

Hugo Boss AG

TICKER:
ETR:BOSS

MARKET CAPITALIZATION:
US\$ 7 billion

HEADQUARTERS:
Germany

13 OUT OF 20
Company's Overall Ranking

45 OUT OF 100
Company's Overall Score

Hugo Boss AG (Hugo Boss) ranks 13th on the benchmark, with an overall score of 45 out of 100. The company trains internal decision makers on risks, policies, and standards on forced labor and assesses forced labor risks of potential suppliers. It also audits most of its first-tier suppliers and, via self-assessment tools, some of its second-tier suppliers and discloses the outcomes of the audits. The company can improve by training its suppliers, engaging local stakeholders, tracing its entire supply chain, assessing forced labor risks in its supply chain, putting in place practices to avoid exploitation of supply chain workers through recruitment agencies, and disclosing those efforts.

THEME LEVEL SCORE

Commitment and Governance	72 out of 100
Traceability and Risk Assessment	13 out of 100
Purchasing Practices	69 out of 100
Recruitment	0 out of 100
Worker Voice	11 out of 100
Monitoring	90 out of 100
Remedy	63 out of 100

LEADING PRACTICES

None.

NOTABLE FINDINGS

Internal Training

Hugo Boss discloses that it regularly conducts trainings for internal decision makers on risks, policies, and standards, including aspects such as human trafficking and forced labor. Further, the company explains that it aims to train its procurement staff on how to identify potential issues and sensitize internal decision makers on the company's standards as well as on its social compliance audit, they key aspects of which include forced labor, working hours, and freedom of association.

Supplier Selection

Hugo Boss discloses that, before entering into a contract with a supplier, the supplier's adherence to



the company's social standards is checked either by self-assessment or by means of a local social compliance audit. The company further discloses it agrees with its suppliers on seasonal planning (3–6 months' period) before placing orders to ensure capacity planning for the supplier. Furthermore, suppliers have to disclose their engagement with subcontractors to the company prior to subcontracting.

Audit Process and Disclosure

Hugo Boss discloses that its audits include a review of documents such as hiring rules, contracts with employees, and compensation data such as documents related to working hours. Audits further include worker interviews which are focused on working conditions and on the verification of work-related documents like pay slips and time recording.

Hugo Boss discloses that, in 2015, it has evaluated 94% of its first-tier suppliers through social compliance on site audits. Notably, the company has started to evaluate its second-tier suppliers via a social compliance self-assessment tool. The company discloses that, in 2014, 44% of audits were conducted internally and 56% in cooperation with external parties. Hugo Boss further discloses examples of audit findings including a child labor incident in Bangladesh and a forced labor incident in Italy. As a member of the Fair Labor Association (FLA), the FLA audits some of the company's suppliers and discloses the results on the FLA website.

OPPORTUNITIES FOR IMPROVEMENT

Commitment and Governance

Hugo Boss is encouraged to provide training and capacity building for suppliers on risks, policies, and standards related to human trafficking and forced labor. The company may further consider engaging with trade unions, local NGOs, and/or policy makers in countries in which its suppliers operate on forced labor and human trafficking. While the company is a member of the Fair Labor Association (FLA), it is encouraged to disclose how it actively participates in one or more multi-stakeholder or industry initiatives focused on forced labor and human trafficking, such as the FLA.

Traceability and Risk Assessment

While Hugo Boss discloses that, in addition to its first-tier suppliers, it has started to evaluate its second-tier suppliers, the company is encouraged to develop and disclose details on a process to trace its entire supply chain. Further, the company is encouraged to disclose the names and locations of its first-tier suppliers and some information about its suppliers beyond the first tier (e.g., sourcing countries). In addition to auditing individual suppliers, Hugo Boss may consider conducting forced labor risk assessment(s) focused on specific commodities, regions, and/or groups and disclosing the forced labor risks identified throughout its supply chain.

Recruitment

Hugo Boss is encouraged to promote direct hiring of supply chain workers, and—where this is not possible—to perform robust due diligence of third-party recruitment agencies. Further, Hugo Boss is encouraged to develop and disclose a policy that requires recruitment agencies in its supply chain to uphold workers' rights and to require suppliers to disclose to the company the recruiters that they use. Finally, the company is encouraged to require of its suppliers that no fees be charged during any recruitment processes conducted throughout the supply chain and, in the event that it discovers that fees have been paid, ensure that such fees are reimbursed.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)

