCF’s Business Partners*

These Terms of Engagement apply to all of BCF Business Partners (“Partners”). Partners are defined as vendors, manufacturers, contractors, subcontractors, and other suppliers, sources, and agents who provide BCF with goods or services ordered pursuant to any purchase order (PO), contract, or agreement issued directly by BCF or ordered on BCF’s behalf.

BCF strongly encourages Partners to exceed these Terms of Engagement and promote best practices and compliance in all factories in which Partners manufacture merchandise. While BCF recognizes that there are different legal and cultural environments in which Partners operate throughout the world, these Terms of Engagement set forth the basic minimum requirements that Partners must meet in order to do business with BCF.

## LAWS & REGULATIONS

- Operate in full compliance with all applicable local and national laws, rules, and regulations pertaining to factory operations in the jurisdiction of which they conduct business.

## EMPLOYMENT PRACTICES

- BCF will only conduct business with Partners whose workers are:
  - Treated fairly
  - Present voluntarily
  - Not put at risk of physical harm
  - Fairly compensated
  - Allowed the right of free association
  - Not exploited
- Partners shall ensure procedures are in place by which workers, alleging violations of these Terms of Engagement, may do so without fear of negative repercussions.

In addition, BCF Partners must adhere to the following:

### ***Child Labor and Prison Labor/Forced Labor:***

“Child” is defined as a person who is younger than 15 (or 14 where the law of that country permits) or younger than the age for completing compulsory education in the country where such age is higher than 15. BCF will not utilize Partners who use or permit the use of child labor in any of their facilities.

“Forced Labor” is defined as any work or service that is extracted from any person under the threat of penalty for its non-performance and for which the worker does not offer himself voluntarily.

- Involuntarily keeping workers identification documents is prohibited.
- Observe all legal requirements for the work of authorized minors, particularly those relating to hours, wages, minimum education, and working conditions. BCF supports the development of legitimate, workplace apprenticeship programs, and Partners will be expected to comply with all laws and regulations applicable to such apprenticeship programs.
- Partners shall not use or permit use of bonded, indentured, prison, forced, or child labor in the manufacture or finishing of products ordered by BCF. These types of labor are strictly prohibited.

### ***Disciplinary Practices:***

- Partners shall treat workers with respect and dignity.
- The use of corporal punishment, physical, sexual, psychological, or verbal harassment, or other forms of mental or physical coercion, abuse, or intimidation is prohibited.
- Do not use or permit the use of fines as a disciplinary practice.

### ***Discrimination:***

- Employment (hiring, wages, benefits, advancement, termination, and retirement) is based on worker’s ability and not personal characteristics, including, but not limited to gender, age, disability, sexual orientation, racial characteristics, cultural or religious beliefs, or similar factors..

### ***Free Association:***

- Workers are free to join organizations of their own choice.
- Partners shall recognize and respect rights of workers to freedom of association and collective bargaining.
- Workers are not subject to intimidation or harassment in the peaceful exercise of their legal right to join or refrain from joining an organization.

### ***Health & Safety:***

- Partners must provide workers with a clean, safe, and healthful work environment designed to prevent accidents and injuries arising out of or occurring while in the course of work or as a result of the operation of a Business Partner’s facility.

- Partners must comply with all applicable, legally mandated standards for workplace health and safety.
- Partners who provide residential facilities for their workers must provide safe and healthy facilities, separate from production facilities, that comply with legally mandated standards for health and safety.

***Supply Chain Security:***

- Suppliers should have a written security plan and regularly evaluate security procedures to protect the international supply chain from unauthorized access.

***Wages and Benefits:***

- Partners pay workers wages and legally mandated benefits that comply with the higher of:
  - (a) any applicable law, or
  - (b) to match the prevailing local manufacturing or industry practices
- Workers are compensated for overtime hours at legal premium rates, or in countries where such laws do not exist, at least equal to their regular hourly wage rate.

***Women's Rights:***

- Ensure that workers who are women receive equal treatment in all aspects of employment.
- Pregnancy tests will not be a condition of employment or continuation thereof.
- Pregnancy testing, if provided, will be voluntary.
- Workers will not be exposed to hazards that may endanger reproductive health.
- Partners will not force workers to use contraception.

***Working Hours:***

- Partners operate based on prevailing local work hours. Any time worked over the norm for the area should be compensated as prescribed by the local labor laws
- Except in extraordinary circumstances, Partners limit hours that workers may work on a regularly scheduled basis to legal limits on regular and overtime hours established by local laws and regulations in the jurisdiction in which they manufacture.
- Subject to the requirements of local law, a regularly scheduled workweek of no more than 60 hours and one (1) day off in every seven (7) day period are encouraged.
- Comply with applicable laws that entitle workers to vacation time, leave periods, and holidays.
- Regularly provide reasonable rest periods and one (1) day off within a seven (7) day period.
- Working hours recorded by automated timekeeping system.

## ETHICAL STANDARDS

- BCF will seek to identify and work with Partners who aim to maintain a set of ethical standards compatible with BCF standards.
- Bribes, kickbacks, or other similar unlawful or improper payments are strictly prohibited to be given to any person or entity to obtain or retain business.

## ENVIRONMENTAL REQUIREMENTS

- BCF will only do business with Partners who comply with all applicable government laws and regulations, international standards, U.S. regulations prohibiting the use of ozone depleting chemicals (hydrochlorofluorocarbons), and the International Trade in Endangered Species of Wild Fauna and Flora, as listed in the United States Endangered Species Act of 1973.

## LEGAL REQUIREMENTS

- BCF policy is to obey the laws of each country in which merchandise is manufactured for BCF.
- Partners will comply with all applicable local and national laws, rules and regulations pertaining to all aspects of factory operations. This includes compliance with these Terms of Engagement and the terms and conditions of POs issued by BCF or on BCF's behalf and also require attention to U.S. country of origin regulations that govern quota classification and the marking of products.
- Partners manufacturing facilities will comply with US Customs-Trade Partnership Against Terrorism (C-TPAT) requirements.

## COMMUNICATION

- All Partners must post the Terms of Engagement in places in their factories readily accessible to workers, translated into the language of the workers and supervisors and communicate these provisions to all workers.
- Upon employment, as part of worker orientation, the Terms of Engagement shall be presented and explained to workers .
- Partners shall periodically review these Terms of Engagement with workers.

## **MONITORING/COMPLIANCE**

- BCF takes affirmative measures to monitor compliance with BCF Terms of Engagement and BCF PO Terms and Conditions. Such measures may include:
  - Prescreening Partners.
  - Scheduled or random, announced and unannounced on-site inspections of factories by BCF representatives. Refusal or failure to cooperate may result in the termination of BCF's business relationship with said Partner.
  - Certification by BCF Partners that BCF Terms of Engagement have been complied with.
- BCF associates and representatives have been asked to be watchful for violations of BCF Terms of Engagement on visits to factories or manufacturing facilities and to report questionable conduct to management for follow up and when appropriate, for corrective action.

## **RECORD KEEPING**

- All Partners must maintain in the factories producing merchandise for BCF all documentation necessary to demonstrate compliance with BCF Terms of Engagement.
- Partners must furnish BCF representatives reasonable access to production facilities, employment records, and workers for confidential interviews in connection with monitoring factory or inspection visits.
- Partners must promptly respond to reasonable inquiries by BCF representatives concerning the operations of factories with respect to BCF Terms of Engagement.

## **SUBCONTRACTING**

- Partners shall not utilize subcontractors for the production of BCF merchandise, or components thereof, without BCF prior written approval and only after the subcontractor has agreed to comply with BCF Terms of Engagement.
- Partners shall require each BCF approved subcontractor to abide by the Terms of Engagement.
- Partners shall be held accountable for a subcontractor's failure to abide by BCF Terms of Engagement.

## **CORRECTIVE ACTION**

- If a Partner is in violation of BCF Terms of Engagement, BCF will work with the Partner to remediate the violation if possible.
- If this effort is unsuccessful or not possible, BCF shall reevaluate its business relationship with the Partner and shall take appropriate corrective action.

- Corrective action may include:
  - Cancellation of the affected order
  - Prohibition of subsequent use of a factory
- Termination of BCF business relationship with any Partner found to be in violation of these Terms of Engagement, or exercising any other rights and remedies to which BCF may be entitled under POs issued by BCF or on behalf of BCF, at law or otherwise.

### **COUNTRY EXCEPTIONS**

- Partners will not produce merchandise for BCF in countries, which are considered by BCF to deny basic human rights.
- BCF will not initiate or continue its business relationship with Partners that produce merchandise for BCF where there are gross and systematic violations of human rights and when there is a recognized movement from within the country calling for withdrawal.

[Need Help?](#)

For questions or for information pertaining to BCF Terms of Engagement e-mail [vendor.relations@coat.com](mailto:vendor.relations@coat.com).