

KnowTheChain 2023 Apparel & Footwear Benchmark

Additional Disclosure

Company Name: Hugo Boss

Date: 15/08/2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- 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.
- 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.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

HB: [HUGO BOSS Sourcing and Production Activities](#) – “100% of suppliers are trained in sustainability topics.”

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

HB: *“The overall responsibility for compliance with and implementation of the elements of this Statement lies with the Managing Board of the Hugo Boss A.G. In order to continuously monitor human rights risks and the associated risk management within the company, the position of Human Rights Offices has been established. This position is currently being held by Mr. Dominik Heske. He informs the Executive Board regularly and at least twice a year, about the human rights risks identified in the risk analysis and the risk management derived accordingly.”* Human Rights Statement Page 5

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

HB: HUGO BOSS Supplier List Finished Goods Suppliers Tier 1 2023.xlsx (live.com)

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

HB: HUGO BOSS Supplier List Fabric and Trimmings Suppliers Tier 2 2023.xlsx (live.com)

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, **including through engaging with relevant stakeholders** (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

HB: *Human Rights Risk Management (see diagram)* HUGO BOSS Group: Human Rights & Working Conditions

4.2 details on forced labour risks identified in different tiers of its supply chains; and

HB: *Page 58. In the reporting year, no cases were known for specific topics such as child and forced labor, for which HUGO BOSS pursues a zero tolerance policy – including cases relating to subcontractors.*

HB: [HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

HB: [HUGO BOSS Supplier List Finished Goods Suppliers Tier 1 2023.xlsx \(live.com\)](#)

Column H

5.2 the percentage or number of supply chain workers who are migrant workers' and

HB: [HUGO BOSS Supplier List Finished Goods Suppliers Tier 1 2023.xlsx \(live.com\)](#) *Column I*

5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

HB: [The Responsible Purchasing Principles Policy](#) will be published end of October 2023.

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer (“Employer Pays Principle”);

[HUGO BOSS Supplier Code of Conduct EN \(hugoboss.com\)](#) 2.6 Third party recruitment (page 4)

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

HB: Standardvorlage (hugoboss.com) – HUGO BOSS takes all complaints from its employees and employees from partners and beyond seriously. We encourage everyone to report incidents if they occur at HUGO BOSS or one of its partners. HUGO BOSS takes consistent action against any violations. The independent HUGO BOSS ombudsman (person of trust) can be contacted at any time"

An important test point for employee health, for example, is free access to clean drinking water. In the same framework, interviews with employees are also held and business cards with information on the complaint channels are distributed [Page 56 HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

[Grievance Mechanism online portal Ethics Portal \(onetrust.com\)](#)

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

HB: All information is carefully checked and processed as part of a structured and clearly defined process. If the information proves to be justified, HUGO BOSS works together with the supplier in question to develop a corrective action plan to remedy the deficiencies. Depending on the severity of the violations, more frequent audits and more follow-up of remedial measures are ordered or specific training measures are implemented at the suppliers. In 2022, a total of eight reports from external production companies were received via the available complaint channels, of which five cases were closed. Three of the reports are still in a conciliation process, which is being accompanied and supported by HUGO BOSS.

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[HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

10.3 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.

HB: Since 2021, the company is also involved in the initiative "strengthening factory-internal grievance handling in Pakistan". [HUGO BOSS Group: Multi-stakeholder initiatives](#)

[Grievances & remedy - Partnership for Sustainable Textiles \(textilbuendnis.com\)](#)

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

HB: Social Compliance Management: HUGO BOSS uses the Social Compliance Management module to check to what extent the standards set out in its Supplier Code of Conduct, which applies to all suppliers to the same extent, are being complied with. As part of this module, the Company conducts regular social audits or collects SAQs for review. Page 55

[HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

Social Audits: Social audits are carried out especially for direct finished goods and raw materials suppliers. In 2022, 82% were conducted by external auditors, and the remainder were conducted by internal auditors. Due to the ongoing COVID-19 pandemic, unannounced audits were not possible in the reporting year. Against this background, the reviews were only carried out on notice. In general, the Company is taking up plans to reinstate unannounced audits again in 2023. The audits examine items such as issues relevant to human rights, for example, child and forced labor, discrimination, exceeding maximum work hours, employee co-determination, or standards relating to occupational safety and employee health. An important test point for employee health, for example, is free access to clean drinking water. In the same framework, interviews with employees are also held and

business cards with information on the complaint channels are distributed. Following the audit, all audited suppliers receive a detailed report. If, during the inspection, violations of the Supplier Code of Conduct are apparent, HUGO BOSS develops corrective action plans together with the affected suppliers. The corrective action plan implementation is accompanied by a structured process and verified by follow-up audits. If there are insufficient improvements or if the supplier refuses to cooperate regarding the identified issues, HUGO BOSS may, as a last resort, terminate the supplier relationship after conducting several reviews. [Sustainability report 2022-Page 56](#)
[HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

All suppliers must submit valid certificates for examination before starting an active business relationship or submit a self-assessment questionnaire (SAQ). In the reporting year, all potential new suppliers were reviewed according to these procedures. Four of them showed irregularities, which is why HUGO BOSS did not enter into a business relationship with these suppliers. For newly admitted finished goods suppliers who pass the selection procedure, HUGO BOSS conducts a social audit on site after six or twelve months, depending on the country's risk. Page 54
[HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

[HB: Table 04 | 06 VIOLATIONS OF THE SUPPLIER CODE OF CONDUCT¹ Page 58](#)
[HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

[04 | 07 THE SOCIAL COMPLIANCE MANAGEMENT MODULE IN FIGURES Page 59](#)
[HUGO BOSS Sustainability Report 2022.pdf \(hugoboss.com\)](#)

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

[HB: HUGO BOSS Group: Human Rights & Working Conditions Diagram: Complaints via Ombudsman Standardvorlage \(hugoboss.com\) Whistleblowing policy](#)

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

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

NON-SCORED RESEARCH

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.

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

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

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk raw materials. 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.

- Bamboo [- Yes](#)
- Cashmere [- Yes](#)
- Cotton [- Yes](#)
- Leather (cattle) [- Yes](#)
- Rubber (natural) [- Yes](#)
- Silk [- Yes](#)
- Viscose [- Yes](#)
- Wool [- Yes](#)

Please indicate whether your company sources from any of the below high-risk locations.

- Argentina [- no](#)
- Bangladesh [- yes](#)
- Brazil [- No](#)
- China [- Yes](#)
- Ethiopia [- No](#)
- India [- Yes](#)
- Malaysia [- Yes](#)
- Nepal [- No](#)
- North Korea

- Thailand - [Yes](#)
- Vietnam - [Yes](#)