



ONBOARDING PROCESS

Before suppliers are included in the HUGO BOSS supplier portfolio, they must go through a three steps process:

Questionnaires and Trainings

- General company information
- Information about social and environmental aspects
- Compliance
- Governance
- Customs
- ESG Training

Contracts

- General purchasing terms and conditions
- Supplier Code of Conduct
- Restricted Substances List
- Etc.

Verification

- Finished goods and fabric and trimmings suppliers: verifying social compliance via a compulsory self-assessment questionnaire. In addition, 3rd party certificates can be handed in. Moreover, there is the possibility to conduct a social audit.
- Customs audit, financial check, evaluation of country risk

▶ 35 new finished goods suppliers

▶ 12 new fabric and trimmings suppliers

SOCIAL COMPLIANCE CHECK

Social compliance check

Relevant for all active suppliers

- 58** conducted audits
- 87%** of existing active finished goods suppliers have a valid Social Compliance Performance Assessment
- All** new finished goods as well as fabrics and trimmings suppliers have filled in a self-assessment
- 86%** of the sourcing volume from suppliers with an audit result of good or satisfying (target: **100%**)
- 8** identified violations

↳ All identified violations against the Supplier Code of Conduct are covered with **corrective action plans** and have to be solved by the supplier

↳ Phase-out of suppliers in case of **missing cooperation** and **repeated under-performance** in re-audits

¹ Unless otherwise stated, all figures refer to the year 2023.

² Related to the total sourcing volume.

³ HUGO BOSS rates suppliers according to four equally weighted criteria: Vendor turnover, relevance for HUGO BOSS, company structure and strategy alignment with regard to sustainability. In the management area, country risks in particular are evaluated. Suppliers are classified as strategic if they achieve a total result of at least 80%. (Fulfillment of the minimum requirements in the areas of environment, social aspects and corporate governance leads to a higher rating in this area).