



**H U G O B O S S**

**MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT  
2019**

## **I. General Statement**

As a conscientious and responsible global company, HUGO BOSS AG, including its subsidiaries, rejects all kinds of modern slavery and human trafficking. HUGO BOSS does not tolerate any form of child labor or forced labor.

To comply with the UK Modern Slavery Act 2015, HUGO BOSS AG<sup>1</sup> make this statement pursuant to Section 54 of the Modern Slavery Act 2015 and shows the steps HUGO BOSS is taking to ensure that modern slavery and/or human trafficking is not taking place in any part of our business or in our supply chain.

This statement is valid for the financial year ending 31 December 2018.

## **II. Our organisation, our business, our supply chain**

### **Our organisation**

HUGO BOSS a leading company in the premium and luxury segment of the apparel market. Headquartered in Metzingen (Germany), the Company employs over 14,600 employees generating annual sales of about EUR 2.79 billion in the financial year 2018. HUGO BOSS Group has 61 consolidated subsidiaries located in Europe, the Americas, and Asia/Pacific in 2018. All subsidiaries are individually responsible for local business activities of which 38 subsidiaries are organized within this framework as distribution companies.

### **Our business**

The HUGO BOSS Group focuses on developing and marketing premium fashion and accessories for men and women. HUGO BOSS reaches out to varied and clearly differentiated target groups through the core brand BOSS and the brand HUGO.

These brands present a comprehensive product portfolio including classic to modern apparel, elegant evening clothing and sportswear, shoes, leather accessories, and product groups marketed under license - including fragrances, eyewear, watches, children's fashion, textiles for the home, and instrument for writing.

### **Our supply chain**

Complex processes typically define the textile supply chain, which largely takes place outside the confines of the Company. HUGO BOSS works together with a stable network of experienced and specialized suppliers in order to guarantee processing quality and optimum availability of its products. The HUGO BOSS Group is in active supply relationships with several types of suppliers. These include contract manufacturing and merchandise, fabric and trimmings suppliers and other suppliers, that relate to the textile supply chain.

---

<sup>1</sup> This statement applies to HUGO BOSS AG and the main Group companies included in the consolidated financial statements. Main consolidated Group companies are: HUGO BOSS UK Limited, HUGO BOSS (Schweiz) AG, HUGO BOSS Australia Pty. Ltd., HUGO BOSS Benelux B.V. y CIA S.C., HUGO BOSS Benelux Retail B.V., HUGO BOSS Beteiligungsgesellschaft mbH, HUGO BOSS Canada, Inc., HUGO BOSS China Retail Co. Ltd., HUGO BOSS Fashions, Inc., HUGO BOSS France SAS, HUGO BOSS International B.V., HUGO BOSS International Markets AG, HUGO BOSS Internationale Beteiligungs-GmbH, HUGO BOSS Italia S.p.A., HUGO BOSS Retail, Inc., HUGO BOSS Textile Industry Ltd., HUGO BOSS Ticino S.A., HUGO BOSS Trade Mark Management GmbH & Co. KG, HUGO BOSS Vermögensverwaltungs GmbH & Co. KG, Lotus Concept Trading (Macau) Co. Ltd., Lotus (Shenzhen) Commerce Ltd.

### III. Policies concerning to slavery and human trafficking

HUGO BOSS has implemented a Code of Conduct and a number of internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

#### 1. HUGO BOSS Code of Conduct\*

The [HUGO BOSS Code of Conduct](#) is a binding set of rules, which assist when dealing with the challenges, both ethical and legal, that arise in the course of day-to-day work which prohibits any kind of forced labor.

#### 2. HUGO BOSS Social Compliance Policy

This policy sets out our working conditions and compliance with internationally recognized minimum social and labor standards in relation to our own employees and those of our suppliers. This includes our rejection of all forms of forced labor, including slavery and human trafficking.

#### 3. HUGO BOSS Social Standards\*

The [HUGO BOSS Social Standards](#) are part of the practical implementation of the HUGO BOSS Social Compliance Policy. They are based on the Core Conventions of the International Labor Organization (ILO) as well as the United Nations Universal Declaration of Human Rights. Our suppliers are obliged to comply with the HUGO BOSS Social Standards and have to inform their subcontractors and sub-suppliers about these standards.

#### 4. HUGO BOSS Child and Forced Labor Policy\*

The [HUGO BOSS Child and Forced Labor Policy](#), published in January 2019, clarifies the position of HUGO BOSS on the subjects of child and forced labor, including slavery and human trafficking. Additionally this policy outlines how HUGO BOSS responds to a violation against the HUGO BOSS Social Standards.

(\* Documents available at: <https://group.hugoboss.com/en/responsibility/partners/social-aspects/>)

### IV. Due Diligence Processes and Risk Assessment

HUGO BOSS is aware of the risks of modern slavery and human trafficking in global supply chains. Modern slavery and human trafficking is not only a danger or an immediate threat for workers in specific countries, it's a global risk for the security and freedom of workers around the world. HUGO BOSS monitors all direct suppliers of its global supply chain and assesses them regularly using a risk-based approach.

All suppliers who start to work with HUGO BOSS must accept the HUGO BOSS Social Standards (for details see [HUGO BOSS Annual Report 2018](#)) and the HUGO BOSS general terms and conditions. It's mandatory for the suppliers to comply with and to inform their subcontractors and sub-suppliers about these standards.

HUGO BOSS distinguishes between first tier suppliers of raw material, finished goods and other non-production materials and between potential and existing suppliers.

All potential suppliers of raw material, finished goods and other non-production materials have to provide basic information on the different aspects in a compliance assessment. The

assessment can be either a self-assessment questionnaire or an on-site compliance audit. Amongst other topics, important issues like child labor, human trafficking and slavery-like practices are examined.

If any non-compliance with the Social Standards is detected, a corrective action plan is issued for all self-assessments. If there is no significant improvement, HUGO BOSS reserves the right to conduct a detailed on-site audit or to reject a potential business partner.

On-site audits are conducted on a risk-based approach and monitor compliance with the Social Standards during the whole business relationship with a supplier. For all finished good suppliers, on-site audits are mandatory. On a regular basis, all finished goods suppliers are required to undergo compliance audits, which include checks for compliance with the prohibition of slavery and human trafficking. The longer the cooperation without significant findings, the longer intervals until the next audit. This risk-based approach allows HUGO BOSS to audit as many suppliers as possible.

HUGO BOSS will therefore not tolerate any form of child labor or forced labor. If suppliers violate the HUGO BOSS Social Standards an action plan is issued, requesting them to improve compliance immediately (for details see [HUGO BOSS Child and Forced Labor Policy](#)). The supplier's performance is reviewed in a follow up audit. If a supplier fails to make progress against the plan, they may be subject to sanctions up to and including termination of the business relationship.

To detect covered risks and to protect all employees against slavery or human trafficking, HUGO BOSS operates a defined grievance mechanism enabling anyone to contact directly the responsible persons at HUGO BOSS or an independent external Ombudsman (Confidential Helpline) to report potential cases. Employees of suppliers can also use this Confidential Helpline. They receive information on the HUGO BOSS homepage and during the audits on an information card on how to do this.

## **V. Measuring of effectiveness**

HUGO BOSS conducts and evaluates internal and external audits and derives, if necessary, specific measures to ensure that slavery and human trafficking is not taking place in its supply chains. The main indicator of effectiveness is the audit performance levels of the direct suppliers, especially in the field of social compliance (including measures against slavery and human trafficking (for details see [HUGO BOSS Annual Report 2018](#)). HUGO BOSS which evaluates and classifies the relevant suppliers on an ongoing basis. To be transparent and demonstrate progress in this field of action, HUGO BOSS reports the relevant figures in the company's Annual Report (for details see [HUGO BOSS Annual Report 2018](#)).

As accredited member of the Fair Labor Association (FLA), HUGO BOSS is monitored by this non-governmental organisation regularly. This includes audits, which also concentrates on modern slavery and human trafficking at the HUGO BOSS production sites and at all suppliers. Potential cases of slavery and human trafficking are published.

## **VI. Training for employees**

All our employees undergo annual Social Standards trainings. This training is online and available to all employees. One part of our Social Standard training is to recognize methods

and ways of modern slavery and human trafficking in our supply chain and to report these cases in an effective way.

Our internal and external audit staff consist of experienced and well-trained auditors.

## VII. Approval for this statement

This updated statement was approved by the Board on 2<sup>nd</sup> of September 2019 and signed on its behalf by the Chief Executive Officer and Managing Director of HUGO BOSS UK Limited.



**Mark Langer**  
HUGO BOSS AG  
Chief Executive Officer



**Stephan Born**  
HUGO BOSS UK Limited  
Managing Director

Date: 2/9/2019

Date: 5/31/2019