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## Social Responsibility Compliance Manual

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## 1. INTRODUCTION

Jenkins Enterprises, Inc. (Jenkins) strives to conduct business in accordance with high ethical business standards. To support this initiative, Jenkins has made a commitment to engage with manufacturers to help ensure that collegiate licensed products are manufactured in safe, healthy environments that respect workers' rights. Jenkins has adopted its own Workplace Code of Conduct (COC) and established a process to verify that factories manufacturing collegiate branded product meet a required level of compliance with international labor standards and country specific laws.

Jenkins has established their own internal social responsibility programs, and requires authorized manufactures (AMA's) to submit to regular third party factory monitoring to verify compliance with Jenkins Workplace COC. In addition, social compliance audits are used to assess whether factories have systems and policies in place that will facilitate ongoing compliance. Jenkins seeks to work with factories that have internal policies and programs to ensure our products are made in factories with acceptable working conditions. Both Jenkins and factory managers are expected to take an active role in this ongoing process.

This manual provides an overview of the roles and responsibilities of Jenkins, as well as the standards that authorized manufacturers of licensed products are expected to uphold. Specifically, this manual contains the following sections:

**Overview of Jenkins Key Responsibilities:** describes the role Jenkins plays in achieving social compliance throughout the manufacturing process.

**Jenkins Workplace Code of Conduct:** describes the requirements all manufacture and their factories must adhere to.

**Communicating Expectations to Factories:** explains what aspects of Jenkins requirements should be communicated to manufacturing facilities. This includes an overview of the audit process as well as consideration in addressing non-compliance issues.

We look forward to partnering with you in our continuous effort to have licensed products manufactured in factories that offer safe, healthy and fair working conditions.

**2. REVIEW OF KEY RESPONSIBILITIES**

As a licensee and ensuring that our products are manufactured in factories with acceptable working conditions, we require cooperation to facilitate a successful social compliance program.

Please contact: [csr@jenkins-enterprises.com](mailto:csr@jenkins-enterprises.com) with any questions regarding the obligations described:

**2.1 PROCESS OVERVIEW**

**1. Company Corporate Social Responsibility (CSR) Contact**

Jenkins Enterprises has designated a person responsible for the implementation of standards at the manufacturing facilities producing licensed products. The CSR contact is an individual who has visibility into the supply chain and can communicate code of conduct expectations to manufacturers. This individual is also responsible for obtaining and reviewing social compliance audit reports, evaluating whether factory corrective action is necessary and if so, work with factories to resolve issues.

Our CSR contact is: Jeff Frazier. [jeff@jenkins-enterprises.com](mailto:jeff@jenkins-enterprises.com)

**2. Establish Internal CSR Program**

a. Jenkins has established our own internal CSR program including specific processes geared toward achieving ongoing, sustainable compliance with our AMA’s facilities and those we contract with.

**3. Submit Factory Information**

a. Jenkins has disclosed all factories manufacturing licensed products. This includes those factories owned and operated by our company and third party, as well as any subcontractors. This also means that if we change or add factories over time, we will provide updated information.

b. **\*Important\*** All manufacturing facilities are notified of Jenkins Workplace Code of Conduct and compliance requirements. Specifically, all factories are aware that Jenkins staff and/or third party auditors may conduct an audit of their facility per the terms of our COC.

**4. Meet Third Party Factory Monitoring Requirements**

a. Jenkins is required to facilitate social compliance audits of those factories producing branded products.

b. Once we receive a factory audit report (either from an audit firm or one that has recently been conducted by another buyer or third party), we will review the results to determine whether further action is needed.

c. Audit reports will need to be available in a digital format.

## **5. Address Any/All Non-Compliance Issues with a Corrective Action Plan**

a. In cases where there are moderate non-compliance issues it is expected that the factory take corrective action immediately in order to remedy these issues. The third party audit teams will discuss the necessary corrective actions onsite in the closing meeting. Factory management will review the findings with the auditors and are expected to outline agreed-upon actions. Jenkins is required to ensure all corrective action improvements are addressed.

b. In cases of major non-compliance issues, the factory must adhere to a corrective action plan with a specific timeframe outlined. The non-compliance issues and necessary corrective actions will be discussed onsite with the factory in the closing meeting of the audit; however, it is the responsibility of the Jenkins to ensure the factory establishes an acceptable timeframe in which they will make these improvements.

### 3. Jenkins Enterprises Workplace Code of Conduct

#### Preamble

The FLA Workplace Code of Conduct defines labor standards that aim to achieve decent and humane working conditions. The Code’s standards are based on International Labor Organization standards and internationally accepted good labor practices.

Companies affiliated with the FLA are expected to comply with all relevant and applicable laws and regulations of the country in which workers are employed and to implement the Workplace Code in their applicable facilities. When differences or conflicts in standards arise, affiliated companies are expected to apply the highest standard.

The FLA monitors compliance with the Workplace Code by carefully examining adherence to the Compliance Benchmarks and the Principles of Monitoring. The Compliance Benchmarks identify specific requirements for meeting each Code standard, while the Principles of Monitoring guide the assessment of compliance. The FLA expects affiliated companies to make improvements when Code standards are not met and to develop sustainable mechanisms to ensure ongoing compliance.

The FLA provides a model of collaboration, accountability, and transparency and serves as a catalyst for positive change in workplace conditions. As an organization that promotes continuous improvement, the FLA strives to be a global leader in establishing best practices for respectful and ethical treatment of workers, and in promoting sustainable conditions through which workers earn fair wages in safe and healthy workplaces.

#### Employment Relationship

Employers shall adopt and adhere to rules and conditions of employment that respect workers and at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

#### Forced Labor \*

There shall not be any use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.

#### Child Labor \*

No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

#### Harassment or Abuse \*

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

## **Nondiscrimination**

No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

## **Health and Safety \***

Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

## **Freedom of Association and Collective Bargaining**

Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

## **Compensation\***

Every worker has a right to compensation for a regular work week that is sufficient to meet worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.

## **Hours of Work\***

Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime shall be consensual.

Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hour.

\*Denotes major non-compliance Issues

\*\*All references to local law throughout this Code shall include regulations implemented in accordance with applicable local laws.

## 4. COMMUNICATING EXPECTATIONS TO FACTORIES

Jenkins is to address the following with their suppliers and ensure they are aware of what to expect in doing business with us.

### 4.1 UNDERSTANDING THE REQUIREMENTS AND AUDIT PREPARATION

Factories will be aware of the Major Non-compliance Issues as described on the previous page. In particular, the importance of having accurate and reliable time and payroll records kept onsite for review by auditors.

#### AUDIT REQUIREMENTS

Jenkins requires documentation that demonstrates a factory manufacturing licensed product is, at a minimum, in compliance with local and international laws, and in compliance with our Workplace Code of Conduct and Fair Labor Association (FLA) monitoring standards.

It is not uncommon for factories to be audited every month by a different buyer, retailer or brand. We encourage our factories to share this information to avoid redundant auditing. To expedite the approval process, and avoid redundant auditing, if our factory has been audited during the last six (6) months and can share the results we will use this information in place of conducting an audit.

### 4.2 THE AUDIT PROCESS

#### *Scheduling an Audit*

To assist us with scheduling an audit, we use the Audit Request Form (Appendix A).

While there are variations in the social auditing process depending on the company and/or individual conducting the audit, the following provides an overview of the typical components. Factories will be familiar with what this process entails and the expectations regarding the time commitment and level of access required.

The labor compliance assessment is used to determine and report on a particular factory's level of compliance with local laws and our standards. The goal is to promote increased awareness of labor conditions within the supply chain and to facilitate corrective action if necessary. The assessment process itself requires that information be gathered from management interviews, employee interviews, visual observation, and document/records review. Initial visits generally last from 1-4 days, and follow-up visits from 1-2 days. We understand that the success of each assessment depends on the willingness of the factory management to provide access to factory grounds, relevant records, and employees for interview.



## ***Assessment Preparation***

Prior to conducting the assessment, auditors will familiarize themselves with the factory, including a review of the following:

- *Factory contact*
- *Applicable country specific laws and standards*
- *Appropriate documentation and instructions*
- *Factory profile information*
- *Self assessment questionnaires*
- *Review of previous assessment reports and history*
- *Review of all outstanding corrective action plans*
- *Names of employees interviewed during previous assessment*

## ***Opening Meeting***

The opening meeting with management is an extremely important part of the process because it sets the tone for the entire assessment. A well-executed opening meeting can make a significant difference in how smoothly and how long the assessment takes. Specifically, during the opening meeting the auditor's staff will:

- *Establish appropriate communication channels*
- *Review the scope and goals of the assessment*
- *Provide management with a specific list of records that will be needed for review*
- *Discuss the assessment team's role as an objective verifier only*
- *Present and discuss Jenkins Code of Conduct (COC) and/or standards*
- *Interview factory management about operational processes*

## ***Factory Tour***

In determining compliance, information gathered through visual observation is critical. For this reason the audit staff is trained to do a detailed and in-depth observation of the workplace health, safety and environmental conditions, with a focus on how those conditions impact the employees. Auditors will also observe employees for signs that might relate to other areas of compliance. For example: how managers, supervisor, and employees interact amongst themselves and with one another. In general, the audit staff is instructed to draw upon his/her common sense and professional experience.

## ***Employee Interviews***

Confidential interviews with employees are fundamental to the success of the assessment because they provide the most direct source of information about how working conditions impact employee well-being. However, employee interviews require great care and sensitivity to local conditions, and must always be conducted in a manner that ensures that employees will not face retaliation as a result of their participation. Specifically, audit staff is expected to crosscheck information gathered from other information sources, detect potential areas of concern, and to assess the awareness level of the employees during each interview. The role of the auditor is not to educate, debate, or argue with employees for any reason.

## ***Document & Records Review***

Documents and records review is done for a number of reasons which include: gathering information regarding wages and benefits, hours of work, company policies, discrimination, health & safety, child labor, etc. Prior to reviewing records the audit staff must first familiarize themselves with the procedures and systems of the factory. As well as checking the content of the documents and records, it's also important to assess how they are controlled to ensure ongoing compliance.

## ***Closing Meeting***

Once the assessment is complete, a closing meeting will be held with factory management. During this meeting, management will be provided a final opportunity to clarify factory policies and practices as they relate to issues of non-compliance. This is of particular importance when inconsistent and/or unclear data has been collected. Generally the closing meeting includes:

- *Acknowledgement of factory management cooperation*
- *Restatement of the purpose of the assessment*
- *Presentation and review of a draft list of each non-conformity*
- *Discussion of corrective action steps the factory will take to fix non-conformity*

## ***Reporting***

The end product the auditor provides is the assessment report(s). The final report will be provided to Jenkins.

## ***Audit Results and Next Steps***

The audit results are communicated to factory management during the closing meeting. At that time, it is expected that factory management discuss and commit to making improvements related to each non-compliance issue within a reasonable timeframe. It is the responsibility of Jenkins to ensure these corrective actions are taken and that a timeframe is established and followed.

## **4.3 Additional Audit Requirements**

### ***Oversee Corrective Action Plan (CAP)***

Jenkins is expected to work with our factories to ensure effective and timely remediation of areas of non-compliance when they are found. We will ensure that proper follow up and actions are taken to improve any/all non-compliance issues. Jenkins will be prepared to provide proof of improvements (such as photos, documentation etc.) at any time after the assessment is conducted.

## 5.1 Appendix A: Audit Request Form

**Instructions:** To request an audit, please complete this form and return it to a Jenkins Enterprises approved monitoring firm.

### Requesting Company Information

#### LICENSEE REQUESTING AUDIT:

Company Name: Jenkins Enterprises, Inc.
Address: 7200 Industry Drive
City: North little Rock
Province/State: Arkansas
Postal Code: 72117
Country: USA
Contact Name: Carter Wallace
Phone: 501-945-2600
Fax: 501-801-1382
E-mail: carterw@jenkins-enterprises.com

#### COMPANY PAYING FOR AUDIT (if different from above)

Company Name:
Billing Address:
City:
Province/State:
Postal Code:
Country:
Contact Name:
Phone:
Fax:
E-mail:

**Note to Paying Company:** Payment of the audit permits the release of the collected data of the audited facility compiled by the Audit Firm to be released to Jenkins Enterprises. Included within this release is any monitoring data obtained through audits and verification.

**Manufacturing Facility Information  
Factory (Manufacturing facility to be audited)**

Factory Name:
Factory Address:
City:
Province/State:
Postal Code:
Country:
Contact Name:
Phone:
Fax:
Email:
Number of workers:
Language spoken by workers:
Other brands/buyers:

**Date of request:**

**Date by which audit results are needed: What type of audit are you requesting?**

- Initial Audit**  
This factory is a new supplier Jenkins and has not been audited within the last 12 months and/or existing audit report isn't sufficient.
- Follow-up Audit**  
This factory was audited and major compliance issues were found. A copy of the previous results is being submitted with this request.
- Annual Audit**  
This factory was audited within the last 12 months and no major compliance issues were found. Audit is being conducted to verify continued compliance and a copy of the previous results is being submitted with this request.

I have read and understand Jenkins Enterprises Social Compliance Manual including the Workplace Code of Conduct, Expectations of Factories and the Audit Process.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Note to Auditing Company:** All audits are to be conducted to the Jenkins Code of Conduct & FLA Monitoring Benchmarks unless otherwise specified above (in which case please contact us to confirm that audit scope requested conforms to Jenkins requirements). When the audit is completed, please submit a copy of the report to: 1) the factory, and 2) Jenkins and company paying for the audit (specified above).