

Thinking Beyond, Acting To

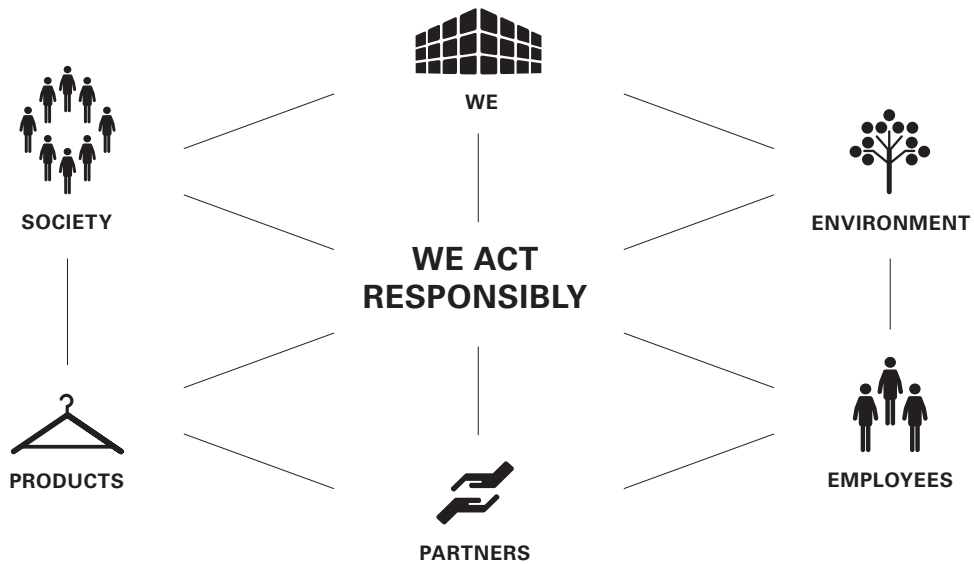
H U G O B O S S

The Point

SUSTAINABILITY 2016

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Dear Reader,

“Thinking beyond, acting to the point” – this is what defines HUGO BOSS. We think ahead, are creative and open to new ideas. We always act precisely and target-orientated. This enables us to immediately recognize developments and trends and to realize our full potential.

Our second internal Sustainability Days held in October 2016 show that we manage to do this in the area of sustainability as well. It was great to see the commitment with which new solutions for a sustainable management were developed in all areas. At our first international stakeholder dialog, we received many ideas on how to advance further and acknowledgment for what we have already accomplished.

We have managed to do quite a bit over the past year. This is demonstrated by the positive assessment of our climate management program by CDP (formerly: Carbon Disclosure Project), as well as the award we received for our commitment to animal protection and wildlife conservation from the Humane Society of the United States. We aim to use these achievements to ensure that sustainability is a lasting value for our employees and that it inspires them to think about new ways of doing things. We can only act responsibly as a company and focus on the future, if each individual does so.

Of course, there are still some things we need to work on. At HUGO BOSS, sustainability is a constant effort. We want to work toward this goal consistently and with concrete measures. This is because sustainable behavior strengthens our Company and our brand. Of this I am convinced.

Metzingen, May 2017



Mark Langer
Chairman of the Managing Board

Portrait

The HUGO BOSS Group is one of the market leaders in the upper premium segment of the global apparel market. The Company offers a comprehensive range of high-quality fashion, as well as accessories in the womenswear and menswear segments under the BOSS and HUGO brands. Our portfolio consists of classic, yet modern tailoring, elegant evening wear and leisure wear, shoes, leather accessories, as well as licensed fragrances, eyewear, watches, children's fashion, home textiles and writing instruments.



€ 2.7 billion

in sales in 2016



Approximately **14,000** employees,
of whom 59% are women and 41% men



4

in-house production facilities in
Germany, Italy, Poland and Turkey



Around **1,100** own retail stores



4

collections per year

Thinking beyond, acting to the point

Thinking ahead and being inspired by the future. Recognizing trends and developing tailored solutions in line with the latest styles. Providing excellent quality with extraordinary efficiency and the utmost in care. That is HUGO BOSS. That is what makes us who we are. Our approach is defined by the combination of quality, innovation and responsibility, which guides us towards the future. Why are we so convinced of this? The answer lies in three related trends:



Quality: Customers are increasingly focusing on quality when they make purchases. In addition to high-quality processing, this also includes aspects such as sustainably-sourced materials and questions about production. More sustainable consumer behavior is a trend that the textile industry can not ignore.



Innovation: Consumer behavior, logistics and production technology are changing more and more quickly. Social media creates and strengthens trends, digitalization changes structures, technologies and markets. Constant innovation is not only necessary for products, but also for business processes.



Responsibility: Nowadays, customers, society and government expect companies to live up to their ethical, environmental and social responsibilities and to firmly establish these in their value chain. And employees are increasingly questioning the meaning behind what they do. Thus, companies that want to be seen as attractive employers have to offer more than just standards – they have to be innovative.

We address these developments in order to find solutions that secure the long-term success of our Company. This is our understanding of sustainability. This allows not only HUGO BOSS to develop its full potential, but also our employees, partners and stakeholders. This, too, strengthens us and our contribution to sustainable development. Because it is only by engaging in dialog about the future that we can grow together, think in new ways and act differently.



Creating Values Together

Sustainability as a combination of quality, innovation and responsibility shapes the HUGO BOSS approach, its strategy and its processes. In order to promote sustainable development, we seek to engage in a dialog with our stakeholders. Our goal is long-term economic success. We also take account for this through value-based corporate governance and the future-orientated management of risks and opportunities.

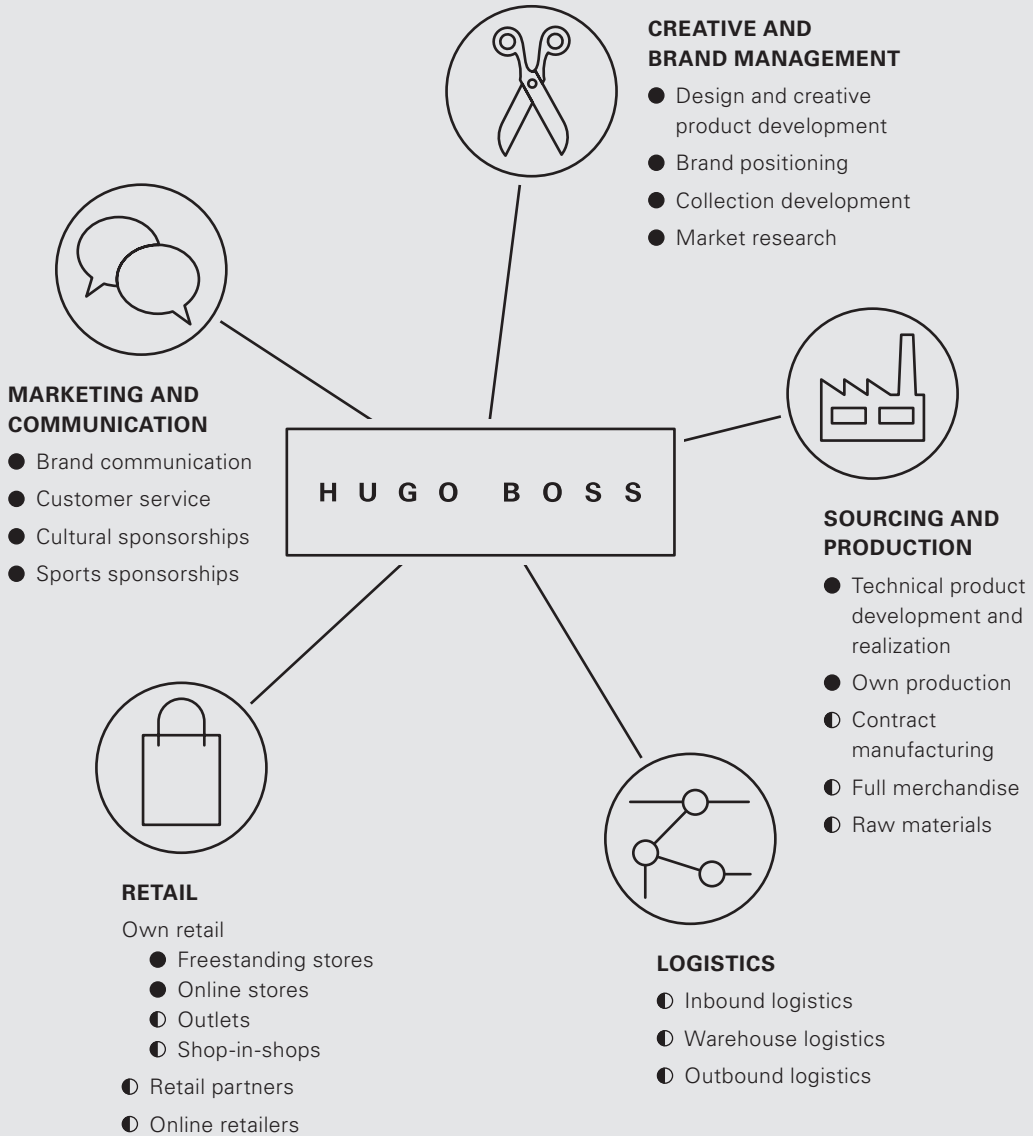
We are working on sustainability. At HUGO BOSS, sustainability is one of the five attributes that are integrated in its corporate strategy and firmly established in operational departments and levels. We worked extensively on our processes last year in order to integrate sustainability further, setting priorities and defining activities. In doing so, we asked ourselves what concrete contribution we could make towards implementing the United Nations Sustainable Development Goals. We did this not only because the expectations of society and our stakeholders are increasing. At HUGO BOSS, we know that excellent quality can only be achieved with the utmost care and individual responsibility. That is why our managers are also measured in terms of employee satisfaction and where we stand in sustainability issues. Our bar is high: We strive to be among the leaders of the Dow Jones Sustainability Index.

VALUE CREATION AT HUGO BOSS

The value chain at HUGO BOSS involves complex processes. We buy finished goods from 231 different suppliers and manufacture our products at our own four production facilities in Germany, Italy, Poland and Turkey. We sell our products at approximately 7,700 points of sale in 127 countries around the world.

HUGO BOSS influence

● partial ● complete



DIALOG ON SUSTAINABILITY

HUGO BOSS seeks to engage in dialog with its stakeholders through bilateral discussions and partnerships. This is because sustainability can only be developed further by working together. We intensified this dialog in 2016 and added new formats.

THE FIRST BAD URACH DIALOG

Our first international stakeholder dialog on sustainability was held at the monastery in Bad Urach in October 2016. At the meeting, participants, including representatives of various non-governmental organizations, union representatives, supply chain experts, researchers and partners, met with members of the management team of HUGO BOSS AG. Mark Langer, Chairman of the Managing Board of HUGO BOSS AG, set the tone at the beginning: "We want to live sustainability and remain open to change." This was the starting point for an open and constructive exchange, the results of which have been integrated into the further development of the Company's sustainability strategy.

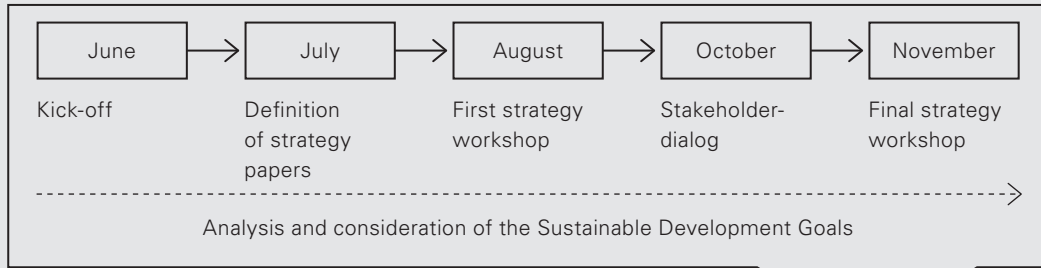


At the stakeholder dialog at the Bad Urach monastery the main focus was on collaboration with our partners and involvement in the supply chain. HUGO BOSS was able to come away from the dialog with numerous ideas and recommendations.



2016 STRATEGY PROCESS AT HUGO BOSS

Using a multiple step process, we refined our current approaches and objectives and expanded the strategic priorities in our six fields of action. The stakeholder dialog provided important feedback. The HUGO BOSS sustainability strategy now very clearly lays out how we will contribute to sustainable development in line with the United Nations Sustainable Development Goals.



STRATEGIC PRIORITIES OF THE HUGO BOSS FIELDS OF ACTION



We

- ▶ Stakeholder engagement



Environment

- ▶ Climate protection
- ▶ Sustainable store concept



Employees

- ▶ Employee satisfaction
- ▶ Occupational health and safety
- ▶ Human rights



Partners

- ▶ Social standards
- ▶ Environmental protection
- ▶ Transparency



Products

- ▶ More sustainable materials
- ▶ Product innovation
- ▶ Targeted customer communication



Society

- ▶ Promotion of perspectives through education

SUSTAINABLE DEVELOPMENT GOALS

We are making a particular contribution towards implementing the following goals:





Preserving Natural Resources

HUGO BOSS is constantly working to reduce its environmental impact and preserve resources. To this end, we plan intelligent buildings, develop sustainable store concepts, use environmentally-friendly technologies and optimize transport routes. We use water efficiently and reduce our CO₂ emissions. In this way, we are making our contribution towards climate protection and the conservation of biodiversity.

We want to contribute to environmental protection each and every day. That is why this is one of the key elements of the HUGO BOSS sustainability strategy. We want to ensure that there are no adverse effects on the environment as a result of our corporate activities. When transporting our products from production facilities to warehouses, we utilize shorter sea routes or ship them by rail directly from Asia to Europe. We keep the number of air shipments as low as possible. Environmental management systems have been established at our major production facilities in Italy and Turkey, the retail stores we operate in the DACH* region use electricity from renewable resources and we adhere to recognized sustainability standards in managing our buildings. We involve employees and partners in the implementation of our principles by providing them with environmental guidelines. Implementation of our new store concept, which is based on sustainability criteria, will begin in autumn 2017.

* Germany, Austria, Switzerland

A CONCEPT FOR MORE SUSTAINABLE STORES

Conserving electricity and water and separating waste – the guidelines for operating a store sustainably sound simple. But they are not trivial. At HUGO BOSS, sustainability not only starts earlier – it is also much more complex. Using a carefully developed strategy, we strive to sustainably operate our stores right from the planning stage. With the rollout of the new store concept, all stores operated by HUGO BOSS will gradually be expanded and renovated in accordance with sustainability principles starting in autumn 2017. The goal is to have environmentally-friendly stores that promote the wellbeing of employees and customers and that create a tangible experience of the HUGO BOSS brand.

RESPONSIBILITY RIGHT FROM THE START

The concept, which is both complex and comprehensive, seeks right from the start to minimize the use of materials and the amount of waste. Responsibility starts with the procurement of building materials and fixtures and furnishings. From flooring to shelves to tables – everything is to be produced as sustainably as possible and transported in an environmentally-conscious manner. For renovations, our stated goal is to use local construction teams in order to shorten routes and support local tradespeople. The design guidelines provide detailed specifications regarding the way the stores and their staff rooms and storage areas are to look like. They also call for the use of environmentally-friendly building technology, as well as the conversion of lighting to LED and the installation of water level regulators.

FROM REOPENING TO REDESIGN

In implementing the sustainability-focused new store concept, we distinguish between:

- **Openings:** New stores are already being built in accordance with the concept guidelines.
- **Renovations:** Existing stores will be modified and renovated in accordance with the new concept generation based on an individually defined renovation cycle.
- **Redesign:** Some existing stores will be optimized and enhanced in line with modified lifecycle requirements.

Once the newly designed stores are finished, a strict environmental management will be applied. Then we will strive to conserve electricity and water, separate waste and be mindful of recycling.

REDUCING ENVIRONMENTAL IMPACTS

For us, practicing environmental responsibility means working continuously on making improvements. In doing so, we utilize effective environmental management based on internationally recognized standards, as well as numerous measures in the planning and operation of our own buildings.

Green building at HUGO BOSS



ENERGY

Use of LED lighting and motion sensors, operation of the Company's own solar power systems and combined heat and power plants, heat recovery systems, certified energy management systems.



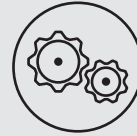
WATER

Motion sensors and pressure regulators in sanitation facilities, efficient garden irrigation systems for green spaces.



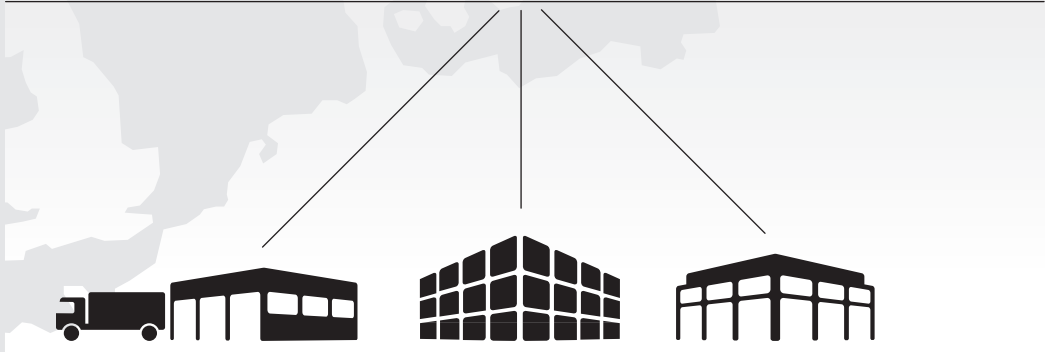
WASTE

Improvement of recycling rates, reduction of generated waste volume by optimizing the use of raw materials.



PROCESS REVIEW

Environmentally-friendly operations in accordance with recognized standards, monitoring and analysis of consumption, optimization of running times of technical facilities.



WE ARE MOTIVATED BY EFFICIENCY

We continuously review the options for optimizing our logistics and transport processes, in order to reduce our CO₂ emissions in the long term and help conserve natural resources. In doing so, we look at all shipment flows, from producers through to our logistics centers.

Sustainability in the logistics process



DISTRIBUTION CENTERS

We recycle and reuse cardboard packaging at our logistics centers. Most of new cardboard packaging bought is FSC®-certified*.



TRANSPORT

We are increasingly using environmentally-friendly modes of transport. For example, textiles are shipped to Germany from Asia by rail. This reduces emissions up to 95% in comparison with the combined use of sea-air shipment.



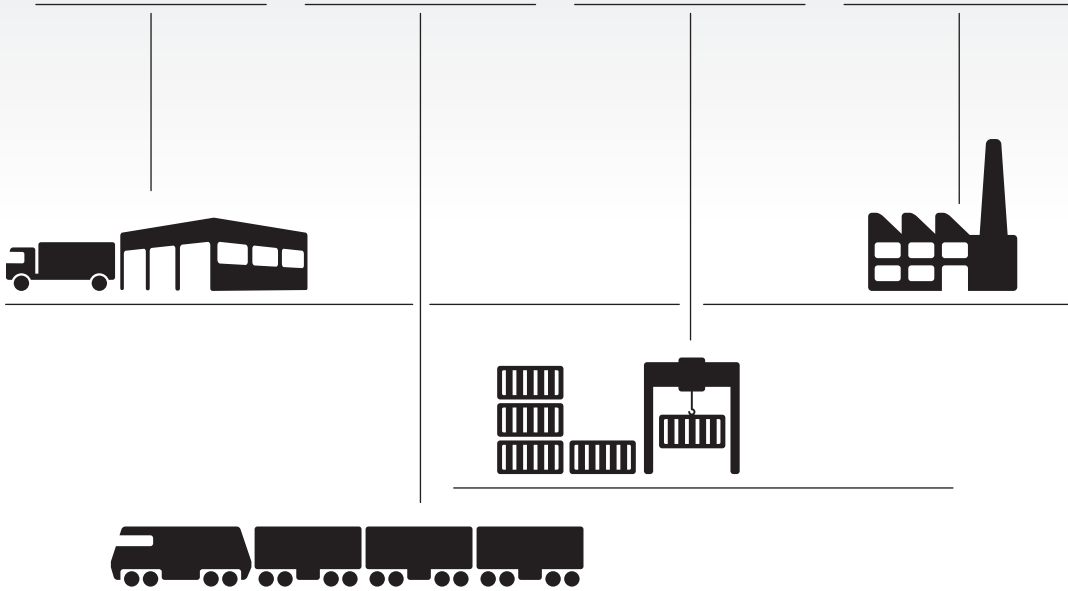
HANDLING

The consolidation of shipments in the country of origin creates one large freight load instead of several small shipments. This ensures the optimal use of ocean freight containers, thus reducing transport volume.



PRODUCTION

Through the use of supply chain software, we enable our producers to select the optimal cardboard packaging and method of packing. This reduces CO₂ emissions and the use of packing materials by optimally packed shipments.



* FSC® licence number: N002527



Fostering a Fair Culture

At HUGO BOSS, our personnel work promotes a fair and responsible corporate culture, which supports our strategy: We want to be open and innovative and create added value for our stakeholders. That is why we want to attract and inspire the best employees, to develop them, to enable them for change and to ensure a trusting and creative working relationship.

We are preparing for change. Ongoing digitalization and changes in social values are changing not only the world of work, but also the attitude toward work itself. Lifelong learning, healthy and flexible working and meaningful objectives create a number of requirements, both on companies and on employees. At HUGO BOSS, much has been done to provide employees with a motivating work environment, individual opportunities and personal support – from flexible working time models, a wide range of employee development opportunities to health services and family support. This demonstrates that diversity and equal opportunities are integral components of our culture. In a study conducted by Textilwirtschaft magazine in 2016, we were ranked as the second most attractive employer in the textile industry.

INCENTIVES FOR SUSTAINABLE BEHAVIOR

Getting employees to “buy into” the concept and developing a common awareness of the issue of sustainability is a central success factor for the implementation of strategic sustainability goals. The second annual Sustainability Days, which HUGO BOSS held at the Metzingen site over the course of two days in October 2016, were intended to motivate all employees to think of ways to act sustainably in their area of activity. In order to enable employees to act sustainably, a training program was developed with various modules for different groups of employees. One of these modules was carried out for the first time as part of the Sustainability Days. Around 1,000 employees provided information about current projects and ideas at presentations or interactive information booths, which were designed with a lot of care and creativity.

There was a lot to learn: What does leather made of pineapples feel like? And what about material made of recycled fibers?

Employee comments showed that there was a lot of interest and numerous ideas.



Panel discussion with Mark Langer (left) and the representatives of the individual fields of action.

TRAINING THAT INSPIRES

The time when you could acquire skills and knowledge once and then be done with training for the rest of your career is over. Knowledge now comes with an expiration date. It needs to be continuously developed, with new knowledge acquired on a regular basis. That is why the HUGO BOSS University provides a wide range of training and development measures to employees around the world. In addition to numerous on-site training sessions, the Company is also increasingly offering online training options. We take a blended approach to learning, which combines online and on-site training.

LEARNING SUCCESSFULLY

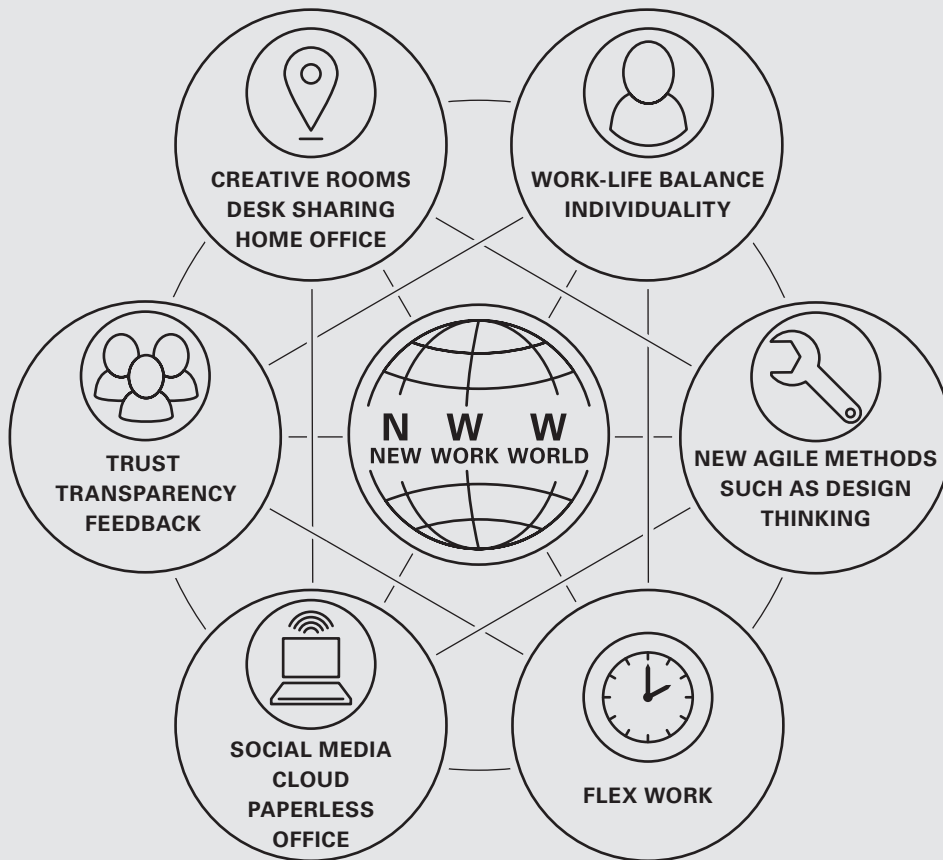
For example, the offerings include the Excellence Program, which develops employees' specialist skills. The program uses a combination of external and internal speakers to provide employees with the latest specialist knowledge and inform them about new developments. There is also an increasing number of offerings related to personal development and the improvement of methodological competencies. Having a formal process in place ensures that participants review and retain the learning material. Therefore, all online trainings end with a knowledge test. On-site trainings are evaluated at the end of the session. The Senior Excellence Program is also closely accompanied by HR staff: transfer discussions between the modules help participants put what they have learned into practice.

HEALTH AND SAFETY AT WORK

Occupational health and safety has long been important at HUGO BOSS, and all of its sites meet the same high standards. Employees at its retail stores can find a number of helpful tips on this topic in a management handbook. Further information is available via tablets and a mobile learning app. A global online training session was conducted in eight different languages last year on the topic of occupational health and safety, with training in more languages planned. Local employees were shown how to recognize dangers, in order to avoid accidents and raise awareness in what to do in the event of an emergency. The online session will be offered on an annual basis to ensure that all employees receive the training and to reinforce what they have learned.

WHAT WE MEAN BY “NEW WORK”

The workplace of the future is digital and connected. The opportunities for individual employees to assume responsibility for their own work and to structure it flexibly are increasing. We can now begin to imagine what the World of Work 4.0 will look like. Change has long been underway and HUGO BOSS wants to actively shape it.



Thinking in terms of solutions. Since 2015, a project group at HUGO BOSS has been looking at the issue of “new work”. What started as an attempt to make current space concepts more flexible, developed in workshops based on the principles of design thinking into a laboratory for ideas. After conducting interviews to determine employees’ needs and desires, solutions were developed, tested in real-life situations and then revised. This resulted in models for different types of workspaces. These models serve as the basis for developing an employee-orientated work environment that offers long-term functionality and maximum flexibility.



Achieving Joint Responsibility

HUGO BOSS is committed to respecting human rights and protecting the environment and it works with its partners to put these values into practice. We work together to reduce environmental impacts and improve working conditions along the supply chain. We engage in collaborative learning and share our knowledge with our partners, in order to meet future sustainability requirements.

We rely on collaboration. We select our partners carefully, establish strategic partnerships and work together to achieve our goals. The basis for collaboration is the recognition of our values, our Code of Conduct and the Social Standards set out in this code. In this way, we obligate both ourselves and our suppliers to respect human rights, to protect the environment and to offer fair working conditions. To ensure adherence to these principles we conduct regular audits. We support those partners who do not meet our requirements to improve. However, where such efforts are not successful in the long term, the consequent result is to end collaboration. In order to enhance our commitment we work with the international organization Fair Labor Association and Germany's Partnership for Sustainable Textiles. Partnerships with local unions and non-governmental organizations are becoming increasingly important to us.

ENGAGING IN DIALOG WITH SUPPLIERS

A number of representatives of our strategic suppliers attended the HUGO BOSS Supplier Days event in 2016. In several workshops, we worked together to determine how to develop a sustainable supply chain and the added value that this provides.

HOW CAN WE CREATE ADDED VALUE TOGETHER?

Working together, we used the Cambridge Value Mapping Tool to determine how we can create value through greater transparency in the supply chain. All participants agreed that common standards are a prerequisite for high-value products. In order to implement and abide by these standards, transparency in the supply chain is essential. A joint platform for sharing data and information may therefore be a promising approach for further improvement.



HUGO BOSS has traditionally enjoyed an open and trusting dialog with strategic partners and suppliers – because the better the collaboration, the better the quality.





Only those who listen can understand problems and find solutions together.

Key results of the supplier workshops

// Greater transparency in the supply chain is possible.

// It is necessary to strengthen own sustainability strategies, in order to ensure future business success.

// Accepted industry standards are needed, for example in issues of "fair pay".

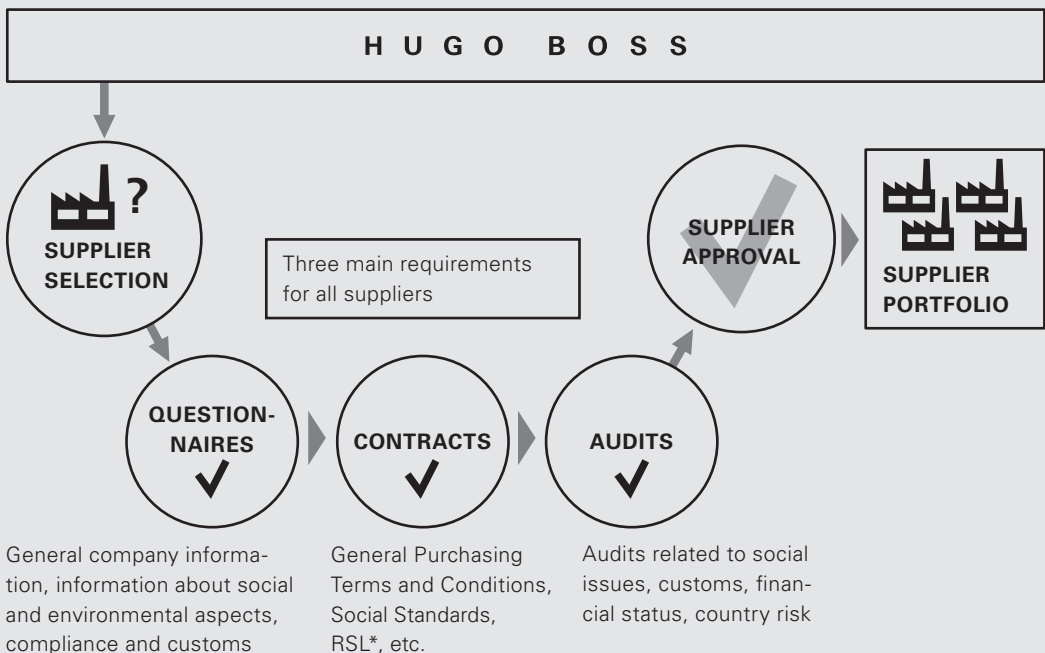
// Joint workshops involving producers and suppliers help to strengthen sustainable activities throughout the entire industry.

// Detailed audit analyses show where there is room for improvement.

// The HUGO BOSS environmental protection program, based on the Global Social Compliance Program (GSCP), helps us to set priorities and initiate the right measures.

// The level of cooperation will also be improved in the future through an in-depth exchange.

SUPPLIER SELECTION PROCESS AT HUGO BOSS



* Restricted Substances List

WORKING TOGETHER TOWARD THE FUTURE

The future is already here. Speech recognition in the factory will soon make many things possible: Robots will help with production, machines will carry out maintenance themselves and order replacement parts at the right time. The smart factory will revolutionize production and is a model for change, which will also offer employees new perspectives.



The HUGO BOSS smart factory. What HUGO BOSS is achieving with its production facility in the Turkish city of Izmir is a model for the entire industry. Digital production makes it possible to plan production steps in advance, and structure them in a way which prevents interruptions from occurring. To this end, some 1,600 tablets, 86 touchscreens and 45 Andon boards are used at the Izmir facility. In another step, production machines will be able to communicate with one another and be networked with transport systems. This will make production more flexible and may also reduce costs. This technology will be available in Izmir in 2018.

LEARNING FROM ONE ANOTHER

HUGO BOSS has worked for many years closely with its suppliers and external technology partners. Doing so is more important now than ever. This is because the digitalized production of the future will require dialog and learning together. This was especially true for the OPEX Day 2016, the slogan for which was “Smart World. Smarter Business.” A total of 290 participants discussed the paths to Industry 4.0. In order to ensure that people and machines can work together optimally in the not-too-distant future, our employees need to receive further training. Education and training will prepare them for the future. A number of ideas are being tested with them in order to improve the way they are implemented.



Ideas for Tomorrow

Our products combine the highest quality and sophisticated design with ethical standards and adherence to environmental and health requirements. The top priority is to develop innovative and sustainable product solutions that meet the full potential of HUGO BOSS. Clear guidelines, in-depth knowledge and a dialog with partners enable us to integrate sustainability into our daily decisions.

We stand for the highest quality. When we plan our collections, we incorporate sustainable materials and processing methods. We use innovative materials made from recycled resources or other particularly sustainable sources whenever this is possible without a loss of quality. Thanks to digitalization, we work very efficiently in product development and production, reducing the use of materials. HUGO BOSS cooperates with animal protection and consumer organizations, speaking out, for example, against the painful mulesing practice. We stopped using farmed fur in 2016. In November 2016, we received the Corporate Consciousness Award from the Humane Society of the United States for our commitment.

DETERMINING OUR ENVIRONMENTAL FOOTPRINT

We measure our environmental impact, from cultivation to processing to waste disposal, using life cycle assessments. These assessments provide information about the “environmental footprint” of products to allow for a targeted reduction of their impact. By doing this, we also provide important data for the entire textile industry.

Standards for the industry. For example, as part of the European Union’s Product Environmental Footprint (EU-PEF) initiative, HUGO BOSS analyzed its entire T-shirt production process, from sourcing of the raw materials to waste disposal. And as a founding partner of the World Apparel & Footwear Life Cycle Database (WALDB), we are committed to making the results of research widely available in the textile industry. Together with our partners, we also developed the EcoLogTex platform to collect process data and calculate environmental effects. We put the information gathered on the platform to use in our ecoshoe project: Working with leather experts, employees at the Morrovalle site collected detailed information about all processes and their environmental impact and then developed new innovative solutions.

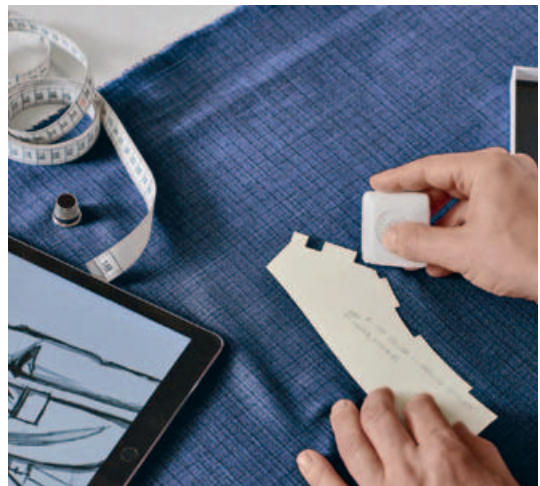
Milestones for product comparisons. As part of the Natural Capital Coalition initiative, HUGO BOSS worked further over the past year on measuring and assessing its impact on the ecosystem. The goal was to apply the Natural Capital Protocol developed by the initiative. The results of the successful collaboration were published in October 2016: For the first time, it is possible to make direct comparisons of different environmental impacts at product level. The translation of the impact of environmental damage into monetary values makes it easy to prioritize the relevant issues and helps to determine the most effective environmental protection measures. HUGO BOSS actively looks for ways to further optimize these methods together with its partners in the textiles sector.

EVERY ITEM A MASTERPIECE

Our expectations are high. Every collection must surprise and excite our customers. This requires a great deal of creativity in design, but also precise production of each individual item of clothing. We continuously demonstrate the highest level of excellence in both categories.

Creativity meets perfection. Our design teams combine new trends in colors and materials, inspiration from art and architecture, customer feedback and much more to come up with creative designs. The Technical Center in Metzingen develops tailoring and production solutions. This is the heart of HUGO BOSS. That is because this is where processing techniques are developed and tested, which makes it possible to develop new products. An example of this are thermodynamic processes for hems and seams. We benefit from our many years of production expertise, which we develop on a continuous basis. This combines the passion for craftsmanship at HUGO BOSS with the use of the latest technologies. The result? Exquisitely tailored products with innovative designs.

Sustainability encourages innovation. With this expertise we can also try out new materials and designs. Since spring 2017, interdisciplinary teams develop ideas for unusual products, materials and techniques. The goal is to bring these developments to market as quickly as possible, in order to meet the expectations of our customers of the future. Here, sustainability plays a major role. Real innovation is future-oriented. Because the best ideas result from collaboration, our lab is also open to partners, creative minds and startups.



Precision work
down to the
last detail.
That is what
distinguishes
our products.



WHAT WE HAVE ACCOMPLISHED AND WHAT WE ARE STILL WORKING ON

- ✓ **No exotic leathers and furs:** We only use hides from cows, goats, sheep and buffalos.
 - ✓ **Sustainable down:** We only use down from sources that do not use live plucking or force feeding practices.
 - ✓ **No angora wool:** We do not use any angora wool, since it is mostly collected through painful procedures.
 - ✓ **Recycling materials:** We use padding made from recycled materials for all clothing lines and accessories.
-
- ➔ **Sustainable materials:** We will publish our commitment on the use or reuse of sustainable cotton in 2017. Additional policies will follow.
 - ➔ **Mulesing-free wool:** We are increasing the share of mulesing-free wool in the overall product portfolio with the aim of almost completely eliminating this process from production.
 - ➔ **Chemicals:** We work with suppliers to further reduce the use of chemicals in production.
-



Promoting Perspectives

HUGO BOSS combines its social commitment with the goal of inspiring people to achieve success. We want to encourage them to tap their full potential, which is why we promote education for children and young people as well as opportunities for lifelong learning. We also strengthen creativity and cultural diversity at our sites and in the regions where they are located.

We view ourselves as part of society. That is why we contribute to its future viability. As a fashion company, creativity, cultural exchange and tolerance are especially important aspects for us. This is because we can only be successful in an open society that values diversity and provides opportunities for a self-determined life to everyone. Our commitment is focused on three areas: Access to education, training and development, and fostering creativity. We have a unique experience in these areas and can therefore contribute our expertise most effectively. Our cultural sponsorship program supports international exhibitions and young artists. For selected projects we measure the impact that our support has had. In doing so, we adhere to the standards developed by the London Benchmarking Group.

VOLUNTEER WORK AT HUGO BOSS

At HUGO BOSS, we too were moved by the wave of refugees in autumn 2015. At our Metzingen site, we have worked with partners to determine the best way to help refugees. Initial ideas quickly led to concrete measures. Today, a number of HUGO BOSS employees do volunteer work. They teach language and conversation courses or take care of children, so mothers can participate. In addition, employees accompany refugees on visits to government offices, which is an enormous help. HUGO BOSS promotes this volunteer work by allowing some or all of the assistance to be considered as working time.

Ensuring successful integration. The Company offers internships, temporary positions as well as apprenticeships to those refugees who understand German or speak English. To make sure all goes well, the Company encourages them to take part in the German courses offered by employees. There are also mentorships with apprentices. As part of these mentorships, they have lunch with the refugees or teach them professional terminology. At the start of 2017, the Company once again asked its employees to get involved and solicited additional ideas. As part of its commitment, HUGO BOSS has become a partner of “Wir zusammen” (We together), an integration initiative started by the German industry in February 2016.

Employees can also volunteer in other areas, for example, as caregivers during school vacation, as part of the corporate volunteering at HUGO BOSS.

Vacation caregivers: Nicole Blessing is thrilled. She worked as a caregiver and brought her daughter with her.



Isabell Moch is looking forward to serving as a vacation caregiver again during the summer of 2017.

André Ziffing helps refugees because, he “does not want to just talk about integration – he wants to do something.”



SUPPORT PROGRAMS FOR WOMEN

HUGO BOSS operates its largest production facility in the Turkish city of Izmir, with nearly 4,000 employees. Because there are many unemployed young women in Turkey, we offer a three-month textile production course in collaboration with Iskur, the Turkish employment authority, and a local training center. Participants receive a certificate after completing the course. We hire many of them as permanent employees. Hazal Güder completed the course and is now a group leader in production planning for jackets with responsibility for 25 employees.



Hazal Güder is married, has an eight-year-old daughter and lives with her family in Izmir.

// HOW DID YOU GET STARTED?

Güder: The first course taught me a lot and was a lot of fun. Although I had worked as a seamstress before my daughter was born, at first I thought we would never be able to handle such complex processes. But our trainer never stopped giving us encouragement. I was surprised to learn how seriously HUGO BOSS takes the Turkish culture.

// NOW YOU ARE A GROUP LEADER. HOW DID THAT COME ABOUT?

Güder: I was really surprised when I was asked if I would like to apply for the group leader program. When I joined HUGO BOSS, I had just started out in suit production. I was extremely happy to be selected for the program. I have never felt so successful since completing school.

// WHAT CHANGED FOR YOU PERSONALLY?

Güder: For my new role as group leader I learned a lot about communication. Now, I need to make decisions on a daily basis and I have become more self-confident. I would never have experienced this professional and personal development without this program.

COMMITMENT TO YOUNG TALENTS

Creativity is essential to the survival of a fashion company. In order to develop young talent and constantly receive new ideas, HUGO BOSS works closely with national and international colleges and universities. A special partnership was started in 2014 with The New School's Parsons School of Design in New York, which follows an interdisciplinary approach. HUGO BOSS provides support to selected students over the course of five years with a stipend program worth USD 250,000. We are doing this because students' final presentations involve an intense use of materials, which is expensive.

Inspiration through regular exchanges

The decisive question HUGO BOSS asks in awarding stipends is this: Who has talent, but too little in the way of financial means to hone that talent and present it to others? And we, too, benefit from those whom we support: Through this exchange, the students offer HUGO BOSS fresh perspectives and a passion for fashion and lifestyle. For this reason, a joint sustainable fashion workshop was developed in 2016, with the first workshop held at the start of 2017. Through internships, students can also gain initial professional experience at HUGO BOSS and put their passion into practice.



A workshop with students at The New School's Parsons School of Design in March 2017 led to an inspiring exchange, new perspectives and fresh ideas. In the future, partnerships will be strengthened to foster the exchange of information and development of sustainable innovation.



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Key Targets

Field of action	goal	date
We	• Implementation of concrete projects, based on the priorities determined through the materiality analysis.	ongoing
	• Integration of the principle of sustainability within the HUGO BOSS Group through various events.	2017
	• Implementation of a Group-wide and comprehensive stakeholder management strategy.	2020
Environment	• Increase environmentally-friendly modes of transport (sea and rail) by 2% with a simultaneous reduction in transport emissions (scope 3) of 4%, as a share of Group sales, compared to the base year (2016).*	2018
	• Implementation of a sustainable store concept for the construction, renovation and redesign of stores in all regions.	2020
	• Reduction of CO ₂ emissions (scope 1 and 2) as a share of Group sales by 40% compared to the base year (2016).	2025
Employees	• Continuous optimization of global employee retention, measured on the basis of a reduction in employee fluctuation of 25% (base year: 2014).	2020
	• Expansion of employee survey to 80% of employees with the goal of improving employee satisfaction.	2020
	• Revision of the global strategy on occupational health and safety (OHS) with the goal of establishing a uniform, company-wide standard that is evaluated and managed using a performance measurement system.	2020
Partners	• Increase in transparency of the social and environmental performance factors for the HUGO BOSS supply chain.	ongoing
	• Procurement of more than 90% of all materials from suppliers who achieve a result of "satisfactory" or better on social audits.	2020
	• All strategic suppliers must achieve GSCP level 1: They must be compliant with the law and make employees aware of environmental issues.	2020
Products	• Complete ban of farmed fur, including raccoon, fox and rex rabbit fur, in all collections starting 2016.	ongoing
	• Publication of a binding commitment on the use of sustainable cotton, as well as quantitative goals in this area.	2017
	• Publication of a binding commitment on the use of sustainable leather, as well as quantitative goals in this area.	2018
	• Market launch of an innovative, sustainable HUGO BOSS product line.	2018
Society	• Promotion of education at HUGO BOSS sites and along the supply chain with the goal of educating potential employees and strengthening society.	ongoing
	• Promotion of equal opportunities and support for disadvantaged children.	ongoing

* In compliance with the COP 21 agreements.



FURTHER INFORMATION AND DETAILED PERFORMANCE INDICATORS CAN BE FOUND IN OUR CURRENT SUSTAINABILITY REPORT. THE DETAILED REPORT WAS WRITTEN ON THE BASIS OF THE GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES. IT IS AVAILABLE AS A PDF FILE AT: GROUP.HUGOBOSS.COM

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HUGO BOSS AG

Post adress

Dieselstr. 12
72555 Metzingen
Germany

Phone: +49 71 23-94 0
Telefax: +49 71 23-94 80259
group.hugoboss.com
info@hugoboss.com

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akzente kommunikation und beratung GmbH, Munich

CONCEPT AND LAYOUT

akzente kommunikation und beratung GmbH, Munich

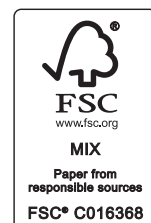
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CONTACT

Vanessa Garrecht
corporate_responsibility@hugoboss.com

