

Ralph Lauren Corp.

TICKER
 NYSE:RL

MARKET CAPITALIZATION
 US\$9 billion

HEADQUARTERS
 United States

COMPLIANCE
UK Modern Slavery Act: [Disclosure available, but not compliant](#)
California Transparency in Supply Chains Act: [Yes](#)
COMMITMENTS
[Yes](#)
OVERALL RANKING

12 out of 43

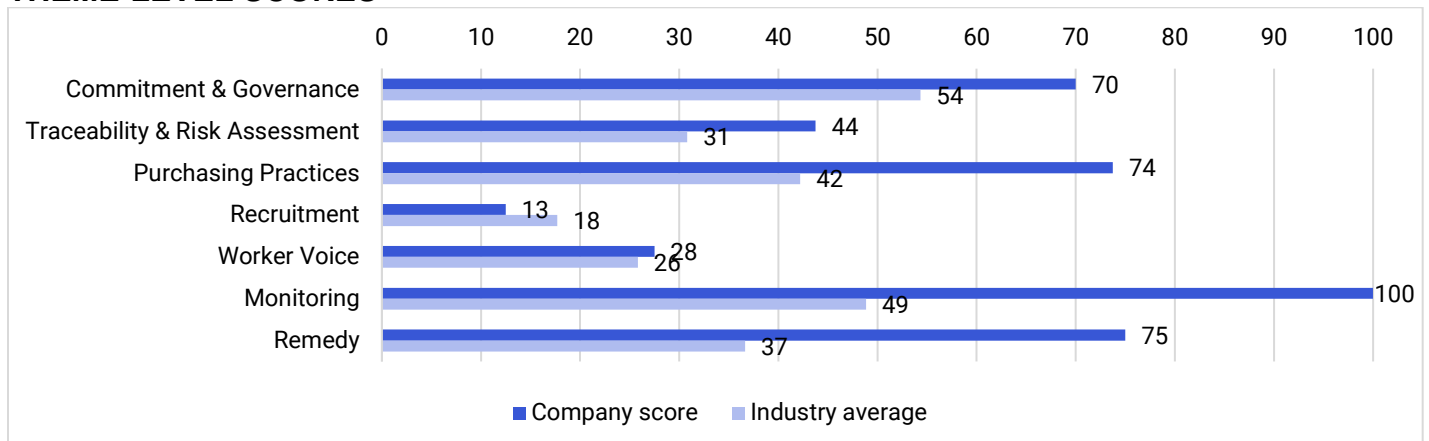
(2016: 11 out of 20)

OVERALL SCORE

58 out of 100

SUMMARY

Ralph Lauren Corp. (Ralph Lauren), a US-based clothing company, ranks 12th out of 43 companies. It discloses more information on its forced labor policies and practices than its peers on all themes except Recruitment. Compared to 2016, the company improved its score by 12 points. Since 2016, the company has improved by disclosing information on its supply chain workforce and on the number of workers interviewed during audits, requiring suppliers in its first, second, and third tiers to sign its standards, taking steps toward incentivizing suppliers with a strong compliance record, working with suppliers to monitor and audit employment and recruitment agencies, and disclosing remedy outcomes for workers. Notably, the company is among those achieving the highest score on the theme of Monitoring. 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 Traceability & Risk Assessment, Recruitment, and Worker Voice.

THEME-LEVEL SCORES


LEADING PRACTICES

Commitment & Governance: Ralph Lauren states that its supplier standards are contained in a vendor compliance packet, which is reviewed and signed by all approved suppliers from the first to the third tier.

Traceability: Ralph Lauren discloses a strong understanding of the composition of the workforce in its supply chains. It notes that its suppliers' workforce consists mainly of native workers and that the workforce is predominantly female. It further discloses that most of its foreign migrant supply chain workforce is employed by its seven suppliers in Jordan and by one supplier in Bahrain. This migrant workforce originates mainly from Bangladesh, Sri Lanka, Nepal, and India. Ralph Lauren further states that it works with several artisan suppliers, as individuals or small co-operatives and home workers, and that, in those cases, "it is imperative that [it] understand[s] the source mapping of these suppliers and know[s] their operations."

Remedy: Ralph Lauren discloses that its remediation process is aimed at long-term improvement and involves third-party experts "who have experience in ... capacity planning, human resource systems, and worker engagement best practices." It explains that it provides capacity-building trainings and engages suppliers in "continuous improvement programs." Ralph Lauren states that, in 2017, it stopped working with four suppliers due to "persistent" non-compliances. It discloses an example of a supplier that was found using monetary fines as a disciplinary practice (for example, a worker being fined for cooking in the dormitory) and explains how it worked with the supplier to ensure that fines were discontinued. It also discloses remedy outcomes for workers, such as removing mandatory overtime requirements, removing limitations and permission slips to use restrooms, and reimbursing recruitment fees.

NOTABLE FINDINGS

Training: Ralph Lauren discloses that its Global Human Rights Compliance team conducts departmental trainings, including on its supplier standards, "with an emphasis on human trafficking and forced labor." The company adds that these are provided to internal procurement, quality and capacity managers, and associates on an "as needed" basis. It further states that it provided training for its supply chain executives and employees on the prevention of human trafficking and slave labor.

Supplier Selection: Ralph Lauren states that its supplier approval process applies to all potential suppliers and includes an on-site evaluation of their offices, sample rooms, factories, and subcontractors. The company discloses that it assesses "passport retention policies, labor and employment rules, deductions, living conditions and their environments, freedom of movement, recruitment fees, etc." Additionally, the company's evaluation process includes a program to correct any existing issues prior to doing business with the company.

Monitoring: Ralph Lauren states that it conducts interviews in the worker's language when it undertakes audits, individually and with a group. The company also notes that "when [it] audit[s] a supplier that employs foreign migrant workers, [it] expand[s] the scope of the audit [and] ensure[s] that there is a proportionate number of foreign migrant workers included in the document reviews and worker interviews." The company discloses that its audits include a review of worker dormitories and that "in some cases, such as factories that employ foreign migrant workers, [it has] on going monthly dormitory checks conducted that monitor the living conditions and safety of the dormitories." Ralph Lauren discloses that, in 2017, it audited about 80% of its suppliers, as well as their subcontractors, and that 70% of these audits were unannounced. It also discloses audit outcomes.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers, the countries of below-first-tier suppliers, and the sourcing countries of raw materials at high risk of forced labor and human trafficking. Further, the company may consider disclosing forced labor and human trafficking risks identified in different tiers of its supply chains.

Recruitment: While the company states that it requires foreign migrant workers to be directly employed by its suppliers, the company may consider developing and disclosing a formal policy which includes this requirement and to disclose information on the recruitment agencies used by its suppliers. In addition, the company is encouraged to disclose its migrant worker standard or another formal policy which includes provisions to protect the rights of migrant workers. The company may further consider ensuring migrant workers are not restricted in their movement (for example through passport retention) and are not discriminated against; the company may also consider working with its suppliers to ensure that migrant workers' rights are respected.

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. 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.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)