

Ralph Lauren Corp.

TICKER:
NYSE:RL

MARKET CAPITALIZATION:
US\$ 7 billion

HEADQUARTERS:
United States

11 OUT OF 20
Company's Overall Ranking

46 OUT OF 100
Company's Overall Score

Ralph Lauren Corp. (Ralph Lauren) ranks 11th on the benchmark, with an average score compared to all 20 companies benchmarked (46/100), but ranking highest out of the four luxury brands. The company has leading practices in place with regards to supplier selection (the company assesses potential suppliers on aspects related to foreign migrant workers), reimbursement of recruitment fees, and verifying corrective action plans through field monitors. Ralph Lauren has an opportunity to improve by disclosing the names and locations of its first-tier suppliers, assessing and disclosing forced labor risks in its supply chain, and improving its practices on the themes of recruitment and worker voice.

THEME LEVEL SCORE

Commitment and Governance	61 out of 100
Traceability and Risk Assessment	50 out of 100
Purchasing Practices	44 out of 100
Recruitment	25 out of 100
Worker Voice	28 out of 100
Monitoring	50 out of 100
Remedy	63 out of 100

LEADING PRACTICES

Supplier selection

Ralph Lauren discloses it has an extensive onboarding program that includes evaluating potential suppliers on labor policies and practices, including passport retention policies, labor and employment rules, deductions, living conditions, freedom of movement, recruitment fees, etc. The company's evaluation process also includes a corrective action program to correct any existent issues prior to entering into contracts with suppliers.

Recruitment fees

Ralph Lauren reports it requires suppliers to reimburse any recruitment fees paid by workers. For example, when the company identified through auditing and a follow up investigation that 33 Bangladeshi workers employed by one of its suppliers in Jordan were charged recruitment fees, the company ensured the workers were reimbursed. The company further aims to raise awareness and work toward a "recruitment fee-free" environment for supply chain workers.



Corrective action plans

Ralph Lauren discloses that, where a non-compliance is identified, it requires the supplier to develop a corrective action plan. Ralph Lauren reviews this plan, makes additional suggestions, and verifies its implementation through auditors, who review photos and submitted paperwork, as well as through field monitors who work to verify the corrections throughout the year. In cases where non-compliance continues, the company may cancel orders or terminate the business relationship. However, the company prefers to continue working with its suppliers on remediation rather than terminating the business relationship.

NOTABLE FINDINGS

Management and accountability

Ralph Lauren states that its global human rights compliance department was created to ensure its suppliers operate "on the basic principles of ethical business practices and recognition of the dignity of their workers." The department's vice president, David Uricoli, is responsible for the social compliance of suppliers. The department interacts on a daily basis with other departments, including global manufacturing and sourcing, quality assurance, international customs compliance, raw material operations, legal, and product development.

Training

Ralph Lauren discloses that its global human rights compliance team conducts departmental trainings, including on the company's code of conduct, with an emphasis on forced labor. The company further discloses that it provides training for supply chain executives and employees on the prevention of human trafficking and slave labor.

Audit process

Ralph Lauren discloses that it uses independent third-party audits to ensure compliance with its code of conduct in its supply chain. Over half of those audits are undertaken unannounced. The audits include a review of relevant documents, including factory legal documents, worker payroll and time records, worker pay slips, age verifications, wage verifications, workers identifications, contracts, deductions and social benefits. Further, the audits include a review of workers' living environments, as well as interviews in the workers' language(s), both with individual workers and groups of workers. Further, Ralph Lauren discloses that all its suppliers must participate in its Foreign Migrant Workers Audit program, which involves a proportionate representation of foreign migrant workers during audit processes as well as a focus on "sensitive issues that are specific to foreign migrant workers."

OPPORTUNITIES FOR IMPROVEMENT

Recruitment

While Ralph Lauren requires its suppliers to disclose their recruitment policies and encourages them to reduce the number of recruiters to one main recruiter for each country, Ralph Lauren is encouraged to promote direct hiring and—where this is not possible—perform robust due diligence of third-party recruitment agencies and require suppliers to disclose to them the recruiters they use. The company may further consider including its requirement that all recruitment fees paid by workers to be reimbursed in a formal policy and/or disclose its Foreign Migrant Worker policy.

Worker voice

While Ralph Lauren discloses that it makes its guidelines available in the 32 languages spoken by its suppliers' workers, and suppliers are required to post the guidelines in a minimum of two areas where employees frequently congregate, the company is encouraged to disclose how it communicates its



code to suppliers' workers (e.g., through training).

The company is further encouraged to engage with workers outside of the context of the factories in which they work, either directly or in partnership with stakeholders. Where there are regulatory constraints on freedom of association, Ralph Lauren may consider encouraging suppliers to ensure workplace environments in which workers are able to pursue alternative forms of organizing.

While the company requires its suppliers to put in place a grievance mechanism, Ralph Lauren is encouraged to disclose how it ensures that the existence of its own mechanism is proactively communicated to suppliers' workers, and that they trust the mechanism.

Monitoring

To improve its transparency on how it addresses forced labor and human trafficking in its supply chain, Ralph Lauren is encouraged to publicly disclose the percentage of suppliers audited annually, the percentage of unannounced audits, and a summary of audit findings, including details regarding any violations revealed.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)