



H U G O B O S S

Child Labor and Forced Labor Policy

Corporate Policy

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1 Preamble

The protection of human rights and fundamental freedoms is a top priority for HUGO BOSS and is codified and enforced through the company's own Code of Conduct and the HUGO BOSS Social Standards. HUGO BOSS will therefore not tolerate any form of child labor or forced labor.

2 Introduction

According to the International Labor Organization (ILO), approximately 218 million children between the ages of 5 and 17 are in employment worldwide. Of these, some 152 million work under conditions that violate their rights and deprive them of their childhood. It is estimated that 12 million people worldwide, half of which are children, are forced to perform work that they would not otherwise engage in voluntarily under threat of punishment.

The elimination of child labor and forced labor is a central challenge for the international community and is promoted by international organizations such as the United Nations. Nonetheless, due to the lack of comprehensive national and international mechanisms, the massive violation and curtailment of elementary human rights cannot be prevented. As an international group, HUGO BOSS takes an active stand against child labor and forced labor.

The **HUGO BOSS Child Labor and Forced Labor Policy** unconditionally prohibits and condemns both child labor and forced labor and at the same time contains procedural rules for addressing instances of child or forced labor.

3 Relationship between the Child Labor and Forced Labor Policy and the HUGO BOSS Social Standards

HUGO BOSS is committed to compliance with the HUGO BOSS Social Standards and requires the same level of commitment from its suppliers. These Standards set out the basic rights of employees and guidelines for environmental stewardship based on internationally recognized standards.

The purpose of this Child Labor and Forced Labor Policy is to address the issue of child labor and forced labor in greater depth than in the Social Standards and provide background information. It entails no further obligations for Suppliers.

4 Application of the Policy

4.1 HUGO BOSS Group

This Policy applies to all companies and undertakings of the HUGO BOSS Group. Compliance is mandatory for all employees.

4.2 Partners

The Child Labor and Forced Labor Policy complements the HUGO BOSS Social Standards, which are mandatory for companies that currently do business with the HUGO BOSS Group. Acceptance of the HUGO BOSS Social Standards, and as a result this Policy, by potential business partners is also a mandatory prerequisite for entering into new business relationships. HUGO BOSS expects its business partners to fulfill their duty of care and obliges to advise subcontractors and sub-suppliers on their obligation to comply with the HUGO BOSS Social Standards.

The duties and obligations arising from these Social Standards apply for all employees of our suppliers, whether they are directly, indirectly, permanent or so-called homeworkers. Suppliers must inform their employees of their rights and obligations under the Social Standards and applicable domestic law in an appropriate manner. They must also designate a company representative to oversee compliance with the requirements contained in the HUGO BOSS Social Standards. The name of this company representative, who will be the point of contact for HUGO BOSS, must be communicated to HUGO BOSS.

5 Child Labor in General

5.3 Distinction between Child Labor and Young Workers

In keeping with internationally recognized standards, HUGO BOSS makes a distinction between child labor and young workers. HUGO BOSS will not tolerate child labor under any circumstances. The employment of young workers, i.e.,

minors who have reached the minimum age of employment and completed compulsory schooling, is allowed under strict conditions and in compliance with the ILO standards.

The distinction between child labor and young workers is based upon socioeconomic factors. In countries in which the educational system and the economy are not sufficiently developed, the existence of families can be jeopardized if minor children who have reached the minimum age of employment are not allowed to work. HUGO BOSS therefore considers it preferable to forego any general ban on the employment of young workers and instead to respect domestic law and international standards. HUGO BOSS does not, however, actively promote the employment of young workers for normal work and such cases are the exception. HUGO BOSS expressly advocates dedicated training programs and educational opportunities for young workers.

HUGO BOSS monitors compliance with the ban on child labor as well as the conditions for the employment of young workers by its business partners.

5.4 Child Labor

5.4.1 Definition

The definition of child labor adopted by HUGO BOSS is based upon the internationally recognized standards of the ILO. Accordingly, child labor is first of all work that deprives children of their childhood, their potential and their dignity and is harmful to their physical and mental development. In keeping with the ILO standards, HUGO BOSS defines child labor as:

- Work that is mentally, physically, socially or morally dangerous and harmful
- Work that fails to take into account compulsory schooling
- Work that prevents children from attending school
- Work that makes it necessary for children to leave school prematurely
- Work that requires children to combine school attendance with long and heavy work

The worst forms of child labor involve enslavement, separation of children from their families and exposure to hazardous conditions.

HUGO BOSS sets age limits to prevent the employment of children who are too young. Here too, the international standards of the ILO are taken as the basis. In keeping with ILO Convention 138, employment of children who are **under 15 years of age** and have **not completed compulsory schooling** is not allowed.

In addition, work that jeopardizes their physical, mental or psychological well-being may not be carried out by persons under the age of 18. Under exceptional circumstances and in strict compliance with safety regulations, that age may be reduced to 16.

5.4.2 Prohibition of Child Labor

HUGO BOSS is an internationally active group that has accepted responsibility for setting minimum standards for itself and its business partners in order to achieve the minimum level of protection agreed at the international level. The HUGO BOSS Social Standards provide the basis for collaboration with all suppliers. They prohibit child labor and provide information on minimum criteria for employment. In the event of any failure to comply with the Social Standards, HUGO BOSS will require that the situation be remedied as quickly as possible.

5.4.3 Preventive Strategy

Reliable control mechanisms must be implemented at the level of hiring procedures to prevent child labor. HUGO BOSS therefore requires that its business partners put in place effective controls. It is absolutely necessary to verify the age of applicants for employment by requiring presentation of valid identification issued by an official authority prior to employment. A copy of such identification and all other legally required documentation must be kept on file during the entire period of employment. In the event it should prove impossible to present such identification, other legal proof of age such as a diploma, birth certificate or official document from the place of residence of the applicant may be accepted. Employers will be responsible for verification of the authenticity of documents submitted.

In cases in which the physical appearance of an applicant does not seem to be consistent with the documents presented, medical documents from a reliable source should be required as proof of age.

Employers must also determine whether applicants have already completed their compulsory schooling.

5.4.4 Dealing with Violations / Procedure

This Policy contains a set of rules that cover procedural and investigatory measures to be adopted if a business partner of HUGO BOSS is found to be using child labor. In order to ensure the well-being of the child in such cases, HUGO BOSS requires compliance with the minimum conditions set forth below:

- The child must cease work immediately.
- The employer must provide the child with appropriate compensation for the loss of employment.
- The employer must safeguard and promote the welfare of the child, which will include, for example, verification of continuation of compulsory schooling and financial assistance for the family of the respective child.

HUGO BOSS has taken it upon itself to monitor implementation of these measures. Information on implementation will therefore be requested from employers at regular intervals. In the case of difficulties during the implementation phase, business partners may turn to HUGO BOSS for advice.

HUGO BOSS will also require proof of implementation of all measures required to ensure that hiring processes are designed to preclude child labor in the future through careful examination of documents. Proof of age must be kept on file for all employees.

HUGO BOSS also requires formal confirmation to the effect that all possible actions have been taken and implemented. HUGO BOSS also reserves the right to verify the implementation of such actions on site. In the event a business partner should refuse to cooperate, HUGO BOSS reserves the right to terminate the business relationship as a last resort.

5.5 Young Workers

5.5.1 Definition

In keeping with the understanding of the ILO, HUGO BOSS defines young workers as those who have completed their compulsory education and are at least 15 but not yet 18 years of age. Employment of young workers is permitted only in compliance with the provisions of national law and international standards.

5.5.2 Employment of Young Workers

For HUGO BOSS, the employment of young workers is permissible only if their specific needs are taken into account and appropriate measures adopted to meet such needs. The employment of young workers will also be permissible only in the absence of any conflict with national legislation and international standards. In keeping with ILO Recommendation R146, employment of young workers will be subject to the following conditions:

- Young workers must be registered with the proper authorities.
- Employers should implement a system based on national law to identify work that is not suitable for young workers.
- Employers must ensure that young workers do not perform physically strenuous work or work that involves hazardous materials.
- Young workers may not perform any work that is dangerous, jeopardizes their physical, mental or psychological well-being, impairs their intellectual, moral and social development or is not commensurate with their qualifications.
- Young workers may not work overtime. Assignment to night shifts is also prohibited.
- Twelve hours of rest must be provided between any two shifts. Provision must also be made for weekly days of rest.
- Young workers must receive at least four weeks of paid leave per year. The paid leave of young workers may not be shorter than that of adult employees.

- Young workers should be covered by social security insurance. Such insurance should cover work accidents, medical care and health insurance and include other appropriate employment-related insurance.
- Employers should provide young workers with fair pay based on the principle of “equal pay for equal work”.

5.5.3 Strategy for the Avoidance of Non-Compliance with Rules for the Protection of Young Workers

In order to ensure compliance with rules for the protection of young workers, HUGO BOSS expects all minor workers to be properly registered with the responsible authorities. In addition, compliance with requirements will be verified through HUGO BOSS social audits for suppliers of finished goods. Suppliers of fabrics and trimmings will be also monitored on the basis of self-assessment questionnaires.

5.5.4 Dealing with Violations / Procedure

In the case of any violation of rules pertaining to the protection of young workers, HUGO BOSS will require that the violation be remedied immediately. In addition, appropriate indemnification will be required.

HUGO BOSS has taken it upon itself to monitor implementation of these measures. Information that documents implementation will therefore be requested from employers at regular intervals. In the case of difficulties during implementation, business partners may turn to HUGO BOSS for advice. HUGO BOSS also reserves the right to verify the implementation of such actions on site. In the event a business partner should refuse to cooperate, HUGO BOSS reserves the right to terminate the business relationship as a last resort.

6 Forced Labor

6.6 Definition

HUGO BOSS defines forced labor in line with ILO Convention No. 29 as any work or service performed involuntarily under threat of penalty. HUGO BOSS will not

tolerate or condone any form of forced labor, modern slavery or human trafficking (hereinafter referred to as “forced labor”).

6.7 Prohibition of Forced Labor

HUGO BOSS is an international group that takes an active stand against all forms of forced labor. HUGO BOSS strictly prohibits the use of forced labor and expects the same of its business partners. The freedom of workers may not be restricted and must be ensured at all times.

Through compliance with the HUGO BOSS Code of Conduct, the HUGO BOSS Social Standards and the UK’s Modern Slavery Act, HUGO BOSS takes a firm stand against all forms of forced labor and as a result lives up to its sense of corporate responsibility.

6.8 Preventive Strategy

HUGO BOSS will not tolerate or condone any form of forced labor and expects the same of its business partners. Acceptance of the HUGO BOSS Social Standards, which condemn and prohibit all forms of the forced labor, is a basic prerequisite for establishing a business relationship with suppliers. In the case of companies that do business directly with HUGO BOSS, social compliance audits will be carried out at regular intervals to determine compliance with social standards. In the case of fabrics and trimmings suppliers, this will be accomplished by submission of self-assessment questionnaires.

HUGO BOSS also provides its own employees with annual training as regards the values and rules embodied in its Social Standards. Special attention is devoted in the Standards to recognition of forced labor and related practices. This enables employees to recognize and report violations.

6.9 Dealing with Violations / Procedure

Any violation of the rules contained in the HUGO BOSS Social Standards must be remedied immediately. Measures must then be taken to prevent repetition of the violation of the Social Standards. HUGO BOSS also expects the parties affected to receive appropriate compensation.

HUGO BOSS sees it as its duty to monitor implementation of these measures. Information regarding implementation of the measures will therefore be requested from employers at regular intervals. In the case of difficulties during the implementation of such measures, business partners may turn to HUGO BOSS for advice. HUGO BOSS also reserves the right to verify the implementation of such actions on site. In the event a business partner should refuse to cooperate, HUGO BOSS reserves the right to terminate the business relationship as a last resort.

7 General Information

General information on the HUGO BOSS Social Standards and the HUGO BOSS Social Standards may be downloaded [here](#).

8 Point of Contact in the Case of Violation

Violations of the HUGO BOSS Social Standards, whether actual or potential, may be reported directly to HUGO BOSS at Vendor_Sustainability@hugoboss.com.

HUGO BOSS has also set up a worldwide external ombudsman system for reporting cases of child labor or forced labor. If requested, any information provided will be treated anonymously. Employees and third parties such as, for example, suppliers, their employees or customers, are free to contact the ombudsman at any time.

HUGO BOSS Ombudsman:

Dr. Carsten Thiel von Herff, LL.M.

External lawyer

Telephone: + 49 521 55 7 333 0

Mobile: + 49 151 58 23 03 21

E-Mail: ombudsmann@thielvonherff.com

Address: Thiel von Herff Rechtsanwälte

Detmolder Strasse 30

33604 Bielefeld - Germany

Report Form:

A special form is available in many different languages to permit direct contact with the HUGO BOSS Ombudsman at:

www.report-tvh.com

International Telephone Numbers:

International telephone numbers are provided that make it possible to contact the HUGO BOSS Ombudsman at any time. For a list of all numbers, please click [here](#).

9 Point of Contact for Issues Involving Child Labor and Forced Labor

If you have any questions on this Policy, the HUGO BOSS Social Standards or the subject of child labor and forced labor in general, you may contact HUGO BOSS directly by e-mail at: Vendor_Sustainability@hugoboss.com

10 Application

This Policy will enter into effect as of 1 January 2019

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|--------------|----------------|----------|-----------------|
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