

HUGO BOSS

CASE STUDY: PILOT PROJECT ON LIVING WAGE

As part of our engagement with the initiative Living Wage Lab hosted by the Partnership for Sustainable Textiles, we have started a pilot project on living wages in 2022 in Bangladesh, Vietnam and Sri Lanka. Therefore, we collaborate with other brands and multi-stakeholders including local organizations.

After an initial mutual agreement on the ambition and scope of the program, its other key aspects such as the current situation of wages and benefits, working hours, and political challenges of the countries are continually discussed with the suppliers.

Next, we (re-)collected and analyzed the wage data of the suppliers included in the pilot through the FLA's Fair Compensation toolkit and dashboard.

OUR FOCUS OVER NEXT TWO YEARS

In order to achieve a greater impact with our pilot suppliers, we have adapted the roadmap. Accordingly, the pilot project is planned to run until 2027 (previously until 2025). A final impact measurement is planned in end of the pilot project.

Engagement and Partnership is part of our strategy and considered as key to success. In this context, we take part of the next level initiative Living Wage Lab 2.0 of Partnership for Sustainable Textile. The overall objective of Living Wage Lab 2.0 is to reduce the gap between current wages and living wages of the pilot supplier through Peer Learning Groups and local initiatives.

For the purpose of the new initiative, we selected one supplier in Bangladesh, which is already part of the pilot project on Living Wage.

Due to this engagement, we will change our focus from a broader pilot approach to a single supplier over the next two years. Nevertheless, we stay in regular exchange with the other three pilot supplier to ensure the continuity of the pilot journey at a later time.

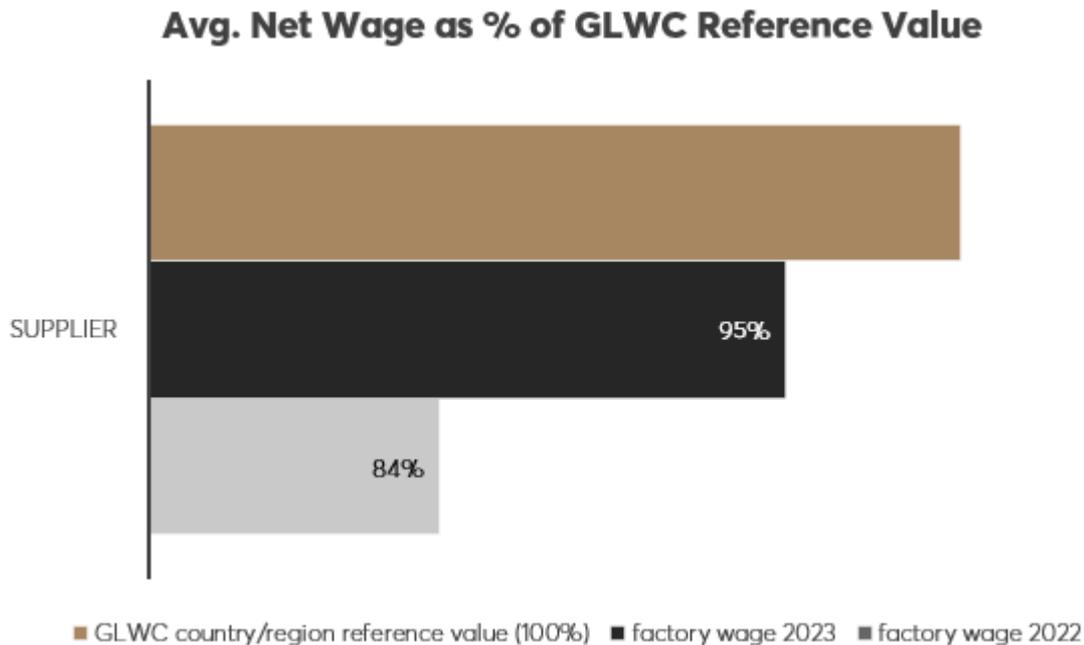
ANALYSIS OF WAGES AND PROGRESS

All four pilot suppliers pay clearly above the nationally applicable statutory minimum wage.

Referring to the Pilot supplier of the initiative Living Wage Lab 2.0, the factory was not only able to absorb the increase of the Living Wage benchmark, but even to reduce the wage gap over the last 12 month.

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The workers in this factory earn, on an average, 95% (previously 84%) of the living wage reference value.



ASSESSMENT OF PURCHASING PRACTICES

HUGO BOSS addresses wages holistically and as part of a more comprehensive program for better working conditions. In this context, we assessed our purchasing practices against the factory within the Living Wage Pilot Program. The supplier was asked to provide feedback about the way HUGO BOSS is operating with them. The assessment is based on the Common Framework for Responsible Purchasing Practices (CFRPP).

Together with our supplier we will define measures to improve the current practices towards more responsible purchasing.