

# Respecting Human Rights

At Ralph Lauren Corporation (“Ralph Lauren” or the “Company” or “we”) our purpose is to inspire the dream of a better life through authenticity and timeless style. One way that we deliver on this intention is through the business operations, policies, and practices that respect the dignity, well-being and human rights of all our employees, supply chain workers, customers and the communities in which we operate.

Our commitment to respect human rights is formally outlined in our [Human Rights Policy](#), which recognizes our participation in the [United Nations Global Compact](#), our alignment with the [UN Guiding Principles on Business and Human Rights \(“UNGP”\)](#) and the [OECD Guidelines for Multinational Enterprises](#), and our support of the principles articulated in the [Universal Declaration of Human Rights \(“UDHR”\)](#) and the [International Labor Organization \(“ILO”\) Declaration on the Fundamental Principles and Rights at Work](#), which reflects the ILO core labor standards.

Human rights oversight is built into governance at multiple levels throughout our organization, including at the highest level of decision-making and accountability. Risk analysis, training and awareness raising are implemented across our internal teams and our wider supply chain. Additionally, engagement with stakeholders, delivery of grievance and remediation processes, and reporting are part of our regular operations to uphold our human rights commitments.

The following principles underly our approach to respecting human rights:

- 1. Transparency** in learning and solving issues together with employees, brand partners, industry organizations, suppliers, workers and other concerned parties. When issues arise, we recognize that we are not facing these challenges alone.
- 2. Root cause analysis** to work on preventative measures. We recognize the limitations of only monitoring or mitigation and aim for more systemic and enduring change.
- 3. Growth mindset** in that we recognize that ensuring the rights of all people touched by our operations requires that we listen, learn and remain open to improving.

## GOVERNANCE AND STAKEHOLDER ENGAGEMENT

Our Board of Directors (“Board”) is responsible for the oversight and impact of our [Global Citizenship and Sustainability \(GC&S\)](#) strategy, including human rights. The Board is updated on a quarterly basis by the Chief People Officer, who is accountable for the implementation of the Human Rights Policy. The Board ensures that human rights due diligence (“HRDD”) is executed and updated through the Global People Practices (“GPP”), Diversity, Equity, and Inclusion (“DEI”) and the Global Health and Safety (“GH&S”) teams for Ralph Lauren-owned operations, and the Global Citizenship, Worker Well-being team for our supply chain.

The GC&S strategies are implemented by teams across the Company. To enable the strategies to be delivered coherently and at speed, a Senior Steering Committee chaired by our Chief Product and Sustainability Officer meets monthly to track impacts, address any risks, identify opportunities to more effectively problem solve and allocate resources. Committee members include Global Citizenship, Sustainability, Sourcing, Global Corporate Communications, People and Development, Product Innovation, Global Marketing, Merchandising and Design leadership. They enable and track the delivery of our commitment to respect human rights in our corporate operations and supply chain.

Our leadership participates on committees of key stakeholders involved in advancing human rights in corporate operations. This ensures that we are learning cutting-edge

approaches from practitioners and sharing best practice with our peers. We hope and encourage the leadership of our suppliers to similarly engage with stakeholders. Moreover, we also engage leading third parties to help improve our processes to identify and mitigate potential and actual human rights risks and impacts.

## RISK ASSESSMENT

To assess our potential impacts on people as part of HRDD, we implement our Global Risk Assessment Tool across our operations, including the supply chain. This process is informed by internal and external stakeholders, public information, including indicators on country-risk levels and salient risks in the industry, as well as private global risk assessment tools. Our risk assessment process is combined with a proactive approach to prevent, mitigate and address any potential or actual adverse human rights impacts.

We conduct materiality assessments to help identify and prioritize global citizenship and sustainability issues, risks, and opportunities that matter most to our business and stakeholders. Our assessments are conducted by a third-party and include extensive engagement with internal and external stakeholders, including employees, selected licensees, suppliers, partners, non-governmental organizations (“NGOs”) and customers. We also maintain ongoing stakeholder engagement throughout the year to inform strategies, priority issues, and goals in-between our formal materiality assessments.

We recognize the importance of mapping our supply chain to both give optimal visibility to risks and to best mitigate any actual or potential adverse impacts. The sections below illustrate the many steps we take to fulfill our corporate responsibility to respect the human rights of workers in our supply chain. While we have prioritized our production supply chain at this stage, we also assess and address risks for our non-production supply chain, distribution centers, third-party logistics, and transportation

For information about respecting human rights within our own operations, please see our:

- [Global Citizenship and Sustainability \(GC&S\) report](#);
- [Commitment to racial equity on our solidarity page](#); or
- [Our Code of Business Conduct and Ethics, Fair Treatment Policy and RL Hotline](#), which can be found [here](#).

## SUPPLY CHAIN

We have several fundamental expectations for supplier conduct within our supply chain. Our [Operating Standards \(“OS”\)](#), which include legal and ethical standards; labor, human rights, safety, environment and animal welfare standards; management systems; and grievance mechanisms are required to be met or exceeded by all suppliers to Ralph Lauren. The OS are available in [27 languages](#). Moreover, all Ralph Lauren suppliers are required to review and agree to our Vendor Compliance Packet (“VCP”) as a condition of working with us. The VCP incorporates our OS, which reflects the ILO core labor standards and prohibition of forced labor, child labor and employment discrimination and its recognition of the right to freedom of association and collective bargaining.

Our Ralph Lauren Global Citizenship-Worker Well-being team drives our risk assessment process for social and labor risks in the supply chain, manages supplier compliance with our OS, builds supplier capabilities in key focus areas and implements worker empowerment programs.

In alignment with our peers and many other brands, the Company contracts for the manufacture of our products and we do not own or operate any production factories.

As a result, Ralph Lauren products are made by independent manufacturers that we collaborate with to create a cohesive and transparent relationship. We recognize that these manufacturers are the stewards of their own businesses and must take a proactive approach to continuous management of their operations. However, in alignment with our principles and OS, we work closely with suppliers to support their compliance and capability building efforts.

We recognize the importance of supply chain transparency and are an active contributor of data to the [Open Apparel Registry \("OAR"\)](#). In FY22, our finished goods factory list disclosed 98% of our business volume and 83% of facilities. Moreover, we have disclosed 71% of our active processing units for finished goods factories. For a list of our contracted suppliers, please see [here](#). The list is updated regularly and was last updated in March 2022.

## **ASSESSMENTS, MONITORING, REMEDIATION, AND CAPABILITY BUILDING CHAIN**

Our Global Citizenship, Worker Well-being team monitors social compliance at factories, works collaboratively to remediate non-compliances and aims to build supplier capabilities to sustain their performance. The team monitors social compliance through a range of tools, including site-level assessments. These assessments are conducted by third-party monitoring firms, including the ILO-Better Work and the approved verification bodies of [Social Labor Convergence Programs \(SLCP\)](#) where available.

We schedule social compliance assessments through a risk-based approach and conduct these assessments (on both announced and unannounced basis) to evaluate the working conditions of supplier locations. Additionally, our risk assessment (referenced above) informs targeted monitoring activities to respond to new and emerging issues.

The assessment process generally includes a facility tour to observe the worksite, document review and worker interviews. On average we interview around 10% of workers at the factory. Suppliers are expected to provide a comfortable and private environment for the interviews, where workers can speak without the presence of factory management.

Post-assessment, we engage with our suppliers to ensure the implementation of corrective actions and appropriate remediation, where applicable. We work with suppliers to identify the root cause of issues and agree on corrective action plans ("CAPs") that prioritize workers' welfare and livelihoods. Our approach to monitoring and remediation encourages transparency and continuous improvement.

In addition to ongoing monitoring of existing suppliers, any new suppliers will undergo an onboarding assessment prior to production. The assessment covers all aspects of our OS. If any severe violations in one or more critical issues are found during the assessment, the supplier will not be approved for production. All new suppliers must meet our standards before we will place an order with them.

Our program reflects the OECD's strategic approach to risk management by 1) continuing supplier relationships throughout the course of measurable risk mitigation efforts; 2) temporarily pausing business with suppliers while pursuing ongoing measurable risk mitigation; and 3) in the extreme, where suppliers are unwilling or unable to properly remediate issues, or if risk mitigation is not feasible, we may terminate the business relationship. We only ever terminate a relationship when all recourse has been exhausted.

We believe in the importance of building supplier capabilities in a broad variety of areas

to help understand and address risks and compliance trends, including grievance mechanisms, preventing forced labor and raising awareness on DEI issues to mitigate the risks to vulnerable groups.

We hold capability building training events which bring together suppliers in the same region to address shared compliance problems. During these sessions, we discuss strategies for improving and maintaining compliance at factories addressing these trends.

Our Global Citizenship – Worker Well-Being team, who are specifically trained in social compliance assessments, also utilizes our Supplier Engagement Tool ("SET") to conduct individualized supplier engagements. The tool covers demographic information, country-level and factory-level risks. These engagements allow for more touch points with suppliers and an iterative process to better assess human rights risks, understand supplier and worker needs, and tailor capability building.

These activities help inform the supplier scoring in our Supplier Engagement Strategy, which directly influences our sourcing and business decisions. For more information about our social compliance program, and the latest assessment result data, please see our latest [GC&S report](#).

## **GRIEVANCE MECHANISMS**

It is vital that workers in our supply chain have access to effective grievance mechanisms in their workplace and can report concerns without fear of retaliation.

Our OS require suppliers to have effective systems in place as the primary operational-level grievance mechanism to report concerns. We assess these mechanisms against the UNGP's effectiveness criteria under which they should be legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning. We audit the factories' grievance logs to help determine if these criteria are met.

In FY 21, we reviewed over more than 450 grievances across eight countries. The top categories of these included 33% related to a health and safety concern at the facility or individual workstation, 13% related to benefits concerns and 12% related to factory food services of the canteen. At the end of the year, 98% of the grievances were reported as resolved, 1% were undergoing an appeals process and less than 1% were under investigation.

The RL Grievance Mechanism Program for supply chain workers complements the mechanisms operated by the factories themselves. The program enables workers to escalate their concerns directly to Ralph Lauren using the RL-Hotline email address, accessible through a QR code. Information is made available to workers on posters throughout the factory in their local languages. Responding to affected stakeholders and their concerns are also a part of our program.

In addition, we provide training to factory managers and workers on effective grievance mechanisms. As previously noted, we are committed to continuous improvement and regularly evaluate the effectiveness of our program. For instance, when we did not see high usage from workers on our grievance mechanisms, to address this potential gap, we specifically held sessions with workers to test their ability to scan the QR code and send us messages. We learned that while workers had the ability to access the QR code successfully, they needed more instruction on exactly how to use it. Following these sessions, we received direct messages from workers to which we promptly replied. Most of the messages were requests for additional support on COVID-19 prevention measures, such as more regular cleaning and better communication. We worked with the respective suppliers on each of these cases.

## SALIENT RISKS

It is vital that workers in our supply chain have access to effective grievance mechanisms in their workplace and can report concerns without fear of retaliation.

Through our risk assessment process, referenced above, we have identified salient human rights issues in our supply chain. These issues are the focus of our human rights due diligence (HRDD) efforts. We take a risk-based approach and concentrate our efforts on high-risk geographies and activities where we can exert leverage to mitigate or remediate issues if they occur. We recognize that there are human rights issues beyond the most salient risks. As we make progress on these critical issues, we plan to address additional risks. We work with our partners to share the responsibility to mitigate and address potential and actual human rights issues throughout the supply chain through assessments, remediation, capability building and training.

We would be remiss not to recognize the crucial role of human rights defenders (“HRDs”) in providing information that helps bring these salient risks to the forefront. We also recognize the threats that HRDs face around the world in their efforts to protect workers and strongly condemn any violence, threats, intimidation, retaliation or harassment of HRDs.

We regularly monitor, evaluate and track the effectiveness of our actions to respond to human rights risks and impacts. We also seek to learn lessons from this work to help inform our go-forward approach.

Below, we list our identified salient risks, what they encompass, and how we address these risks in our supply chain.

### *Child Labor and Young Workers*

We are aware of the complexities underlying child labor, including poverty, underdeveloped educational systems and cultural norms. We further recognize the negative impact that COVID has had on child labor, stalling global efforts to eradicate the practice.

Child labor is strictly prohibited throughout our supply chain and may not be used in the production of any Ralph Lauren goods. Our OS require that workers must be at least 16 years old or beyond the age of compulsory education, whichever is higher. Workers between the ages of 16 and 18 are considered young workers and they must not undertake night and/or hazardous work. Suppliers must have robust age verification systems in place.

If a violation of our standards occurs, immediate action will be taken and we require suppliers to remove the underage worker from the factory, reach out to the family and begin discussing options for appropriate education and training, provide financial support to cover the education and lost wages, and agree to rehire the underage worker when they are 16 or at the legal working age if desired by the worker. We then monitor the case to ensure that the supplier completes any corrective actions and takes ownership of the remediation.

### *Discrimination, Harassment, and Gender-Based Violence*

We are committed to ensuring that workers are not subject to any form of discrimination, harassment, abuse, or retaliation. Engaging in or tolerating physical, racial, sexual, psychological, or verbal harassment, coercion, punishment or abuse is strictly prohibited. Our OS forbid discrimination in employment practices, including recruitment, hiring, compensation, training, benefits, advancement, promotion, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, pregnancy, marital status, gender identity or expression, genetic information, trade union status or activity, disability, social group, ethnic origin,

caste or any other personal characteristics, beliefs or other status protected by applicable law.

In addition to regular assessments of factories that include looking for any signs of discrimination in hiring or promoting and ensuring that workers are free from harassment or abuse, we are proactively working to support a culture of diversity, and inclusion at factories.

To advance this commitment, we expect suppliers to pay special attention to marginalized groups, such as women. We further mandate that suppliers ensure equal pay for all, including benefits, equal treatment, equal review of performance and equal opportunity for promotion. In addition, we support several factory-level programs to empower women.

For more information on our worker empowerment programs, our DEI work with suppliers, and how we action our commitment to gender equity, please see our section on Worker Empowerment and Gender Equity.

### *Forced Labor*

As recognized by the ILO, forced labor is systemic in global supply chains and its prevention is a key priority for the Company.

Preventing forced labor is a core pillar of our program. Our OS expressly prohibit suppliers from working with or arranging for purchase of any materials or services that supports or utilizes forced, indentured, bonded, or compulsory labor obtained through human trafficking, coercion, or slavery.

Ralph Lauren complies with the California Transparency in Supply Chains Act of 2010, the UK Modern Slavery Act of 2015, and the Australia Modern Slavery Act of 2018. Our disclosures can be found [here](#).

We have also designed and delivered targeted trainings on identifying and preventing forced labor to key cross-functional partners and suppliers. Additionally, we are signatories to the American Apparel and Footwear Association and Fair Labor Association’s Commitment to Responsible Recruitment, a proactive industry effort which seeks to address potential forced labor risks for migrant workers in the global supply chain.

### *Foreign Migrants Workers and Recruitment*

We recognize that foreign migrant workers (“FMWs”) can be particularly vulnerable to exploitation and unfair treatment. Accordingly, our Foreign Migrant Worker Standards aim to secure fair employment terms for them. These standards provide for ethical recruitment practices, including mandatory local language employment contracts, the prohibition of worker-paid fees, freedom of movement

### *Case Study – Taiwan*

In certain countries, recruitment fees paid by workers are considered standard practice and are allowed by the local law. We found this practice to be an issue in Taiwan when our FMW assessment tool identified fees paid by workers from Indonesia and Vietnam at one of our accessories factories. The workers’ pay slips showed monthly deductions for recruitment agency fees. Since our FMW Standards provide protection for workers above the Taiwanese legal requirement and expressly prohibit recruitment fees, we worked with the factory to remediate.

The difference in our standards and the law presented some challenges as we

worked through the remediation, but ultimately, we took appropriate action to eliminate this practice. The factory has changed its policy and practices and reimbursed these fees to eliminate charges to its workers. The factory now covers the cost of the recruitment agent's monthly fee, resident permit, health check, passport, and airfare for workers. Our follow up audit confirmed that the factory continues to comply with this standard. We continue to monitor compliance and the factory's relationship with us will be contingent on maintaining full compliance, grievance mechanisms for workers, and end of contract travel expenses.

### ***Freedom of Association and Collective Bargaining***

Article 22(1) of the [International Covenant on Civil and Political Rights \(ICCPR\)](#) states that "[e]veryone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests." This is one of the core values of the ILO. Freedom of association ensures that both workers and employers are represented and have a voice. It further provides the basis for collective bargaining and social dialogue.

At Ralph Lauren, we recognize that respect for workers' rights to freedom of association and collective bargaining is an important aspect of employment that suppliers must recognize.

Accordingly, our OS provide that suppliers should permit their employees the right to associate with others, form and join (or choose not to join) organizations of their choice, and bargain collectively in accordance with applicable law, without risk of discrimination, harassment, interference or retaliation, subject to applicable domestic law and practice. Where the right to freedom of association and collective bargaining is restricted under law, the supplier must engage in their best efforts to otherwise comply with these principles (e.g., through the establishment of worker committees).

### ***Occupational Health and Safety***

At Ralph Lauren, we recognize that preventing work-related injuries and diseases is crucial to realizing decent work and we are committed to creating and maintaining healthy and safe work environments throughout our operations and supply chain.

To support our commitment to occupational health and safety, our OS require that suppliers ensure a safe and healthy work environment, that their employees are not subject to unsanitary or hazardous living or working conditions and that they have a health and safety management system, appropriate to the operations on site, in place and operational.

Accordingly, suppliers must obtain, maintain, and comply with all safety and health permits, including but not limited to, an obligation to ensure building integrity and fire safety with regularly scheduled emergency practice evacuations and frequent inspection of exit doors for proper emergency use. Moreover, supplier-provided housing facilities needs to be in a separate building and these, and any kitchens, canteens, break rooms and toilet facilities must also comply with our OS.

### ***Wages and Benefits***

We require our suppliers to have wage and benefit policies consistent with all laws regulating wages, overtime and legally mandated benefits. For example, we expect suppliers to follow local regulations on annual leave, holidays, maternity

rights and parental leave. We further mandate that wages are paid in a timely manner and include a wage calculation for each pay period, as provided under applicable law.

Ralph Lauren does not directly provide compensation to workers at factories, but we expect suppliers to provide compensation that is sufficient to meet their basic needs and allow for some discretionary income as outlined in our OS.

When compensation does not meet our expectations, we expect suppliers to work with Ralph Lauren to progressively realize a level of compensation that does meet these standards.

Read more details about our work on fair compensation in our wage management strategy, please see our section on Wage Management.

### ***Working Hours***

At Ralph Lauren, we recognize that standards on working hours help safeguard the physical and mental health of workers, while also ensuring workers in our supply chain can perform to their best abilities. To that end, our OS require that all regular and overtime hours must be voluntary and in accordance with national laws. In addition, under ordinary business circumstances, employees must not be required to work excessive working hours and overtime and have at least one day off in seven.

We recognize that achieving consistent working hours within acceptable limits is one of the most difficult issues for our industry to manage. Excessive working hours has many causes, and we acknowledge that apparel brands like ours may contribute to the problem but can also be part of the solution. We are addressing the role we play by implementing Responsible Purchasing Practices, including through the Better Buying Initiative Survey, which helps us further understand the impact of our business planning on factories and workers. This is part of our larger work to review and address such issues.

For example, if we place orders with short notice, we might exceed a factory's capacity to supply us on time. Consequently, the factory might subcontract the work without our authorization—which we do not allow—or impose longer hours on its workers to fulfill our orders. To avoid this, before placing an order we confirm the factory's capacity to complete the order without excessive working hours or subcontracting. We also have remediation capability building programs to help suppliers meet our capacity requirements. These programs also help suppliers improve their performance and efficiency without requiring longer working hours. Careful order allocations and proper planning to improve the outcome of each phase of the product life cycle creates an efficient work environment and promotes high levels of compliance.

## **WORKER EMPOWERMENT AND GENDER EQUITY**

We work with factories to champion better lives for workers through empowerment programs, with a particular focus on gender equity. DEI is central to our values and approach to doing business. We expect our suppliers to share our commitment to principles and practices that prioritize DEI. To support this expectation, we have a DEI workstream with our strategic supplier group to raise awareness of key issues and guide them to develop or enhance their own strategies with respect to different cultural contexts that may vary by locale.

We recognize that women are the backbone of the global garment supply chain, representing most workers. We further recognize the systemic challenges that they face and are committed to empowering women at our factories. Our focus has been on

health education and career progression. We have partnered with expert organizations to support this work locally to help address the unique societal and cultural challenges. We look forward to continuing to expand opportunities for learning and advancement.

Read more about this work and our progress in our [GC&S](#) report.

## WAGE MANAGEMENT

The payment of living wages is a salient human rights issue in the garment sector. A living wage is defined as one where a worker receives a wage that is sufficient to meet their family's basic needs, such as food, water, clothing, housing, education, and healthcare, plus some discretionary income for savings and unexpected events.

We address this high priority issue through our Wage Management Strategy. Our focus is on wage management systems at the factory level, as well as the impact of our own purchasing practices, for suppliers to deliver fair compensation to their workers.

Key elements of our strategy include wage data collection and analysis, wage management systems reviews and improvements, worker feedback, industry collaboration, and responsible purchasing practices. Our wage data tool collects information on basic wage, overtime wage, allowances, benefits, incentives, bonuses, and deductions. We use this data to create wage ladders, plotting basic and total take-home wages against local minimum wage, the industrial average wage and various living wage benchmarks, such as those from the [Global Living Wage Coalition](#), [Fair Wage Network \("FWN"\)](#), and the [Asia Floor Wage Alliance \("AFWA"\)](#).

We are also working with independent organizations such as the FWN to help us further understand fair wage levels and systems through assessments and direct worker feedback.

We recognize the important role we play in ensuring supply chain workers receive fair and timely compensation. To that end, our Responsible Purchasing Practices helps us to create the conditions for factories to meet fair compensation. Our work in responsible purchasing extends beyond wage management, but this is an important link. To better understand opportunities for improvement, we ask our suppliers to participate in the [Better Buying Initiative](#) Survey.

The Better Buying Survey seeks anonymous feedback from suppliers on what it is like to work with us so we can understand how our practices impact their factories and workers. With the results, our sourcing team and cross-functional partners are working to make improvements where necessary. We are committed to supplier feedback and continuous improvement.

We further engage with the [Platform Living Wage Financials \("PLWF"\)](#), which implements an annual assessment of company performance against a robust living wage methodology aligned with the UNGPs, to help inform our strategy and approach based on their research and expertise in this area.

Please see our [GC&S](#) report for more on our wage management strategy.