

Completed by David Uricoli, Ralph Lauren Corp. September 5, 2018

**SCORED DISCLOSURE**

**THEME 1 COMMITMENT AND GOVERNANCE**

**1.1 Commitment**

The company:

(1) has publicly demonstrated its commitment to addressing human trafficking and forced labor.

**1.2 Supply Chain Standards**

The company's supply chain standard:

(1) requires suppliers to uphold workers' fundamental rights and freedoms (those articulated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work), including the elimination of forced labor;

(2) has been approved by a senior executive;

(3) is easily accessible from the company's website;

(4) is updated regularly, following internal review and input from external stakeholders; and

(5) is communicated to the company's suppliers.

<http://www.ralphlauren.co.uk/helpdesk/index.jsp?display=slaveryAct&subdisplay=legal>  
RL: Online is functional and see link on opening page.

<https://www.ralphlauren.com/customerservice?cid=cs-company-info-operating-guidelines>

*Our Ralph Lauren Executive Board and Legal Counsel has approved our latest Operating Guidelines updated in 2017. These revised guidelines are contained in our Vendor Compliance Packet, which is reviewed and signed by all approved suppliers in Tier 1 (finished goods), Tier 2 (sub-contractors), and Tier 3 material suppliers (fabric and trim). The guidelines have been available and distributed in all manufacturing partners facilities in "poster format" and is available over 40 languages and distributed based upon the languages spoken by workers, staffs and management in the actual supplier facilities.*



*Revised poster version to be live very soon*

### 1.3 Management and Accountability

The company:

(1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies and standards that addresses human trafficking and forced labor; and

(2) has tasked a board member or board committee with oversight of its supply chain policies and standards that address human trafficking and forced labor.

*RL: 2. Our Sustainability committee is headed by one person; our Executive Vice President, Chief Supply Chain and Sustainability Officer and includes corporate executives, an executive board member, and various company executives. The Sustainability Committee is in the process of revising our sustainability strategy and ensuring our Supply Chain operations are both aligned. Some members of this team had previously approved our Foreign Migrant Worker Standards Policy.*

### 1.4 Training

The company undertakes programs which include:

(1) the training of all relevant decision-makers within the company on risks, policies, and standards related to human trafficking and forced labor; and

(2) the training and capacity-building of suppliers on risks, policies, and standards related to human trafficking and forced labor, covering key supply chain contexts.

*RL: We hold various trainings for internal procurement, quality and capacity managers and associates on a, "as needed basis"; i.e.: three this past Summer and one planned this Fall. Forced Labor, Human Trafficking and Child Labor is considered one of our Zero Tolerance issues as well as Non-transparency in record keeping and not paying minimum wages. Our internal training and external remedial work addresses all zero tolerance issues on a regular basis with corrective actions and topical trainings .*

### 1.5 Stakeholder Engagement

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 policy makers, worker rights organisations, local NGOs, or other relevant stakeholders in countries in which its suppliers operate, covering different supply chain contexts; and

(2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

*RL: 1. Policy creation by Verite with RL.*

*2. Better Work stakeholders from Cambodia and Jordan had policy input.*

*3. Strategic Supplier Committee currently in review.*

## THEME 2 TRACEABILITY AND RISK ASSESSMENT

### 2.1 Traceability

The company discloses:

(1) the names and addresses of its first-tier suppliers;

(2) the countries of below first-tier suppliers (this does not include raw material suppliers);

(3) the sourcing countries of raw materials at high risk of forced labor and human trafficking; and

(4) some information on its suppliers' workforce.

*RL: 1. As we define our strategy, we will consider disclosing our supplier names.*

*2. Countries of Manufacture below Tier 1: China, Italy, India, USA, Vietnam, Sri Lanka, Indonesia, Philippines, Hong Kong, Peru, Portugal, Cambodia, Guatemala, UK, Turkey, Taiwan, Malaysia, Romania, Jordan, Macau, Mexico, Spain, Thailand, France, Japan, Korea, Pakistan, Poland, Canada, Czech Republic, Dominican Republic, Ireland, Mauritius, Nicaragua, Tunisia, Egypt, Scotland, Bulgaria, Chile, Colombia, Ecuador, Germany, Greece, Haiti, Hungary, Uruguay, Austria, Bahrain, Slovakia, Nepal*

*(3) We have transformed the Traceability Working Group to a newly formed Sustainability Department and have added other material commodities to the list.*

*(4) Our work force consists mainly of native workers working in their respective countries and the work force is majority women. The center of our foreign migrant workforce is based in Jordan with 7 suppliers and 1 supplier in Bahrain. The workforce is mainly from Bangladesh, Sri Lanka, Nepal and India.*

*We work with several artisan suppliers as individuals or small co-ops and homeworkers. In all cases, it is imperative that we understand the source mapping of these suppliers and know their operations.*

*For Tier 1 suppliers we work with almost 500,000 workers.*

## **2.2 Risk Assessment**

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

*RL: (1,2) We conduct risk assessments of our supply chain by evaluating past audit results and reviewing available research from relevant stakeholders, governments, and media. We pay close attention to any human trafficking or forced labor issues that are trending in that industry. We work closely with Better Work to understand new risks and potential issues. During BW assessments, they look critically at issues facing foreign migrant workers and engage the entire apparel industry in efforts to improve their working and living conditions. Additionally, there is a strong focus on North Korean workers in supply chains and the inherent nature of forced labor facing those workers. We are auditing our supply chain to ensure our suppliers do not use North Korean workers.*

## **THEME 3: PURCHASING PRACTICES**

### **3.1 Purchasing Practices**

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

- (1) is taking steps towards responsible raw materials sourcing;
- (2) is adopting responsible purchasing practices in the first tier of its supply chain; and
- (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).

*RL: 3. We have formed a Strategic Supplier Board made up of our highest scoring suppliers in all compliance areas. These suppliers are favoured and provided opportunities.*

### 3.2 Supplier Selection

The company:

- (1) assesses risks of forced labor at potential suppliers prior to entering into any contracts with them.
- (2) addresses risks of forced labor related to sub-contracting.

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*(2) addresses risks of forced labor related to sub-contracting.*

*RL: no additional*

### 3.3 Integration into Supplier Contracts

The company:

- (1) integrates supply chain standards addressing forced labor and human trafficking into supplier contracts.

*RL: Our supplier contracts called the Vendor Compliance Packet (VCP) references our prohibition on forced labor, bonded labor or labor obtained through human trafficking, coercion or slavery within several exhibits; (i.e. Global Compliance, Purchase Order language), and a major point within our Operating Guidelines, which is also contained in the VCP. These VCPs are reviewed and signed (each page) by all approved suppliers in Tier 1 (finished goods), Tier 2 (sub-contractors), and Tier 3 material suppliers (fabric and trim).*

### 3.4 Cascading Standards through the Supply Chain

The company:

- (1) 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 standards addressing forced labor and human trafficking.

*RL: Our Operating Guidelines state that our business partners may only subcontract to previously approved suppliers for manufacturing or services according to our corporate requirements. All subcontracted suppliers must meet the same criteria as our direct contracted product and service suppliers. We have a zero tolerance for unauthorized subcontracting of our products.*

*We do perform social audits of these suppliers as necessary.*

## THEME 4: RECRUITMENT

### 4.1 Recruitment Approach

- (1) has a policy that requires direct employment in its supply chain;
- (2) requires employment and recruitment agencies in its supply chain to uphold workers' fundamental rights and freedoms (those articulated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work), including the elimination of forced labor; and
- (3) discloses information on the recruitment agencies used by its suppliers.

*RL: We require all foreign migrant workers to be directly employed by the factory.*

### 4.2 Recruitment Fees

The company:

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

(2) takes steps to ensure that such fees are reimbursed to the workers, in the event that it discovers that fees have been paid by workers in its supply chain.

*RL: If we find that a worker paid recruitment fees, our policy that we are now implementing states: we will work with the supplier to ensure they reimburse the worker. The supplier has the obligation of paying any required recruitment fees without demanding reimbursement of the fee from the worker.*

#### **4.3 Monitoring and Ethical Recruitment**

The company:

(1) takes steps to ensure employment and/or recruitment agencies used in its supply chain are monitored to assess and address risks of forced labor and human trafficking; and

(2) provides details of how it supports ethical recruitment in its supply chain.

*RL: We work with our suppliers to monitor employment and recruitment agencies. We support ethical recruitment through auditing and monitoring. We also work closely with Better Work where applicable, specifically the Better Work Jordan program.*

#### **4.4 Migrant Worker Rights**

The company:

(1) takes steps to ensure migrant workers 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;

(3) takes steps to ensure migrant workers are not discriminated against, and not retaliated against, when they raise grievances; and

(4) provides evidence of how it works with suppliers to ensure migrant workers' rights are respected.

*RL: (1-4) We audit our suppliers to ensure they are respecting the rights of their foreign migrant workers according to our policy. This includes educating migrant workers about their contracts and rights, allowing freedom of movement, ensuring possession or access to personal documents and passports, prohibiting discrimination, and providing safe grievance mechanisms. If any of these requirements are not met, corrective actions are taken. We follow up with our local partners to ensure the corrections are made.*

*When we audit a supplier that employs foreign migrant workers, we expand the scope of the audit to ensure that the foreign migrant worker population is fully assessed. We ensure that there is a proportionate number of foreign migrant workers included in the document reviews and worker interviews to ensure all populations are adequately represented in the sample.*

### **THEME 5: WORKER VOICE**

#### **5.1 Communication of Policies**

The company takes steps to ensure:

(1) its policies and standards, which include human trafficking and forced labor, are available in the languages of its suppliers' workers; and

(2) its human trafficking and forced labor policies and standards are communicated to workers in its supply chain.

*RL: See Response 1.2*

## 5.2 Worker Voice

The company:

- (1) works with relevant stakeholders to engage with and educate workers in its supply chain on their labor rights;
- (2) takes steps to ensure that there are worker-to-worker education initiatives on labor rights in its supply chain;
- (3) provides evidence of the positive impact of worker engagement in its supply chain; and
- (4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.

*RL: (1-4) We audit our suppliers to ensure they are respecting the rights of their migrant workers according to our policy. This includes educating migrant workers about their contracts and rights, allowing freedom of movement, ensuring possession or access to personal documents and passports, prohibiting discrimination, and providing safe grievance mechanisms. If any of these requirements are not met, corrective actions are taken. We follow up with our local partners to ensure the corrections are made.*

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## 5.3 Freedom of Association

The company:

- (1) describes how it works with suppliers to improve their practices in relation to freedom of association and collective bargaining;
- (2) works with local or global trade unions to support freedom of association in its supply chain;
- (3) takes steps to ensure workplace environments in which 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
- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association for supply chain workers.

*RL: We audit and monitor all of our suppliers to ensure they honor workers' rights regarding freedom of association and collective bargaining. Also, as stated previously, we work through Better Work to support freedom of association and collective bargaining. There are worker committees formed in all of the factories.*

## 5.4 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 chain is available to its suppliers' workers and relevant stakeholders;
- (2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;
- (3) takes steps to ensure that workers or an independent third-party are involved in the design or performance of the mechanism, to ensure that its suppliers' workers trust the mechanism;

(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 tier one in its supply chain, or by relevant stakeholders in key supply chain contexts.

*RL: (1) Other relevant stakeholders have the opportunity to contact us directly through contact information available on our website. All inquiries regarding human rights are forwarded appropriately.*

*2. The newest version of our Operating Guidelines posters will include the hotline number and this will ensure communication directly to workers.*

*3. The hotline is managed by an independent third party company.*

## **THEME 6: MONITORING**

### **6.1 Auditing Process**

The company has a supplier audit process that includes:

- (1) non-scheduled visits;
- (2) a review of relevant documents;
- (3) interviews with workers;
- (4) visits to associated production facilities and related worker housing; and
- (5) supplier audits below the first tier.

*RL: 3. When deemed necessary, we also conduct off-site interviews with workers individually or with a group.*

*4. Our audit scope also includes worker dormitories. In some cases, such as factories that employ foreign migrant workers, we have on going monthly dormitory checks conducted that monitor the living conditions and safety of the dormitories.*

### **6.2 Audit Disclosure**

The company discloses:

- (1) the percentage of suppliers audited annually;
- (2) the percentage of unannounced audits;
- (3) the number or percentage of workers interviewed during audits;
- (4) information on the qualification of the auditors used; and
- (5) a summary of findings, including details regarding any violations revealed.

*RL: In fiscal 2017, we conducted 393 social audits by third parties. We also conducted audits using our own staff and through the Better Work Program. In fiscal 2017, we audited approximately 80% of our suppliers. The balance of the suppliers were undergoing a formal long-term remediation program or had shown strong compliance performance consistently and were given a longer re-audit timeframe.*

*(3) The percentage of workers interviewed during each audit is based on the size of the factory, i.e.: 25 interviews at a factory with 500 workers (5% or more).*

*(5) In fiscal 2017, we deactivated 4 suppliers due to non-compliances. These non-compliances consisted of pervasive non-transparency, unauthorized subcontracting, and an unwillingness to improve on issues. In fiscal 2017, our audit results showed that less than 19% of the audited suppliers had some higher risk*

*issues such as improper wages, excessive working hours, poor record keeping, or health and safety violations. Risk reduction efforts for these suppliers increases significantly through our remediation programs, capacity management and allocation strategies. About 45% of audited suppliers had some issues to correct in health and safety and working hours. About 27% of audited suppliers had minimal issues or had passed the audit. We continuously work to reduce risk and improve compliance in all of our suppliers.*

## **THEME 7: REMEDY**

### **7.1 Corrective Action Plans**

The company's corrective action plans include:

- (1) potential actions taken in case 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, spot-checks, or other means;
- (3) potential consequences if corrective actions are not taken; and
- (4) a summary or an example of its corrective action process in practice.

#### **RL:**

- *During a recent audit it was noted that the practice of using monetary fine as a disciplinary practice in factory, such as there was worker was fined RMB50 for cooking in dormitory.*
- *We recommended that management adopt practices and controls to ensure that the practice of using monetary fine as a disciplinary practice is discontinued immediately.*
- *Immediate Action Plan from Factory : The factory will improve immediately and withdraw the fine immediately .*
- *Sustainable Action from factory: The factory has realized the seriousness of the problem and will strengthen education staff and will issue warning notices instead.*
- *During the next scheduled social audit we verified that the fines had stopped as promised.*

### **7.2 Remedy Programs / Response to Allegations**

A. If no allegation regarding forced labor in the company's supply chain has been identified in the last three years, the company discloses:

- (1) (1) a process for responding to the complaints and/or reported violations of policies and standards; and
- (2) at least two examples of outcomes for workers of its remedy process in practice, covering different supply chain contexts.

*RL: We immediately document and investigate any complaints we hear, regardless of where the complaints originate.*

- *Worker compliant of forced overtime during interview. Auditors investigated, found evidence, and used the evidence instead of worker compliant and we rectified the problem by removing the mandatory overtime requirement. We subsequently followed up to verify the change was made and is in effect.*
- *Another audit workers complained of forced labor due to permission slips to use restroom with inadequate daily limitations per factory section. Permission and limitations were removed and verified effective.*
- *Both items were verified through factory regulation changes with documented proof and worker interviews.*