

## KnowTheChain Apparel & Footwear Benchmark - Additional Disclosure 2020/2021

Company Name: Ralph Lauren Corporation

Date: March 3, 2021

Guidance:

- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website. Please see the 'comment text' and 'source' cells in the Excel document for the information we have already reviewed.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to (extensive additional disclosure documents that include a comprehensive list of links already reviewed will not be considered).

### THEME 1: COMMITMENT AND GOVERNANCE

#### 1.1 Commitment

The company:

- (1) publicly demonstrates its commitment to addressing forced labor and human trafficking.

#### 1.2 Supplier Code of Conduct

The company's supplier code of conduct:

- (1) requires suppliers to respect the ILO core labor standards, which include the elimination of forced labor;
- (2) is easily accessible from the company's website;
- (3) is updated regularly, following internal review and input from external stakeholders;
- (4) is communicated to the company's suppliers; and
- (5) requires its first-tier suppliers to take steps to ensure that their own suppliers implement standards that are in-line with the company's supply chain policies addressing forced labor and human trafficking.

*(5) We require our first-tier suppliers to take steps to ensure that their own suppliers implement standards that reflect RLC's supply chain policies, including those on forced labor and human trafficking. RLC [Operating Standards \("OS"\)](#) (last revised March 2020) form the basis of our relationship with suppliers and set forth our standards and expectations across legal and ethical matters, including human and labor rights. Our OS provide that:*

- *Suppliers are strictly prohibited from working with any service providers or purchasing materials from entities that use forced labor or human trafficking.<sup>1</sup>*
- *Suppliers are required to perform periodic audits of their own suppliers and subcontractors to ensure compliance with our OS.<sup>2</sup>*

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<sup>1</sup> "Voluntary Employment – Suppliers are prohibited from working with or arranging for purchase of any materials or services that supports or utilizes forced, indentured, bonded, or compulsory labor obtained through human trafficking, coercion or slavery."

<sup>2</sup> "RLC also expects Suppliers to perform periodic audits of their suppliers and subcontractors' facilities and operations to ensure equal compliance with these Standards."

*As we enter new, or renew our existing contractual arrangements, suppliers are assessed for their social standards and capabilities. The OS are an included exhibit in the Vendor Compliance Packet (“VCP”). RLC requires suppliers to review and agree to the VCP as a condition to working with us.*

### 1.3 Management and Accountability

The company:

- (1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labor and human trafficking; and
- (2) has tasked a board member or board committee with oversight of its supply chain policies that address forced labor and human trafficking.

*(1)(2) We have clearly defined oversight for our supply chain. Pursuant to the [Charter](#) [pages 3-4] of the RLC’s Board of Directors, Nominating, Governance, Citizenship and Sustainability Committee [hereinafter Committee], they are charged with “[r]eview[ing] with management corporate citizenship and sustainability (including environmental and **supply chain sustainability and human rights**) initiatives and goals to assist the Corporation in appropriately addressing its impacts and responsibilities as a global corporate citizen . . . .” The Committee further “[r]eview[s] with management the Corporation’s policies, programs, and practices relating to corporate citizenship, sustainability and **social and environmental issues** . . . .” (emphasis added).*

*To ensure our Operating Standards are understood and upheld, we have a social compliance program in place. RLC Global Citizenship team is responsible for administering the social compliance program for all RL-divisions. The social compliance program consists of supplier contractual agreements, including an obligation to adhere to the RLC Operating Standards, pre-production audits and required approvals, as well as ongoing monitoring and remediation. The Global Citizenship team oversees the social compliance auditing and monitoring of factories that manufacture RL-product by utilizing third party auditors, including the International Labor Organization (“ILO”) - Better Work (“BW”) Program, where available, as well as our own staff to conduct audits, all of whom are specifically trained to conduct social audits.*

*Preventing modern slavery is a core pillar of our social compliance program. RLC strictly prohibits all forms of modern slavery including, but not limited to, forced labor, human trafficking, deceptive recruitment, and child labor. We conduct social audits to assess the working conditions of supplier locations. During audits, our auditors are compelled to be vigilant and pay specific attention to red flags alerting us to potential modern slavery findings as we consider such a finding a zero-tolerance violation. Where applicable, our social auditing protocol also includes foreign migrant worker interviews to verify compliance with our Foreign Migrant Worker (“FMW”) Standards.*

*Audit results are reviewed by the RLC Global Citizenship team. Post-audit, we continue to engage with our suppliers to ensure implementation of corrective actions and appropriate remediation, where applicable. Where we find a supplier in violation of our standards, the supplier is expected to remediate the issue promptly and adequately before any production orders are placed. If we identify and validate noncompliance with our requirements related to eradicating slavery or human trafficking, we will work with that supplier to make immediate changes; otherwise, we will cease business relations. We recognize that engagement is an ongoing process. Accordingly, we conduct ongoing monitoring of suppliers to ensure compliance with our program of auditing, remediation, supplier engagement, and capability building.*

*The RLC Global Citizenship team provides regular reports on supplier social compliance risk ratings to the Global Manufacturing and Sourcing teams.*

## 1.4 Training

The company:

- (1) trains all relevant decision-makers within the company on risks and policies that address forced labor and human trafficking;
- (2) trains its first-tier suppliers on risks and policies that address forced labor and human trafficking and discloses the percentage of first-tier suppliers trained; and
- (3) engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labor and human trafficking to their own supply chains and/or trains suppliers below the first tier on such policies.

*(3) In accordance with our OS, referenced above, suppliers are responsible for implementing standards that reflect RLC's supply chain policies, including those on forced labor and human trafficking. Thereby, cascading our supply chain policies to their own supply chains and training suppliers.*

*The RLC Global Citizenship team proactively educates our internal cross-functional teams and suppliers about our social compliance program and policies and provide guidance regarding forced labor and modern slavery, areas of risk, red flags, and our escalation processes. For example, we conduct capacity-building trainings, and, on a regular basis, hold supplier summits to reiterate our policies and discuss audit trends, salient issues, such as forced labor and human trafficking. Suppliers are provided the ability to cascade these lessons and materials to their own supply chains. Our last supplier summit took place (virtually) in February 2021 with suppliers in India.*

## 1.5 Stakeholder Engagement

To fully understand and address working conditions in sourcing countries, companies need to engage with potentially affected groups and local stakeholders such as trade unions, worker organizations, or local NGOs—in addition to suppliers. Furthermore, as forced labor risks tend to be systemic in nature, collaboration with other companies, for example, to engage policy makers to strengthen labor legislation, is needed to address forced labor in supply chains.

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with stakeholders such as policy makers, worker rights organizations, or local NGOs in countries in which its first-tier suppliers and suppliers below the first tier operate; and
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

*(2) We actively participate in industry initiatives focused on eradicating forced labor and human trafficking across the industry. For example, we participate in the American Apparel & Footwear Association ("AAFA"), including its Social Responsibility Committee, the National Retail Federation ("NRF") and the US Fashion Industry Association ("USFIA"), which meet regularly to discuss global social responsibility issues and trends, share best practices, and develop plans of action.*

*We are further dedicated to the [AAFA/Fair Labor Association \(FLA\) Apparel & Footwear Industry Commitment to Responsible Recruitment](#), an industry effort to address potential forced labor risks for migrant workers in the global supply chain. Moreover, we supported the AAFA and other industry*

*associations' joint statement on forced labor in the Xinjiang Uyghur Autonomous Region ("XUAR") (Ralph Lauren Statement on Xinjiang, Updated January 29, 2021).*

## THEME 2: TRACEABILITY AND RISK ASSESSMENT

### 2.1 Traceability and Supply Chain Transparency

The company discloses:

- (1) the names and addresses of its first-tier suppliers;
- (2) the countries of its below-first-tier suppliers (this does not include raw material suppliers);
- (3) the sourcing countries of at least three raw materials at high risk of forced labor and human trafficking; and

*(3) We do source raw materials from China which is a country that presents a risk of forced labor based on recent reports. However, we **do not** source any yarn, textiles, or products from Xinjiang. Moreover, our suppliers are prohibited from using any cotton grown in the region.*

- (4) the number of workers per supplier, and one additional data point on its suppliers' workforce (e.g., the gender ratio, migrant worker ratio, or level of unionization per supplier).

### 2.2 Risk Assessment

Risk assessment involves evaluating the potential that a company has (by virtue of who its suppliers are and where they are located) of being linked to forced labor and human trafficking. Risk assessment is a process that is carried out in addition to and outside of auditing. It helps identify potential forced labor risks as well as actual impacts that may be hard to detect through audits. This process may involve engaging local stakeholders, labor rights experts, independent sources, and assessing risks associated with specific raw materials, regions, or groups of workers such as migrant workers.

The company discloses:

- (1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and

*(1) RLC conducts risk assessments to evaluate its operations and the likelihood and extent of human rights impacts of our business. We base our due diligence measures, in all material respects, on the framework set forth in the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector. Additionally, we utilize various resources such as public indicators on country risk levels and salient risks in the industry to help assess social and human rights risks, such as: U.S. State Department Trafficking in Person Report; U.S. Department of Labor List of countries producing goods using Child Labor/Forced Labor; ITUC Global Rights Index; Transparency Perception Index; and the UNDP Human Development Report. We constantly assess our supply chain for existing and potential risks and take a proactive approach to address issues raised. Additionally, we leverage our membership in various industry associations such as AAFA, USFIA, and Businesses for Social Responsibility ("BSR") to inform us of risks, combined with the collaboration, resources and tools provided by these associations, as well intelligence and expert analysis from on-the-ground stakeholders in the social compliance industry such as third party auditing firms and the ILO-BW program. The results of our risk assessments are incorporated into our mitigation strategies and are utilized to keep our Board of Directors updated on any issues raised.*

- (2) details on forced labor risks identified in different tiers of its supply chains.

*(2) Forced labor risks in China continue to be a high priority. Based on reports of pairing schemes involving Uyghur workers throughout China, we increased due diligence efforts, unannounced audits, and close monitoring of our suppliers to ensure that none of our products are linked to the use of forced labor. We required Chinese suppliers to share information with us on the originating province of any migrant workers at their production facilities to further assess potential forced labor risks. We also updated our audit protocols to include additional checks on forced labor indicators, such as requiring information on government sponsored recruiting schemes and incentives, related to hiring. We did not find any additional risks.*

### THEME 3: PURCHASING PRACTICES

#### 3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking.

The company:

- (1) is taking steps toward responsible raw materials sourcing;
- (2) is adopting responsible purchasing practices in the first tier of its supply chains, which include planning and forecasting;
- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts); and
- (4) discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labor and human trafficking.

#### 3.2 Supplier Selection

The company:

- (1) assesses risks of forced labor at potential suppliers before entering into any contracts with them and discloses details on the outcomes of this process; and
- (2) addresses risks of forced labor related to sub-contracting and discloses details on the outcomes of this process.

#### 3.3 Integration into Supplier Contracts

The company:

- (1) integrates the ILO core labor standards, which include the elimination of forced labor, into supplier contracts;
- (2) discloses the percentage of suppliers whose contracts include such standards; and
- (3) requires its suppliers to integrate such standards into contracts with their own suppliers.

*(1)(3) RLC is committed to the ILO's core labor standards. As a participant in the UN Global Compact, we recognize the rights articulated in the ILO Declaration on Fundamental Principles and Rights at Work, including freedom of association and effective recognition of the right to collective bargaining, the elimination of all forms of forced/compulsory labor, the effective abolition of child labor, and the elimination of employment/occupational discrimination.*

*As mentioned previously, when we enter new, or renew our existing contractual arrangements, suppliers are assessed for their social standards and capabilities. The OS are an included exhibit in the*

VCP. RLC requires suppliers to review and agree to the VCP as a condition to working with us. Our VCP reflects the ILO core labor standards which prohibit forced labor, child labor, and employment discrimination. It further guarantees freedom of association. Our OS, which are included in the VCP, also prohibit forced/compulsory labor, child labor, and employment discrimination. In addition, the standards provide for freedom of association and the right to collectively bargain to the extent permitted by local law.<sup>3</sup>

## THEME 4: RECRUITMENT

### 4.1 Recruitment Approach

The company:

- (1) has a policy that requires direct employment in its supply chains;
- (2) requires employment and recruitment agencies used by its suppliers to respect the ILO core labor standards, which include the elimination of forced labor; and

*(2) In addition to our OS, which as mentioned previously, reflect the ILO's core labor standards, foreign migrant workers are entitled to protections under our FMW Standards.<sup>4</sup> These rights apply to workers during recruitment, hiring, migration, employment, and termination. RLC suppliers are required to uphold these rights. The FMW Standards expressly prohibit forced labor, human trafficking, and discrimination. It further protects freedom of association.*

- (3) discloses information on the recruitment agencies used by its suppliers.

### 4.2 Recruitment Fees

According to the ILO, workers should not be charged directly or indirectly, in whole or in part, any fees for recruitment or related costs (such as costs for training, medical tests, or travel).

The company:

- (1) requires that no worker in its supply chains should pay for a job—the costs of recruitment (i.e., recruitment fees and related costs) should be borne not by the worker but by the employer ("Employer Pays Principle"); and

*(1) RLC is committed to ensuring responsible recruitment, which includes a no fees policy to obtain employment. Foreign migrant workers are not to pay any fees related to their recruitment and hiring, either to the supplier or to recruitment agents, with the sole exception of reasonable and market rate local travel and accommodation within the labor-sending country. Though we discourage the use of recruitment agents, if our suppliers do use them, they are required to pay all recruitment agents used for services or hiring foreign migrant workers to ensure that these costs are not passed on to workers, i.e., our policy follows the "Employer Pays Principle." Moreover, as mentioned previously, we support the AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment, which stands for the principle that "[n]o workers pay for their job."*

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<sup>3</sup> Ralph Lauren Corporation, Operating Standards, (March 2020), <https://corporate.ralphlauren.com/operating-guidelines>. "Where the right to freedom of association and collective bargaining is restricted under law, the Supplier must engage in their best efforts to otherwise comply with these principles."

<sup>4</sup> The RLC Operating Standards are incorporated by reference into our Foreign Migrant Worker Standards. "In addition to our Operating Guidelines, under the Foreign Migrant Worker Standards, all foreign migrant workers in Ralph Lauren Corporation's supply chain are entitled to the rights and protections presented below."



- (2) takes steps to ensure that such fees are reimbursed to the workers and/or provides evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains.

*(2) Our Foreign Migrant Worker (“FMW”) assessment tool identified recruitment fees paid by workers from Indonesia and Vietnam at one of our Taiwanese factories for accessories. These fees are viewed by workers as a necessary part of the cost of seeking work overseas however these sums lead to high levels of indebtedness. Foreign migrant workers in Taiwan are also subject to monthly local broker fees in addition to the payments made in their home country. This is permitted by Taiwanese law, which is one of the remediation challenges, as reimbursement relies on the strength of our relationship with suppliers. Our FMW Standards provide protection for workers above the Taiwanese legal requirement and we therefore took action to eliminate this practice. The factory has changed its own policy and practices and is now paying the recruitment fees, so its new hires are not charged. A subsequent audit confirmed that the supplier continues to comply with this standard. We will monitor compliance going forward and the factory’s continued relationship with us will be contingent on full compliance*

#### 4.3 Monitoring and Responsible Recruitment

The company:

- (1) takes steps to ensure employment and/or recruitment agencies used by its suppliers are monitored to assess and address risks of forced labor and human trafficking; and
- (2) provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with stakeholders to engage policy makers to strengthen recruitment standards).

*(2) We support responsible recruitment in our supply chain. As mentioned above, we endorsed the AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment. For example, all our suppliers in Jordan are under the Better Work (“BW”) -Jordan Program, and as such, are assessed annually by the program. These robust labor compliance assessments include review of recruitment practices.*

#### 4.4 Rights of Workers in Vulnerable Conditions

Migrant workers and other workers in vulnerable conditions are at a higher risk of being in forced labor, and additional steps are needed to ensure their rights are respected. Conditions which render workers vulnerable may include characteristics such as gender or age and external factors, including workers' legal status, employment status, economic conditions, and work environment (such as isolation, dependency on the employer, or language barriers).

The company:

- (1) takes steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment and also understand their rights;
- (2) takes steps to ensure its suppliers refrain from restricting workers’ movement, including through the retention of passports or other personal documents against workers' will; and
- (3) discloses at least two outcomes of steps it has taken to ensure respect of the fundamental rights and freedoms of supply chain workers in vulnerable conditions (those articulated in the ILO core labor standards, which include the elimination of forced labor).

*(3) See Taiwan example above.*

## THEME 5: WORKER VOICE

### 5.1 Worker Engagement

The company:

- (1) takes steps to ensure its supply chain policies that address forced labor and human trafficking are communicated to workers in its supply chains;
- (2) takes steps to ensure that relevant stakeholders engage with and educate workers in its supply chains on their labor rights and/or supports worker-led efforts on labor rights education;

*(1)(2) We take steps that aim to ensure that labor rights and supply chains policies are communicated to workers. Moreover, this year effective factory grievance mechanisms were emphasized in our social compliance and supplier training program. We focused our efforts on training and education for managers and workers. We leveraged our partnerships with local experts, such as the BW team to deliver the trainings in relevant local languages.*

- (3) provides evidence of the positive impact of worker engagement in its supply chains; and
- (4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.

*(3)(4) Two examples of worker engagement initiatives covering different supply chain contexts: the GEAR Program (career advancement) and HERproject (e.g., HERhealth - health education). We partnered with the International Finance Corporation (“IFC”) to launch the Gender Equality and Returns (GEAR) Program. GEAR provides training to female workers on skills training needed for supervisory roles. In November 2020, GEAR launched with factories in Bangladesh.*

*Moreover, we continue our work with the Business for Social Responsibility’s (“BSR”) Herproject. For example, in Bangladesh, we have factories involved in HERhealth, which provides information on women’s health topics such as healthy eating, personal and menstrual hygiene and maternal health. In total, the HERproject has benefited about 20,000 workers to date in the supply chain, half of whom were women in the HERhealth program. Though the rollout has been delayed due to COVID-19, we plan on expanding the HERproject to Vietnam shortly.*

*Additionally, through the work on our wage management strategy, we are engaging with workers regarding wages. Our onsite factory engagements to review wage levels and wage systems involve gathering feedback directly from workers.*

### 5.2 Freedom of Association

The company:

- (1) works with independent local or global trade unions to support freedom of association in its supply chains;

*(1) We have engaged with trade unions to resolve issues. For example, in 2020, in cooperation with other brands, we were involved in a stakeholder engagement process whereby a local and global trade union reached out about issues in a factory in Bangladesh, and the issue was successfully resolved through this engagement.*



- (2) discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labor rights agreement with trade unions or worker organizations;
- (3) takes steps to ensure workplace environments in which its suppliers' workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association; and

*(3) We are partners in the ILO Better Work (“BW”) program, which is applicable for us in Bangladesh, Cambodia, Indonesia, Jordan, and Vietnam. A central focus of the BW Program is creating effective factory worker/management committees. Indeed, they seek to “create opportunities that draw out workers potential, such as participation in Bipartite Worker- Management Committees, which give workers a greater say in their factory conditions.” They further “work with trade unions and ILO partners to ensure existing unions participate on those committees and that workers have the capacity to represent their fellow workers in advancing their rights and interests, as partners in dialogue with employers.” ([Better Work – Workers and Unions](#)).*

- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers such as migrant workers (e.g., by taking action where suppliers impede workers' rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

### 5.3 Grievance Mechanism

The company:

- (1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives;
- (2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;
- (3) takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism;

*(3) This year’s grievance mechanism training included worker representatives, management, and union representatives (when applicable).*

- (4) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism; and
- (5) provides evidence that the mechanism is available and used by workers below the first tier in its supply chains.

*(5) RLC is committed to providing access to an effective remedy for our supply chain workers. This year our social compliance and supplier training program focused specifically on effective factory grievance mechanisms. Our updated OS require all RL-suppliers to have an effective grievance mechanism in place.<sup>5</sup> We measure these mechanisms against the United Nations Guiding Principles*

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<sup>5</sup> Ralph Lauren Corporation, Operating Standards, (March 2020), <https://corporate.ralphlauren.com/operating-guidelines>. “Suppliers shall provide their employees with an effective grievance mechanism to report workplace concerns or

*(UNGP) effectiveness criteria through our audit program. We further audit suppliers' grievance logs to ensure the grievance mechanisms are effective. In our grievance mechanism program for factory workers, we provide a process of escalation for workers to file grievances with us directly and we track appropriate follow-up.*

## THEME 6: MONITORING

### 6.1 Monitoring Process

To improve implementation of its supply chain policies, conditions at supplier level can be monitored in different ways. This could include specialized audits to detect forced labor at higher-risk suppliers or worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities).

The company has a supplier monitoring process that includes:

- (1) non-scheduled visits;
- (2) a review of relevant documents;

*(2) Our social compliance audit processes includes a review of documents that detail labor conditions, e.g., wage slips, employment contracts, attendance records, production records, grievance logs, personnel records, health and safety logs, as well as a review of the employment relationship whether direct-hire or recruitment, when applicable.*

- (3) off-site interviews with workers;

*We conduct off-site interviews as needed, particularly for high risk audits, as identified by our risk assessments.*

- (4) visits to associated production facilities and related worker housing; and
- (5) steps to ensure that suppliers below the first tier are monitored.

### 6.2 Monitoring Disclosure

The company discloses:

- (1) the percentage of suppliers monitored annually;
- (2) the percentage of unannounced monitoring visits;
- (3) the number or percentage of workers interviewed; and
- (4) information on the qualification of the monitoring organization used and/or the use of worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities); and

*(4) Concerning monitoring, we leverage local third-party experts who speak the native language of the workers in the factory. When necessary, we arrange for translators.*

- (5) a summary of findings, including details regarding any violations revealed.

## THEME 7: REMEDY

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violations of these Standards to management confidentially and anonymously, without the fear of retaliation. Suppliers will maintain policies, systems, processes and training for grievance procedures and tracking to ensure a timely response to the employee that will also be subject to on-going review by RLC and third-party auditors."

## 7.1 Corrective Action Plans

The company discloses:

- (1) a corrective action process for its suppliers and potential actions taken in cases of non-compliance, such as stop-work notices, warning letters, supplementary training, and policy revision;
- (2) a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, or spot-checks;
- (3) potential consequences if corrective actions are not taken; and
- (4) a summary or an example of its corrective action process in practice.

## 7.2 Remedy Programs / Response to Allegations

A. The company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and

*(1) We conduct social audits to assess the working conditions of supplier locations and, post-audit, continue to engage with our suppliers to ensure implementation of corrective actions and appropriate remediation, where applicable.*

*Where we find a supplier in violation of our standards, the supplier is expected to remediate the issue promptly and adequately before any production orders are placed. Where applicable, our social auditing protocol also includes foreign migrant worker interviews to verify compliance with our FMW Standards. If we identify and validate a noncompliance with our requirements related to eradicating slavery or human trafficking, we will work with that supplier to make immediate changes; otherwise we will cease business relations.*

*We recognize that engagement is an ongoing process. Accordingly, we conduct ongoing monitoring of suppliers to ensure that suppliers maintain compliance with our program of auditing, remediation, monitoring, supplier engagement and capability building. We also support the efforts of a growing number of nongovernmental organizations and local and national governments to shed light on human trafficking, slavery, and child labor in the supply chain.*

*In all cases, when a factory has an issue or is not making visible remediation progress or improvements, RLC's escalation process includes Global Manufacturing and Sourcing, and discussions that will drive business decisions. If a factory still does not respond, RLC will discontinue business with that factory.*

- (2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers; and

*(2) See previous example regarding recruitment fees in Taiwan. A further example involved a preproduction audit at a factory in Turkey. When we found the workers' contracts to be non-compliant with our forced labor standards prohibiting mandatory overtime, we did not allow the factory to proceed with production until the issue was corrected and verified.*

- (3) a description of what actions it is taking to prevent and remediate the use of forced Uyghur labor.

*(3) Please see previously referenced [RLC Statement on Xinjiang](#) (updated January 29, 2021):*

*RLC is working with our partners and other brands to identify an effective solution for raw material traceability and verification at the fiber level to ensure that the materials we use in our products are responsibly sourced. As part of our long-term, global supply chain strategy, we continue to diversify our sourcing locations and prioritize responsibly sourced materials to create a more agile and sustainable supply chain.*

*Beyond increased due diligence, unannounced audits, and close monitoring of our suppliers, we are committed to working with our industry to advocate for a successful, sustainable solution to eradicate forced labor and other human rights violations from global supply chains.*

B.1. If one or more additional allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s);
- (3) outcomes of the remedy process in the case of the allegation(s); and
- (4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

### **Xinjiang, China**

*See RLC Statement on Xinjiang (updated January 29, 2021) and response to 7.2(3).*

B.2. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, and the company denies the allegation, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) a description of what actions it would take to prevent and remediate the alleged impacts; and
- (3) that it engages in a dialogue with the stakeholders reportedly affected in the allegation or requires its supplier(s) to do so.

### **India**

*RL commissioned a locally-based, independent expert team to conduct an in-depth investigation that included several on-site assessments, including an unannounced initial visit. Extensive worker interviews were conducted offsite, as well as onsite. Great care was taken to protect the anonymity of workers to ensure they did not fear repercussions from sharing information with the investigators. The specialist team also assessed the site against the International Labor Organization's 11 Forced Labor Indicators.*

*The investigators looked closely into the working hours of the previous 12 months. The results of the investigation found that the average total working hours were under 60 hours a week, but there were isolated incidents (4 separate dates) of overtime worked that were unacceptable, but voluntary, during a single three-month period during the pandemic. This involved less than 10 workers. The site was graded as "low probability" of forced labor, according to the independent ILO forced labor assessment.*

*The primary root cause of the overtime was found to be raw material delays, caused by COVID-19 travel restrictions and quarantines, plus a management systems gap to manage such a disruption. We required the factory to start a formal remediation program with specialist local consultants. To date, the factory has completed Phase 1: assessing the root causes, management systems review, and worker interviews. Additionally, there will also be worker-supervisor communication training taking place within the next 3 months to raise communication and teamwork skills. The factory management are engaged and committed to fully achieving the remediation plan. We are continuously following the progress of the factory in this remediation program which is expected to last six to nine months.*

## NON-SCORED DISCLOSURE

### Target Setting

The company discloses measurable and time-bound targets to address forced labor in its supply chains.

*Yes/No. Please provide details.*

The company reports on progress towards achieving previous targets on an annual basis.

*Yes/No. Please provide details.*

### Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

*Yes/No. Please provide link to a publicly available statement.*

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

*Yes/No. Please provide link to a publicly available statement.*

### Due Diligence on Third-Party Products

Where a company—in addition to own branded products—sells third-party food and beverage products, the company discloses how it assesses and addresses forced labor risks related to third-party food and beverage products.

*Yes/No. Please provide details.*

### High Risk Sourcing<sup>6</sup>

*Please provide a full list of raw materials present in your supply chains, or alternatively indicate for each of the commodities below whether it is present in your supply chains. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.*

#### Raw Materials

- Bamboo
- Cashmere\*
- Cotton
- Rubber (natural)
- Silk

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<sup>6</sup> Data according to US Department of Labor's list of Goods Produced by Forced Labor website as of September 2020. Accessed October 2020.

\* = Risk factors identified based on publicly available sources and discussions with expert organizations.



- Viscose\*
- Wool\*

Sourcing Countries for Apparel & Footwear Supply Chains (garments, textiles, etc)

- Argentina
- Brazil
- China
- Ethiopia
- India
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam

Presence of Migrant Workers in Supply Chains

*Yes/No. Please provide details.*