

# Hugo Boss AG

**TICKER**  
 DB:BOSS

**MARKET CAPITALIZATION**  
 US\$6 billion

**HEADQUARTERS**  
 Germany

**COMPLIANCE**
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
**COMMITMENTS**
[Yes](#)
**OVERALL RANKING**

## 10 out of 43

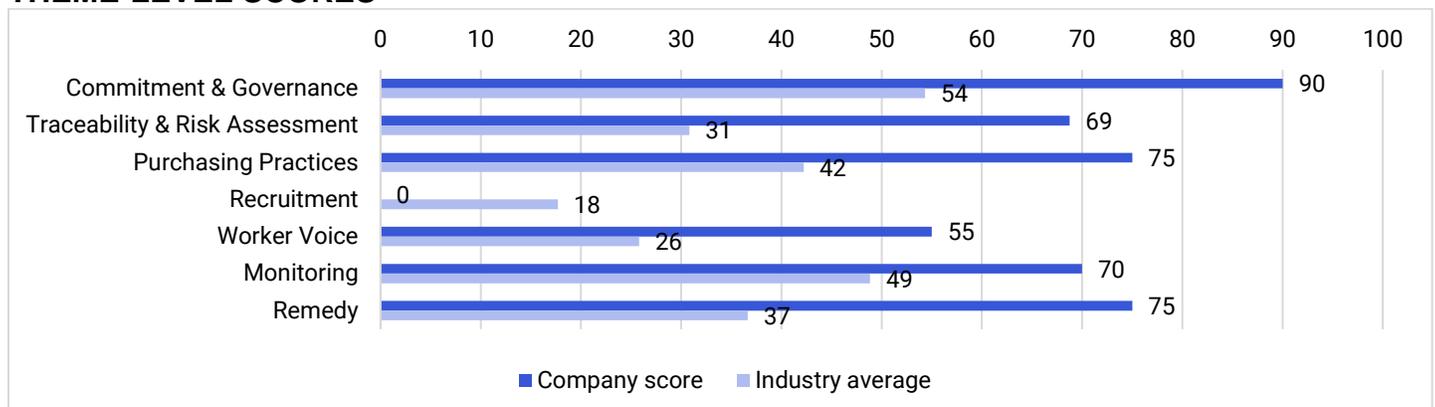
(2016: 13 out of 20)

**OVERALL SCORE**

## 62 out of 100

**SUMMARY**

Hugo Boss AG (Hugo Boss), a Germany-based developer and marketer of clothing and accessories, ranks tenth out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Recruitment, where the company scores zero. Compared to 2016, the company improved its rank from 13th to tenth. Since 2016, the company has improved its performance and disclosure by training its suppliers; disclosing a supplier list; joining the Better Cotton Initiative, YESS: Yarn Ethically & Sustainably Sourced, and the 2018 Accord on Fire and Building Safety in Bangladesh; improving its purchasing practices; strengthening its corrective action plan processes; and disclosing worker engagement and evidence of its grievance mechanism being used by its suppliers' workers. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of Purchasing Practices, Recruitment, and Worker Voice.

**THEME-LEVEL SCORES**

 Research conducted through June 2018, or through August 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

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## LEADING PRACTICES

**Training:** Hugo Boss discloses that its employees are trained annually on the company's social standards, including on how to recognize and report incidences of forced labor. It also notes that it developed a supplier training program on its social and environmental standards, which includes modules on root cause analysis and grievance mechanisms. The training includes in-person training and testing. The company discloses that, as of February 2018, about 50% of the company's suppliers have been trained in countries including Turkey, Switzerland, Italy, Eastern Europe, Vietnam, India, Sri Lanka, China, and Bangladesh.

**Supplier Selection:** Hugo Boss states that compliance with its social standards is a prerequisite for being selected into its supplier portfolio. The company explains that it assesses suppliers through a social audit, which covers forced labor. It discloses that, in 2017, it rejected three suppliers due to inadequate working conditions or non-acceptance of the related contractual terms.

**Grievance Mechanisms:** Hugo Boss discloses several grievance mechanisms available to workers in its supply chains. It requires suppliers to have a mechanism in place and, during audits, reviews training materials for workers. It notes that the company developed supplier training in response to two instances in which its suppliers did not have records of training workers on grievance mechanisms. It also states that, as a member of the Fair Labor Association (FLA), stakeholders can raise grievances with the initiative. The FLA verified that the company's helpline has been used by its suppliers' workers; for example, for a case of delayed payment of wages. Hugo Boss states that, in China, Hong Kong, and Sri Lanka, it has additionally set up phone numbers for "trusted representatives" to receive information about violations of its standards.

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## NOTABLE FINDINGS

**Traceability:** Hugo Boss discloses the list of its 172 first-tier finished goods suppliers. The list includes the names, addresses, and types of products manufactured at the facilities, as well as the number of workers employed by each of its supplier facilities. In addition to its supplier list, it publishes a global supplier map, which includes the number of suppliers per region and country, as well as the average audit results and number of workers employed in these regions. Hugo Boss discloses efforts on tracing its raw materials. It discloses that it procures raw material directly from 371 suppliers in 24 countries, engages with initiatives such as YESS and Better Cotton Initiative to improve traceability, and that it developed a supplier questionnaire on raw material origin and sourcing.

**Worker Voice:** Hugo Boss makes its supplier code of conduct available in 26 languages, covering the languages spoken by the workers in its most important sourcing countries. The code requires suppliers to inform their workers of their rights and to appoint a representative in charge of implementing the standard. The company discloses that, through its membership in the German Partnership for Sustainable Textiles, it is engaged in the Tamil Nadu initiative in India, which, in collaboration with local NGOs, provides trainings to factory management and employees on employee rights and complaint mechanisms.

**Remedy:** Hugo Boss provides an example of its corrective action plan process in practice. Following an audit that found that one of its Indian suppliers did not allow female workers to leave the premises, the company notes that it ensured that the supplier revised its policy and that it participated in the "Ethical Trading Initiative's (ETI) Tamil Nadu Peer Group Programme, a training and capacity building program that focuses on worker empowerment and representation." The company also discloses remedy outcomes for its suppliers' workers. At a Turkish supplier, this included the provision of six additional grievance boxes in workers' dressing rooms to ensure a higher level of anonymity, as well as the option for pregnant and nursing workers to leave early, with the resulting public transport costs being provided. At a Bangladeshi supplier, outcomes for workers included the provision of a canteen for workers and the election of worker representatives to a grievance committee by the workers themselves (rather than being appointed by management).

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## OPPORTUNITIES FOR IMPROVEMENT

**Purchasing Practices:** The company is encouraged to disclose how it addresses risks of forced labor related to subcontracting. Further, the company is encouraged to provide evidence of integrating its supply chain standards addressing forced labor and human trafficking into contracts with its suppliers, for example by disclosing the language used in such contracts.

**Recruitment:** To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to confirm that recruitment agencies used by its suppliers are audited and to work with suppliers to ensure that migrant workers' rights are respected (e.g., to confirm workers' passports or other personal documents are not retained).

**Worker Voice:** The company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights across sourcing countries. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains. Further, the company is encouraged to work with suppliers to improve their practices regarding freedom of association and collective bargaining. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

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## COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes](#), including [information on the company's business model](#).