



SUSTAINABILITY REPORT 2022

HUGO BOSS

TODAY. TOMORROW. ALWAYS. TODAY. TOMORROW. ALWAYS. TODAY. TOMORROW. ALWAYS. TODAY. TOMORROW. ALWAYS.

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FOREWORD



«SUSTAINABILITY IS
AT THE HEART OF
ALL OUR STRATEGIC
INITIATIVES.»

DANIEL GRIEDER
(CEO)

Dear readers,

2022 was an outstanding year for HUGO BOSS. Thanks to the relentless execution of our “CLAIM 5” strategy, we made it a record year for our Company. Our successful branding refresh enabled us to significantly drive relevance for BOSS and HUGO and expand market shares around the globe. At the same time, we continued to put a strong emphasis on sustainability when executing our various strategic initiatives in the past year. Without doubt, as an international fashion and lifestyle company, we are fully aware of our corporate responsibility towards our customers and society, as well as the environment and the climate.

“CLAIM 5” consequently includes a strong commitment to sustainability. We are consistently placing the consumer and its high expectations at the heart of everything we do. Our ambition is to further increase brand relevance and to ultimately become one of the top 100 global brands. At the same time, we aim to make a positive contribution to our environment and society. On this journey, we strive to constantly evolve and lead the way in our industry, in line with our bold mission statement ‘We Love Fashion, We Change Fashion’.

Our goals are ambitious: we aim to reduce our CO₂ emissions by at least 50% by 2030 and achieve “net zero” by 2050. Promoting and implementing a circular business model is of particular importance in this regard. We are fully committed to further extending product life cycles and noticeably reducing waste in the coming years by promoting the use of high-quality and recyclable materials. We are therefore working intensively, among other things, on replacing environmentally harmful polyester and nylon fibers with sustainable, recyclable alternatives. In this regard, we recently launched our first BOSS polo shirt made of around 90% innovative and fully recyclable AeonIQ yarn. Even though this is just one example of how we aim to lead change in the fashion industry, it clearly demonstrates that we are moving towards a better future.

The digital transformation of our business model is also vital to achieving our goals. Our HUGO BOSS Digital Campus is at the center of our digital activities. Thanks to the targeted use of data, and consistent with our vision of being the leading premium tech-driven fashion platform worldwide, it enables us to be even closer to our customers. Our Digital Campus continuously collects and analyzes data to better anticipate trends and our customers' needs, manage production volumes accordingly, and manufacture the right products. This enables us to respond even more flexibly and rapidly to any change in customer demand in the future, while directly contributing positively to our sustainability efforts. After all, the better our products meet customers' needs, the lower their impact on the environment.

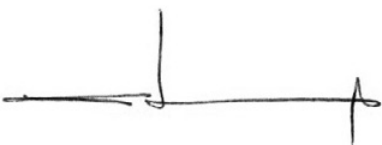
We are particularly pleased that our numerous sustainability initiatives are also being recognized externally. In 2022, HUGO BOSS was included in the "Dow Jones Sustainability Index World" for the sixth consecutive time – with the second-best score in our industry. We scored "best in class" in the categories of innovation management, labor practice indicators, such as diversity and freedom of association, tax strategy, and environmental and social reporting. On top of this, HUGO BOSS was named "Green Ranking Champion" among the 50 German MDAX companies. Here, we were able to perform best with regard to the 60 most relevant ESG rankings and awards worldwide.

However, we are by no means resting on these achievements: taking action for our planet and society as well as being bold is and remains a central commitment and our motivation. With our passion for sustainability, we remain fully committed to pushing ahead with our related initiatives and, together with our partners, actively addressing the challenges in our industry. This includes continuing to attach the utmost importance to compliance with human rights, labor, and safety standards, while also making our supply chains even more reliable and transparent. To strengthen our commitment to sustainability, we also established our own charitable foundation in early 2023. This will foster our social commitment, particularly in the important areas of climate and environmental protection. Together with partners, we will support important projects around the globe. And we closely involve our customers by donating EUR 0.05 to the foundation for each of our own products sold.

Dear readers, while 2022 was an extremely successful year for HUGO BOSS, we must not forget that it also was a highly challenging year from a macroeconomic and geopolitical perspective. The implications of the pandemic, the persistently high level of inflation, and, in particular, the devastating war in Ukraine have impacted and affected the lives of many people around the globe. For us at HUGO BOSS, it was therefore all the more important to demonstrate a strong team mentality. Our employees have impressively proven that we make strong progress if we stand together and trust each other. They bring the right mindset, exceptional commitment, and many creative ideas that make our Company and its two brands, BOSS and HUGO, not only more powerful, but also more sustainable. For this, I would like to expressly thank our employees and invite them – like all other readers of our Sustainability Report – to share their opinions and ideas with us. I look forward to your valuable suggestions and hope you enjoy reading our 2022 Sustainability Report.

Thank you for your ongoing support!

Sincerely yours,



Daniel Grieder
CEO

REPORTING PROFILE

HUGO BOSS hereby presents its tenth annual Sustainability Report, published on May 3, 2023. The report is primarily aimed at business partners, investors and private shareholders, customers, employees and non-governmental organizations, as well as interested parties from socially committed groups, politics, business and science. It provides information on the Company's sustainability activities and targets, and is based on the standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the 2021 GRI Standards. HUGO BOSS determined and prioritized the contents of the report in 2019 based on a materiality analysis. The analysis was reviewed in the year under review to ensure that it was up to date. It identified actual and potential positive and negative impacts of the Company on the economy, environment and people along the value chain. The reporting period is the 2022 fiscal year with a reporting date of December 31. Significant activities that occurred after this date were also taken into account up to the editorial deadline of March 31, 2023. The Sustainability Report was approved by the Managing Board of HUGO BOSS AG and is available in German and English.

The quantitative information in this report relates to the entire HUGO BOSS Group. Wherever possible, the key figures were determined on the basis of full data collection, which refers to using data that is actually available. For key figures where it was not possible to collect full data, the subsidiaries listed below served as the basis for extrapolation to the Group. In 2022, these companies employed 89% of the total workforce. Key figures were extrapolated primarily in the field of the environment and occupational safety.

EMEA (Europe, Middle East, Africa)





- HUGO BOSS AG
- HUGO BOSS (Schweiz) AG
- HUGO BOSS Benelux B.V. y CIA, SC
- HUGO BOSS France SAS
- HUGO BOSS International Markets AG
- HUGO BOSS Ireland Ltd.
- HUGO BOSS Italia S.p.A.
- HUGO BOSS Portugal & Companhia
- HUGO BOSS Shoes & Accessoires Italia S.p.A.
- HUGO BOSS Shoes & Accessoires Poland Sp. z o.o.
- HUGO BOSS Textile Industry Ltd.
- HUGO BOSS Ticino S.A.
- HUGO BOSS UK Ltd.

Americas

- HUGO BOSS Canada, Inc.
- HUGO BOSS Fashions, Inc.
- HUGO BOSS México S.A. de C.V.
- HUGO BOSS Retail, Inc.

Asia/Pacific

- HUGO BOSS Australia Pty. Ltd.
- HUGO BOSS China Retail Co. Ltd.
- HUGO BOSS Guangdong Trading Co. Ltd.
- HUGO BOSS Hong Kong Ltd.
- HUGO BOSS Japan K.K.
- Lotus (Shenzhen) Commerce Ltd.
- HUGO BOSS (Macau) Company Ltd.

The sections of the report marked with  or  as well as those shown in grey font as well as the information marked with  or  have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft for limited assurance engagement on the basis of the International Standard on Assurance Engagements (ISAE) 3000 (Revised).

COMPANY PROFILE

HUGO BOSS, headquartered in Metzingen (Germany), is a leading **global fashion and lifestyle company** in the premium segment offering high-quality women's and men's apparel, shoes and accessories. The Company pursues a portfolio strategy, currently consisting of two strong brands – **BOSS** and **HUGO**. While both brands are clearly differentiated from each other by their individual attributes, they share the same high standards of quality, innovation and sustainability and have the objective of perfectly dressing consumers 24/7 for every occasion. The **2025 growth strategy – "CLAIM 5"** – is closely linked to the vision of becoming the leading premium tech-driven fashion platform worldwide and the ambition to be one of the top 100 global brands.

00 | 01 GROUP AT A GLANCE



3.7
Sales (billion EUR)



19,770¹
Employees



132
Countries



5
Own production facilities
(in Germany, Italy, Poland,
Switzerland and Turkey)

The BOSS and HUGO collections can today be purchased in a total of **132 countries**. The Group's distribution activities are divided into three sales regions. With a share of 63% in 2022, EMEA represents the largest proportion of sales. The Americas and Asia account for 22% and 13% of Group sales respectively. 3% of Group sales is generated from the license business. BOSS and HUGO are sold via brick-and-mortar retail, brick-and-mortar wholesale and online. > [Annual Report 2022, Group Profile](#)

The **textile supply chain** of HUGO BOSS is characterized by complex processes that take part to a large extent beyond the Company's boundaries. To ensure the excellent craftsmanship and optimum availability of its products, the Company therefore works with a stable network of **experienced and specialized suppliers**.

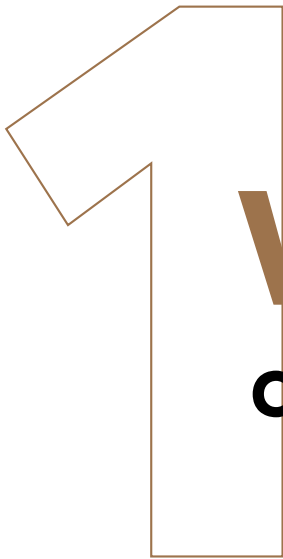
> [Partners](#)

Detailed information on the Company can be found in the Group Profile of the Annual Report 2022.

> [Annual Report 2022, Group Profile](#)

The sustainability strategy of HUGO BOSS pursues a **holistic strategic approach** that determines all business processes and actions of all operational departments throughout the Group. In the remainder of this report, this approach will be explained using the **six topics** of We, Environment, Employees, Partners, Products and Society.

¹ The reported figure relates to headcounts as of December 31, 2022. The figure published in the Annual Report (around 17,000), however, is based on a full-time equivalent (FTE) calculation.



WE

CREATING VALUES TOGETHER



Sustainability has been an integral part of the strategic alignment at HUGO BOSS's and is also firmly anchored in the corporate strategy "CLAIM 5": under the **motto "No planet, no fashion!"**, the Company wants to become even more successful and grow sustainably by means of a forward-looking, constantly improved management of environmental, social and economic opportunities and risks. With the development and implementation of its sustainability objectives, HUGO BOSS relies upon dialog and collaboration with its stakeholders. The Company also acknowledges its responsibility to contribute towards the sustainable development of society. HUGO BOSS is guided in this regard by the **Sustainable Development Goals (SDGs)** of the United Nations.

Management Approach

For HUGO BOSS, sustainable business means ensuring the traditionally high quality and longevity of its products, while at the same time meeting socially and environmentally compatible manufacturing standards. With this basic understanding, the Company also aims to meet the increasing demands from its customers and society. HUGO BOSS always views its **sustainability activities** as an opportunity to inspire customers and establish the Company as a leading global fashion platform. Sustainability, therefore represents a key element of the "CLAIM 5" strategy. All five strategic claims ("Boost Brands", "Product is King", "Lead in Digital", "Rebalance Omnichannel" and "Organize for Growth") are based on a comprehensive and clear understanding of sustainability. The further development of its business model goes hand in hand with its efforts to **use resources more efficiently and further optimize processes along the value chain.** > group.hugoboss.com

In 2015, as the core of its Agenda 2030, the United Nations adopted a total of 17 goals and 169 targets for sustainable development, known as the Sustainable Development Goals (SDGs). These aim to collectively address some of the most urgent global challenges of our time, such as climate action. HUGO BOSS is contributing towards achieving the goals and targets by reducing the negative impacts of its business activities and, wherever possible, promoting positive change in its sphere of influence. Through its strategy work, HUGO BOSS has identified the following **ten SDGs** as particularly relevant to its business activities. They are therefore given special consideration in the planning and implementation of measures and projects.

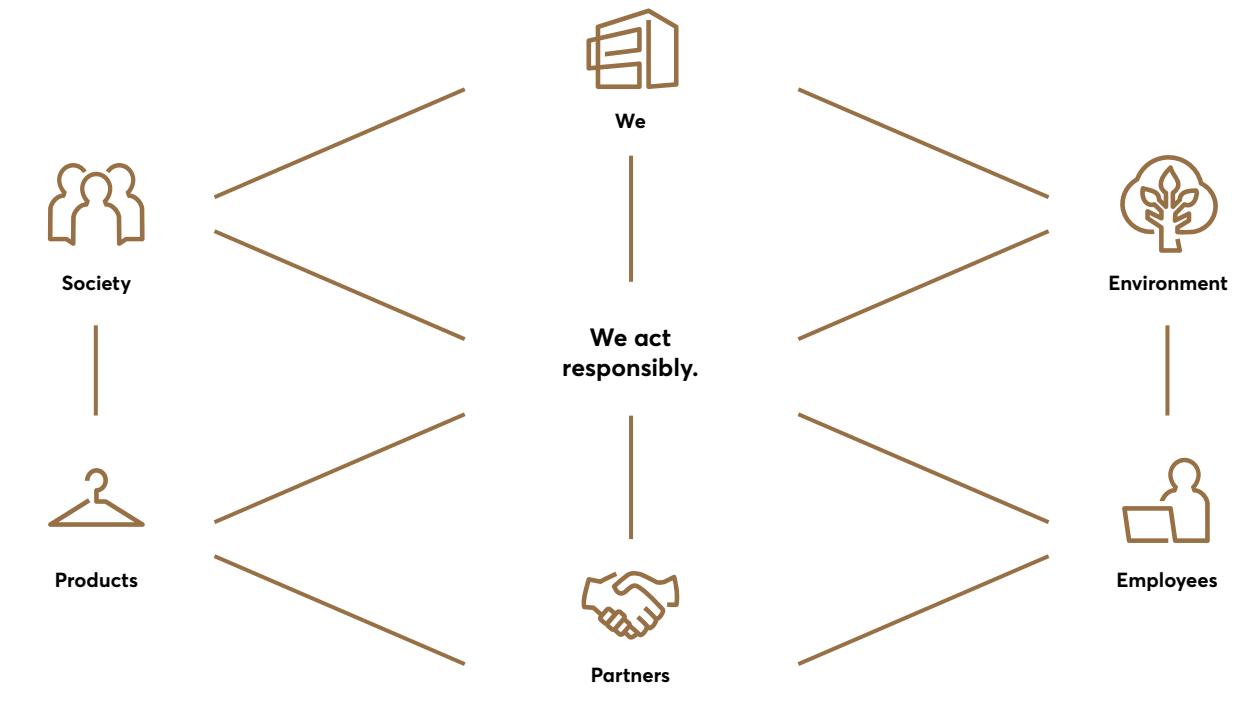
01 | 01 SDGS OF PARTICULAR RELEVANCE FOR HUGO BOSS



The link between HUGO BOSS' sustainability activities and the SDGs is presented transparently in the following chapters of the report, in the Sustainability Program and on the Group's website. > [Sustainability Program](#) > group.hugoboss.com

HUGO BOSS represents its sustainability activities with the concept **"TODAY. TOMORROW. ALWAYS."** in the context of time. **TODAY.** stands for the milestones reached in the reporting year 2022. **TOMORROW.** portrays the medium- and long-term sustainability objectives of the Company. Under **ALWAYS. the ongoing efforts and commitments that represent the basis of the Company's sustainability management are communicated.** An overview of the Company achievements in the respective areas can be found in the Sustainability Program at the end of this report. > [Sustainability Program](#)

01 | 02 THE HUGO BOSS SUSTAINABILITY FIELDS OF ACTION



Sustainability is also firmly anchored in the Company at organizational level. The **Managing Board** of HUGO BOSS AG has **overall responsibility** for all sustainability issues, especially sustainable procurement, sustainable materials, as well as circularity and climate change. It regularly deals with sustainability-related topics at its meetings. It also approves the Group-wide applicable guidelines and standards that are relevant to sustainability. In the current reporting year, the responsibilities for sustainability matters were restructured. The formerly area of Global Corporate Responsibility and Public Affairs was dissolved and the functions included in it were anchored in other central corporate business operations. The Group Strategy & Corporate Development division is now responsible for the strategic accountability in the area of sustainability and reports directly to the Chief Executive Officer (CEO). Operational responsibility along the supply chain lies with Business Operations, while Investor Relations is responsible for sustainability reporting. Both departments report to the Chief Financial Officer (CFO), who has also held the position of Chief Operating Officer (COO) since mid 2022. This restructuring is intended to further strengthen the Company-wide anchoring of sustainability ("Sustainable Throughout"), which is aimed at with the "CLAIM 5" strategy.

The central body responsible for **guiding HUGO BOSS' sustainability strategy** is the **Sustainability Committee**. Following a change in the composition of the Board of Management, its chair changed from the former COO to the CFO/COO in mid 2022. The Sustainability Committee comprises representatives from the relevant functions (Brand & Creative Management, Corporate Communications, Construction & Facility Management, Finance, Human Resources, Investor Relations, Logistics, Marketing, Omnichannel, Business Operations, Corporate Strategy and Sustainability). During the reporting period the committee dealt with issues such as climate change, sustainable materials and circularity.

HUGO BOSS takes key indications for the alignment of its sustainability strategy from its stakeholders. The Company places great importance here on meeting the expectations of its stakeholders and endeavoring to exchange openly with them in order to discuss different requirements and jointly develop solutions. It considers this to be necessary for business as well as an opportunity to create added value for society and the Company. Under the heading **"We,"** HUGO BOSS summarizes its overarching **principles for sustainability management** as well as the Company's stakeholder engagement in one field of action. The Company has published the principles of its commitment to stakeholder engagement in a corresponding guide on the Group's website. > group.hugoboss.com

HUGO BOSS measures its **sustainability management performance** on the results of ratings, rankings and standardized surveys. These results are important, among other things, for setting targeted incentives for the Group management. They are used, for example to align the amount of long-term variable **compensation for members of the Managing Board and executives** at the first two levels of management below the Managing Board with the Company's sustainability performance. The Company's results in the annual ranking of the Dow Jones Sustainability Index (DJSI) play a role here, as does the employee satisfaction indicator, which HUGO BOSS surveys in accordance with the Great Place to Work® (GPTW®) standard. > [Annual Report 2022, Compensation Report](#)

Materiality Analysis


Since 2015, HUGO BOSS has regularly conducted **materiality analyses** to identify all sustainability issues that are of importance to the Company and to determine the **focal points of its sustainability strategy and reporting**. Every year, the materiality analysis is verified for relevance to the current year to ensure that it is up to date. In doing so, attention is paid to the standards of the Global Reporting Initiative (GRI) and the German CSR Directive Implementation Act (CSR-RUG).

In 2022, the Company **revised the analysis again** and updated it in accordance with the 2021 GRI Standards. In a first step, actual and potential positive and negative **impacts of the Company** on the economy, the environment and people along the value chain were identified. To this end, HUGO BOSS reviewed various sources, including the natural capital assessment carried out by HUGO BOSS itself, as well as current inquiries from various **external stakeholders** such as customers, non-governmental organizations (NGOs) and investors. Ratings, regulatory projects, scientific publications and media coverage were also taken into account. The information obtained in this way was evaluated with regard to recurring effects and compared with the Company's long-standing knowledge of its impact on the economy, the environment and people. Subsequently, the identified impacts were broken down by topic. In doing so, the Company oriented itself to its previous sustainability topics and adapted these, as necessary, in terms of formulation and definition to the new findings. An internal group of experts then weighted the effects and discussed the results with the relevant departments and summarized them in a list. This was finally released by the Sustainability Committee as a list of the material topics of HUGO BOSS. The list guides the Company in its strategy development and reporting and is regularly reflected as an integral part of the sustainability presentation with external stakeholders.

As a result of the reassessment, HUGO BOSS has made several adjustments: The previous topic "Circularity in products" was integrated into the topics "Waste reduction and circularity in production (including own production)" and "Waste reduction and circularity in administration, sales and logistics;" their definitions were updated accordingly. The topic "Conservation of resources and protection of biodiversity in products" has been renamed "sustainable materials and responsible raw material extraction" and now includes impacts on the environment and biodiversity as well as on social aspects. However, the most important topics remained largely unchanged compared to the previous year – with the exception of the topic "Waste reduction and circularity in production (including own production)," which was given higher classification. Overall, the reassessment confirms that the Company's greatest impact on the economy, the environment and people continues to be present in the existing topic areas.

The material topics of HUGO BOSS in accordance with GRI and, consequently, the **focal points of this report** are depicted in the following list. The topics are sorted by descending materiality.

Material topics	Impact (potential/actual)	
Occupational health and safety in production (including own production)	Purchase of goods from countries with inadequate occupational health and safety standards	
	Improve working conditions through own Sustainable Supply Chain Management Program and engage in multi-stakeholder initiatives	
	Decrease critical work processes through digitization/automation of production	
Human rights and labor standards in production (including own production)	Purchase of goods from countries with inadequate labor and human rights standards	
	Non-transparent procurement processes lead to increased pressure on suppliers and thus to negative effects on workers	
	Engaging in multi-stakeholder initiatives and raising awareness within the supply chain through audits and training improves working conditions	
Climate action in production (including own production)	Energy-intensive production processes in the supply chain lead to greenhouse gas emissions	
	Increased efforts to use and improve access to renewable energy in the producing countries reducing the greenhouse gas intensity in production	
More sustainable materials and responsible raw material extraction	Energy and resource-intensive production processes lead to negative environmental impacts in raw material production	
	Investing in more sustainable materials increases the relevance of these materials along the supply chain	
	Supporting initiatives such as Better Cotton promotes greater transparency starting with raw material extraction and improves labor standards	
Circularity in design and in production (including own production)	The use of new raw materials and waste arising from production leads to negative environmental impacts	
	The introduction of circular design and production processes and the closure of material cycles increase the recyclability of products and lead to lower resource consumption	
Responsible handling of chemicals in production	Negative impacts on the environment, workers and the surrounding population due to chemical-intensive production processes in the supply chain	
	Work with suppliers and initiatives to eliminate harmful substances in production	

 = Impact on human rights

At the same time, the Company continues to report on the sustainability topics listed below. Despite being less material, they are relevant to embedding sustainability at HUGO BOSS.

- Occupational health and safety in administration, sales and logistics
- Human rights and labor standards in administration, retail and logistics
- Environmentally friendly care and use of products
- Animal welfare
- Governance and compliance
- Employer attractiveness
- Circularity in administration, sales and logistics
- Reduction of water consumption in production (including own production)
- Data protection and information security
- Climate action in production (including own production)
- Product safety
- Avoidance of corruption and anti-competitive behavior
- Corporate citizenship
- Ethically correct payment of corporate taxes

The Company comments on the material topics within the meaning of the **German CSR Directive Implementation Act (CSR-RUG)** and the changes in the assessment of topics resulting from the review carried out in 2022 in the **Combined Non-Financial Statement** of Annual Report 2022. > [Annual Report 2022, Combined Non-Financial Statement](#)

The findings from the materiality analysis form the foundation for the **ongoing strategy work** at HUGO BOSS. It is on this basis, in its Sustainability Program, that the Company defines strategic goals for its fields of action and reports on the progress and targets achieved. > [Sustainability Program](#)

Climate Action

HUGO BOSS attaches great importance to climate action and pursues a **comprehensive and far-reaching climate strategy**. The Company was one of the signatories of the **Fashion Industry Charter for Climate Action** in 2018 under the auspices of the **United Nations Framework Convention on Climate Change (UNFCCC)**. Within the framework of the Charter, HUGO BOSS, together with other companies in the fashion industry, is committed to achieving **"net-zero" greenhouse gas emissions by 2050**. As the foundation of its climate strategy, HUGO BOSS pursues targets for the absolute reduction of its CO₂ emissions: Accordingly, by the year 2030 the Company intends to reduce its **Scope 1 and Scope 2 emissions** from primary energy use and electricity supply by **at least 50%** (base year: 2019). HUGO BOSS also aims to reduce **Scope 3 emissions**, which mainly originate from transport, production and raw material production, **by at least 50%** by 2030 (base year: 2019). These targets meet the adapted requirement of the Fashion Industry Charter for Climate Action to limit global warming to a maximum of 1.5°C. As part of this commitment, HUGO BOSS and the other companies are required to submit corresponding reduction plans to the UNFCCC. These plans include specific measures that the Company intends to implement by 2030 in order to achieve its climate targets.

01 | 04 FOCUS OF CLIMATE ACTIONS AT HUGO BOSS

"Net-Zero" climate damaging emissions until 2050

Until 2030:

at least 50% reduction within
the own area of responsibility

Until 2030:

at least 50% reduction outside of
the own area of responsibility

Realize potentials



Efficient
technologies



Own electricity
from renewable
energy



Electricity
consumption from
renewable energy

Drive change



Trainings and
tools for
resource efficiency



Electricity
consumption from
renewable energy



Optimized means of
transport and
transportation routes

Join forces



Engage in collaborations

In its own area of responsibility (Scope 1 and 2), the increased **use of renewable energy and more energy efficient technologies** represent the central starting point of the HUGO BOSS climate strategy. By contrast, considerably more CO₂ emissions are released outside of the Company's own area of responsibility (Scope 3). In line with the Company's own natural capital evaluation, more than 90% of emissions arise outside the Company's own area of responsibility. To remedy this, HUGO BOSS is working closely with its partners and is helping them to make their own contribution towards reducing emissions, for example by **optimizing their routes of transportation or promoting the use of renewable energies in production facilities**. Together with other members of the apparel industry and within the scope of its involvement in the **UNFCCC**, the Company has developed and published a **road map for a climate-neutral fashion sector** so as to demonstrate practicable ways for its partners to reduce their carbon footprint. The Resource Efficiency Module (REM) was developed to support its partners in making their contribution to climate action. Further information on the implementation of the climate action strategy is described in the chapters Environment and Partners.

> [Environment](#) > [Partners](#)

Corporate Governance

HUGO BOSS attaches great importance to good and responsible corporate governance. The Company considers this to be a key factor for long-term business success and therefore operates **corporate governance management** in accordance with international and national standards such as the **German Corporate Governance Code (GCGC)**. HUGO BOSS provides information on compliance with the GCGC in its annual Declaration of Compliance. Further details on corporate governance and information about the composition of the management and supervisory bodies of HUGO BOSS as well as the duties and compensation of its employees can be found in the Annual Report and the Compensation Report. > [Annual Report 2022, Corporate Governance Statement](#)

The Company operates in various regions and jurisdictions. HUGO BOSS takes great care to ensure that the many and **varied rules** that this entails are adhered to and that its own **values-based corporate culture** is embraced. This corporate culture forms the basis for the collaboration and interaction with employees, business partners, shareholders and the general public. The upholding of human rights is given top priority at HUGO BOSS. A corresponding commitment by the Managing Board is publicly available on the Group's website. > group.hugoboss.com

HUGO BOSS has set out the importance of **human rights and ethical due diligence** in its **Code of Conduct**. It constitutes a uniform and binding framework for the professional conduct of all its employees. The Code of Conduct governs relations within the Group as well as with customers, suppliers and service providers. It contains rules on the **avoidance of conflicts of interest, data protection, occupational health and safety, environmental protection, animal welfare and protection of biodiversity**, as well as on **fair competition, anti-trust law and anti-corruption**. It also expressly requires all people working at and for the Company to observe and respect internationally recognized **human rights** and to ensure that decent working conditions are respected. This includes physical integrity, but also the protection of personal dignity. Any willful misconduct or deliberate infringements of the Code of Conduct are not tolerated. The Code of Conduct is handed out to each employee together with the employment contract and is accessible in electronic form in more than 14 languages. The latest 2022 version is also publicly available on the Group's website. In the reporting year, HUGO BOSS revised the existing provisions of the Code and supplemented the newly defined corporate values. In addition to the Code of Conduct, HUGO BOSS sets supplementary standards for its partners through its **Supplier Code of Conduct (SCoC)**. In order to prevent potential human rights violations in a targeted manner, HUGO BOSS introduced the Company's own, publicly accessible **Human Rights Policy**. This includes binding requirements for all employees and business partners with regard to human rights, decent working conditions as well as internationally recognized labor and social standards.

> [Partners](#) > group.hugoboss.com

Risk Management

HUGO BOSS considers the responsible management of risks to be an essential component of good corporate governance. The Company's **risk management system** includes all the steps that are required for a transparent and systematic approach towards managing risks. It aims to identify risks as early as possible, evaluate them, and – through suitable measures – limit, monitor and document them. The Managing Board of HUGO BOSS AG has **overall responsibility** for the effectiveness of the risk management system.

The implementation and continuous further development of the system is coordinated on behalf of the Managing Board by the Company's independent **central risk management function**. The Supervisory Board is involved in risk management via its Audit Committee and regularly deals with relevant topics.

Alongside economic risks, **social and environmental risks** are also part of risk management. All risks are assessed by means of a **scenario analysis** (medium, best and worst case scenarios). In addition to possible financial impacts for the Company, the external impacts of the Company's business activities in the respective field of action (**inside-out analysis**) are also included during the course of risk assessments.

The Company's comprehensive **risk report** is part of the Annual Report. Further information on the risks that have been assessed for the sustainability topics of the Company (based on the materiality analysis) can be found in the following sections of this report. The **areas of focus** of this assessment are the topics of **climate change and human rights**. > [Annual Report 2022, Risk Report](#)

Compliance

HUGO BOSS expects all employees to conduct themselves in a legally impeccable manner in their day-to-day business activities. This includes **avoidance of corruption and anti-competitive behavior that is damaging to competition**. For this purpose, the Company has established a **compliance management system**. The Company's own Code of Conduct serves as the key framework for this. In addition, strict internal compliance policies apply to all employees.

Compliance is a key management task of the Managing Board and incorporates **measures to ensure global adherence to legal and official regulations, internal guidelines and codes**. The Managing Board commissioned the **central Compliance department** with the implementation of relevant requirements. A Compliance Officer has been appointed to lead the department. He reports directly to the General Counsel in his capacity as Chief Compliance Officer, who is responsible for reporting to the CFO/COO. The Compliance department also supports the Managing Board in monitoring the effectiveness of the compliance management system. Together with the compliance officers at the Group Companies, the department ensures the implementation and continuous further development of the compliance management system. The Audit Committee of the Supervisory Board is regularly informed about these and other activities of the department.

In the reporting year, the implementation of the **German Act on Corporate Due Diligence Obligations in Supply Chains** was a key compliance topic for HUGO BOSS. Since the beginning of 2023, HUGO BOSS is legally obliged to observe certain human rights and environmental due diligence obligations in its own business operations and the supply chain. The necessary measures and controls are jointly managed by the Compliance & Human Rights departments, Sustainable Supply Chain Management and the central Human Resources department and are managed in close cooperation with the operational procurement units. As early as at the beginning of the reporting year, HUGO BOSS created the position of **Human Rights Officer** within the Compliance department. In 2022, the main focus of the work in implementing the due diligence obligations in the supply chain was the updating of the due diligence process and, above all, an in-depth

human rights risk analysis. In the context of these, the Company aims to identify and prioritize potential risks, both in its own business operations and with all direct suppliers with the aid of questionnaires. In addition, indices of recognized information and financial services as well as NGOs are evaluated in order to include country of origin and industrial risks in the analysis. Based on this risk analysis, HUGO BOSS intends to derive possible **prevention and remedial measures** in the future and implement them accordingly. > **Partners**

For the compliance culture, alongside the top management, HUGO BOSS employees also play a key role. The Company therefore encourages open communication about the respective compliance topics. This way, each employee can turn to their superiors or the local and central **compliance contact person** in matters regarding correct conduct and for support with compliance-relevant tasks. In addition, HUGO BOSS has established a **Group-wide, global online training system that can be accessed by all employees.** This aims to strengthen awareness of compliance regulations in the Company. The training contains modules on anti-corruption, data security, animal welfare and protection of biodiversity as well as issues concerning human rights and associated topics. Employees who have direct PC access have to complete this online compliance training on a regular basis. In the year under review, more than 4,100 employees of the Company successfully completed the training (2021: 6,900). The decline compared to the previous year is due, among other things, to the 18 month training interval. In order to respond to the rapidly growing compliance requirements and the changing regulatory framework, HUGO BOSS is planning a comprehensive update of its own online training for 2023.

Employees in positions where the topic of compliance is of particular relevance are prepared for the specific tasks in their area of responsibility by means of online and physical training, **with courses both on-site and online.** In the reporting year, 280 employees were trained (2021: 974).

Prevention of Corruption, Bribery and Anti-Trust Law Infringements

Ethically correct and lawful conduct also includes **preventing corruption, bribery and anti-trust law infringements.** Violations of legal requirements do not only entail financial losses. They may – in the same way as ethically dubious behavior – also cause reputational damage. For this reason, all Group companies are subject to regular risk analyses and detailed audits where applicable. By means of these analyses, it was established that the greatest risk for corruption is in the sourcing of production and non-production materials. For this reason, HUGO BOSS reviews the relevant areas for weaknesses both on a regular and an ad hoc basis.

If **cases of corruption, bribery or anti-trust law infringements** become apparent, the Audit Committee of the Supervisory Board is informed by the Compliance Officer accordingly.

In 2020, the Danish Competition Authority identified an anti-trust violation concerning an alleged disclosure of information with regard to prices and quantities of HUGO BOSS to local trading partners. However, HUGO BOSS took a contrary view on this and accordingly filed a complaint with the relevant Appeals Board, which was rejected by three votes to two in court in mid 2021. In order to continue to safeguard all its rights and in light of the close decision by the Appeals Board, HUGO BOSS is currently asserting its rights at the Danish Maritime and Commercial High Court. The preliminary written process started in 2022. A final decision in this case is not expected before the end of 2023. No fine has been imposed so far. Beyond this,

in the reporting year, as in the previous year, no further violations in the sense of legal violations due to corruption, bribery or anti-trust cases established by authorities or courts were identified in the Company ✓.

> [Annual Report 2022, Combined Non-Financial Statement, Anti-Corruption and Bribery Matters](#)

Grievance Mechanisms

HUGO BOSS encourages its own employees, as well as external persons (employees of suppliers) to report evidence of possible **compliance violations** or to raise any **complaints**. In doing so, whistleblowers are free to choose the manner in which they express themselves and the person with whom they entrust the information.

Customers, suppliers and their employees or other third parties can use the **HUGO BOSS Whistleblowing Portal** for their reports or they can contact an **external ombudsman** confidentially and anonymously. All HUGO BOSS employees can also turn to the central Compliance department, their superiors or the HR department. The Group has established a further **whistleblower hotline** in the U.S. The various reporting channels for compliance violations can be found by all employees globally in the HUGO BOSS employee portal.

At least once a year or as necessary, the Company reviews the **effectiveness of its complaint mechanism** and whether the policy is up to date. The suggestions of internal and external stakeholders are always taken into account. Interested parties can refer to the HUGO BOSS Company website for comprehensive information about grievance management. All key information, including the processes that are initiated in the event of a submitted report, can be found in the publicly accessible **HUGO BOSS Whistleblowing Policy**.

> group.hugoboss.com

The Managing Board is regularly informed of compliance cases that are particularly relevant to the Group and that are defined in the Whistleblower Policy. In the past fiscal year, these related to seven cases in which the Compliance department took action.

Ethically Correct Payment of Corporate Taxes

For HUGO BOSS, corporate governance also includes the ethically correct payment of corporate taxes. This is of fundamental importance in order to continuously preserve the reputation of the Company in the eyes of its employees, customers and also other stakeholders. The **comprehensive HUGO BOSS tax strategy** can be found on the Company's website. > group.hugoboss.com

Data Protection and Information Security

HUGO BOSS takes its duty of care in **handling personal data** very seriously. In order to meet the high requirements of the EU General Data Protection Regulation as well as other national data protection laws outside of the EU, HUGO BOSS has established an **internal data protection organization**. The Managing Board of HUGO BOSS AG is committed to and undertakes to comply with the legal data protection requirements. Customer and employee data are particularly relevant for the Company, however the personal data of business partners and shareholders are also as important for HUGO BOSS. > [Annual Report 2022, Combined Non-Financial Statement, Social Matters](#)

Data privacy violations always represent a risk for the relevant data subjects, but at the same time, they are also a considerable compliance risk with financial impacts and possible reputational damage for the Company. HUGO BOSS addresses these risks with clear guidelines for the handling of personal data in its data protection policy and other policies. In addition, the Company has established appropriate technical and organizational risk mitigation measures. The **HUGO BOSS data protection guidelines** and the **Privacy Policies** for the online store and customer loyalty program can be viewed online. > [group.hugoboss.com](#) > [hugoboss.com](#)

HUGO BOSS attaches particular importance to safeguarding all data subjects' rights. For example, all people whose data are used by the Company are informed transparently about the purpose and scope of data processing by means of appropriate data privacy information. On the other hand, HUGO BOSS pays attention to the timely fulfillment of the **rights of data subject** to information, rectification, erasure, objection, data portability and restriction of processing. > [group.hugoboss.com](#) > [Annual Report 2022, Combined Non-Financial Statement, Social Matters](#)

Complaints and potential data protection incidents are reviewed and handled in accordance with the Data Breach Complaint Policy. In 2022, as in the previous year, the Company was not aware of any legal or regulatory violations that were officially noted by courts or authorities in the field of data protection ✓.

Against the background of digital change, the importance of and the requirements for a **reliable information security strategy** are also increasing. Therefore, HUGO BOSS has been using an **information security and analysis system** which collects and analyzes data in real time. As a result, the Company is able to make predictions about possible incidents, data losses and attacks, and thus improve information security throughout the Group. In addition, HUGO BOSS has commissioned an external Security Operation Center team to monitor its IT systems around the clock and thus ensure the seamless security of the systems. In the reporting year, there were no outages due to **cyber attacks**. In the first quarter of 2022, the **ISO 27001** certification of the information security management system was completed.

Dialog-Based Corporate Culture

As a global company, HUGO BOSS stands at the crossroads of varying evolving interests and opposing positions. Therefore, it must always adapt its own actions in order to reconcile business success with the required consideration for people and the environment and to **create added value for all parties involved**. For this to succeed, HUGO BOSS attaches great importance to the **systematic exchange with relevant stakeholders**. Based on a stakeholder analysis in line with the AA 1000 SES standard, HUGO BOSS uses a number of standardized formats and approaches for stakeholder communication.

01 | 05 FORMATS AND APPROACHES FOR STAKEHOLDER COMMUNICATION

(Potential) employees	Intranet, employee newsletters and information emails, social media, sustainability events and dialog, employee surveys (e.g. on employee satisfaction), employee engagement through ideas platforms, cooperation with universities, training courses
Customers	Customer service (phone or via email), customer surveys (including on sustainability issues), online store, customer newsletters and mailings, social media, direct contact at points of sale, customer events and fashion shows
Partners	Workshops, audits, vendor days, personal discussions, round tables, collaboration and cooperation on specific topics, training courses
Shareholders and financial community	Annual Report, Quarterly Statement, press releases, conference calls, annual shareholders' meeting, analysts' conference, investor days, individual requests, personal discussions, roadshows and conferences
Science and research	Annual Report, company visits, consultation, dialog events, round tables, guest lectures, research projects, collaboration and cooperation on specific topics
Politics and administration	Reports on specific topics, press releases, round tables, cooperation on selected topics, consultation processes
NGOs and unions	Individual inquiries, personal discussions, topic-specific discussions, participation in surveys, press releases, round tables, membership and collaboration on specific topics
Other stakeholders	Annual Report, press releases, direct contact (emails, personal meetings, phone calls), round tables and cooperation on specific topics

Website, sustainability report, social media and stakeholder dialog event

Based on the findings of recent **stakeholder dialog events**, HUGO BOSS has developed its approach to strengthen stakeholder interaction further. Instead of an event that takes place once a year, several discussion formats will be offered throughout the year and the circle of invited stakeholder groups will be expanded. The aim is to ensure **continuous dialog** and greater stakeholder involvement. In the year under review, the Company tested a new format under the title **"Fashion in Transition"** in Berlin in this regard, which marks the start of a **new series of events**. Representatives of the management of HUGO BOSS – including the CFO/COO and a member of the Supervisory Board – exchanged views with representatives of various NGOs, collaborations and policy makers, as well as scientists and investors on the increasing regulatory requirements in the field of sustainability, using the example of due diligence in the supply chain. In two workshops, participants developed proposals for more effective legislation and ideas for new collaboration formats between the stakeholder groups. As an integral part of the new format, HUGO BOSS always collects feedback from participants in order to use it as a basis for future events.

Many existing contacts with stakeholders were further strengthened in 2022. In addition, HUGO BOSS worked with startups on specific topics and was involved in various cooperative ventures and initiatives to strengthen its environmental and social activities along the value chain and drive them forward along with other players. > [Partners](#) > [Products](#) > group.hugoboss.com

The exchange with employees also plays a key role in the stakeholder dialogs of HUGO BOSS. For example, the Company uses a series of **internal dialog instruments** to help anchor **sustainability considerations** even more strongly within the workforce. For example, the sustainability channel of the Company's internal information portal has been providing regular information on current sustainability topics at HUGO BOSS. The Company also offers its employees numerous **training courses on the subject of sustainability**, some of which are mandatory. In 2022, the Company also held various interactive dialog formats and events, at which employees were able to actively engage with the topic of sustainability.

The extent of the sustainability-linked training involved a total of 17,601 hours in the reporting year (2021: 3,598), which includes education and training in areas such as occupational health and safety (OHS), vocational training and employee development, compliance and IT security, as well as sustainability aspects of products and within the supply chain. The reason for the decline compared to the previous year is the adaptation of training concepts away from longer face-to-face sessions to shorter training units available at any time in order to offer employees the greatest possible flexibility.

As in the previous years, the **works meetings** at the locations in Metzingen (Germany), Coldrerio (Switzerland) and Izmir (Turkey) played an important role in promoting **dialog within the Company**. Moreover, the Company made it possible for its employees to exchange ideas directly with board members at internal events such as townhall meetings or via the "My HUGO BOSS" employee app. In 2022, HUGO BOSS again used the Group-wide standardized **employee satisfaction survey** in accordance with the GPTW® standard as an instrument for systematic exchange. > [Employees](#)

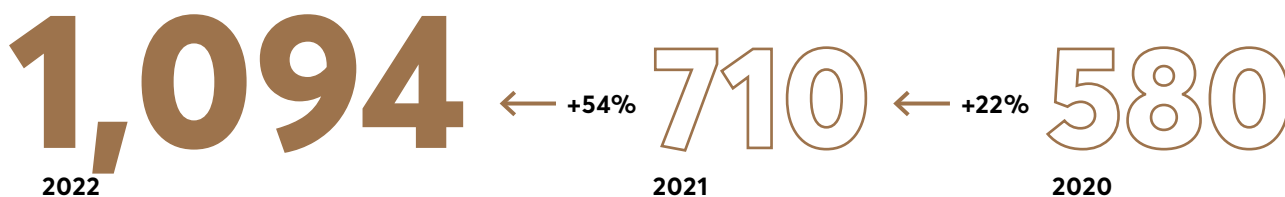
HUGO BOSS also maintains a constructive dialog with local trade unions at its production locations. The Company respects the right of its employees to **be unionized** and holds regular meetings with its representatives. With its Supplier Code of Conduct, the Company also encourages its partners to allow their employees to engage in union activities and, if necessary, provides support with dialog between the parties involved. > [Partners](#)

Refer to the Company's website for more information about stakeholder engagement and the cooperation of the Company, including an overview of the awards received as well as external sustainability-linked standards and agreements. > group.hugoboss.com

ENVIRONMENT

PRESERVING NATURAL RESOURCES

CO₂ EMISSIONS (SCOPE 1 TO 3) IN THOUSAND TONS



SHARE OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES





HUGO BOSS is aware of its shared responsibility for protecting the environment and climate. Therefore, the Company is committed to the introduction and further development of environmentally and climate-friendly processes and takes appropriate measures to improve the environmental footprint of its own locations, production facilities and retail stores as well as the entire logistics chain. The careful use of natural resources is just as important here as the avoidance and recycling of waste. Climate action is also a very high priority for the Group. For this reason, HUGO BOSS and nearly 100 other companies signed the Fashion Industry Charter for Climate Action in 2018 under the patronage of the United Nations Framework Convention on Climate Change (UNFCCC). In doing so, together with other companies, HUGO BOSS is committed to the vision of a fashion industry that will have "net-zero" greenhouse gas emissions by 2050. Through its extensive environmental and climate action commitment, HUGO BOSS is also contributing towards **Sustainable Development Goals (SDGs) 6, 12, 13, 14 and 15**.

Management Approach

HUGO BOSS regards the **systematic management of environmental and energy topics** as an opportunity to reconcile economic and ecological interests and thus meet its corporate responsibility. The Company wants to continuously reduce the environmental impacts of its own business activities, has set itself relevant ambitious goals and operates **comprehensive environmental management**. This includes the Group's administration sites and production facilities, planning, construction and operation of the Group's own retail stores, as well as its own logistics. In all of the above-mentioned areas, HUGO BOSS is continuously achieving efficiency improvements with the help of its environmental management, which also have a positive impact on costs.

In its **publicly accessible Environmental Policy**, the Company has listed its requirements with regards to environmental topics such as energy and water consumption, greenhouse gas emissions and waste management. A constituent part of the Environmental Policy is the concrete requirements for the supply chain, product development, transport and logistics (covered by an integrated Logistics Guideline), as well as a store concept that defines sustainability criteria in the planning and operation of the Company's own retail stores. The **Logistics Guideline** establishes how transportation services for HUGO BOSS should be prepared and carried out, and defines ecological minimum requirements that contribute towards a long-term reduction of CO₂ emissions. Alongside environmental aspects, the Logistics Guideline also tackles social topics. These include a long-term alignment of supply contracts and safeguarding human rights within logistics processes.

More detailed information on the topic of **sustainability in retail stores** can be found on the Company website. The Partners chapter reports extensively on the **environmental and climate action measures** in the HUGO BOSS supply chain. > group.hugoboss.com > Partners

Overall responsibility for environmental protection in the Company and in its supply chain lies at the Managing Board level with the Chief Financial Officer/Chief Operational Officer (CFO/COO). The environmental management team at the Group headquarters in Metzingen (Germany) which reports to the Chief Financial Officer is responsible for environmental protection at the Company's own sites. Together with the local managers in the subsidiaries, the environmental management team coordinates environmental and energy projects Group-wide and prepares economic efficiency calculations. Through various bodies, such as the Sustainability Committee, members of the Managing Board and the management level below the Managing Board are regularly informed about the progress regarding environmental and climate targets. The assessment of environmental and climate risks is the responsibility of the central Group Risk Management.

> [Annual Report 2022, Risk Report](#)

The Company maintains **environmental and energy management systems in accordance with ISO 14001 and ISO 50001**, which are regularly audited by external certification companies. Responsibility for the environmental management systems implemented and certified according to ISO 14001 at the Company's three own production sites in Italy, Poland and Turkey lies with the respective sites. The environmental management team in Metzingen (Germany), together with the energy management team of the respective companies, is responsible for the energy management systems at the European sites, which are certified according to ISO 50001. Within the framework of the management systems, **clear targets are defined for the areas of environmental protection and energy efficiency as well as action plans for their implementation**. To identify potential for improvement, those responsible for the Group's environmental management regularly collect and analyze environmental data. HUGO BOSS also has its own certified auditors who regularly conduct internal energy and environmental audits to identify potential for improvements on site.

Alongside energy management, the procurement and self-generation of energy as well as the **energy efficiency of buildings and facilities** also play a key role, particularly in view of climate action. This is why HUGO BOSS obtains **energy from renewable sources** wherever possible at its locations. The Company also regularly checks how it can improve the energy efficiency of its locations. When renovating, planning and constructing new locations, HUGO BOSS always considers that the energy-related emissions are reduced through energy supply systems and energy-efficient technologies. Existing technical facilities are also checked for energy efficiency during the renovation of the Group's own retail stores. Essentially, HUGO BOSS seeks to obtain **sustainability certifications for all newly built business properties**. In 2021, HUGO BOSS began to construct its own company daycare center at the headquarters in Metzingen (Germany), and strives to achieve a platinum certificate from the Deutsche Gesellschaft für Nachhaltiges Bauen e.V. (DGNB – German Sustainable Building Council) for sustainable implementation. To achieve this, sustainable materials and LED lighting will be used. The energy concept includes a photovoltaic thermal system with a heat pump, which generates both electricity and heat for the company daycare center. > group.hugoboss.com

The **environmental key figures** reported on in the following section include the categories electricity, heating energy, CO₂ emissions, water, wastewater and waste. Further key figures can be found in the appendix.

> [Further Key Figures and Information](#)

The defined targets, the status of their achievement and the measures implemented in the topical field of Environment are also reported on in the Sustainability Program. > [Sustainability Program](#)

Environmental Risks

The Company's environmental and risk management are primarily concerned with strategic questions related to environmental risks. Climate risks are a key focus in this respect. HUGO BOSS is aware that it has an impact on the climate due to its economic activities and the associated release of emissions. For the Company itself, climate change risks are primarily short-term, namely increasing energy costs. In the long-term, investments in the Company's locations will be needed in order to respond to the consequences of global warming.

In order to address the complexity of climate change and the various warming scenarios, HUGO BOSS identified transitory and physical climate risks for the first time in 2022 in accordance with the requirements of the **Task Force on Climate-Related Financial Disclosures (TCFD)** and published the results in its first TCFD report. For the upcoming TCFD report, which is to be published in 2023, HUGO BOSS intends to expand the time horizon under consideration until at least 2050 and to quantify physical and transitory risks. In addition, particularly relevant company locations and suppliers have already been reviewed for climate-related risks. In the next step, adaptation measures or measures for risk reduction are now derived and implemented if necessary. > [TCFD report](#)

Further information on the environmental risks of the Company can be found in the Report on Risks and Opportunities in the 2022 Annual Report. > [Annual Report 2022, Risk Report](#)

Climate Action

On the route to "net-zero" emissions that are harmful to the climate, HUGO BOSS pursues clear reduction targets, which the company adapted to the increasing requirements of the UNFCCC in the year under review. Accordingly, by the year 2030 the Company intends to reduce its **Scope 1 and Scope 2 emissions** from primary energy use and electricity supply **by at least 50%** (base year: 2019). **Scope 3 emissions**, which are mainly from transport, production and raw material production, are also targeted to be **reduced by at least 50% by 2030** (base year: 2019). In order to achieve its climate targets, HUGO BOSS is particularly focusing on **saving energy, as well as procurement and self-generation from renewable sources**. The following chapter describes the Company, in particular its activities in the area of Scope 1 and Scope 2 greenhouse gas emissions, as well as logistics. Further information on the topic of climate action with suppliers can be found in the Partners chapter. > [Partners](#) > [Sustainability Program](#) > group.hugoboss.com

Energy

A key instrument for reducing energy consumption at HUGO BOSS' own locations is the **GREENBUDGET** introduced in 2018: all HUGO BOSS subsidiaries can submit projects to the GREENBUDGET Committee. The projects are prioritized on the basis of economic and environmental aspects. Once approved, the subsidiaries can contribute their designated budget directly towards implementing the project.

By **generating its own renewable energy**, HUGO BOSS also helps to avoid CO₂ emissions. For this purpose, the Company relies especially on the installation of photovoltaic systems for new building projects. This option is also being considered for existing facilities. In 2022, the Company installed two new photovoltaic systems, one at its own production site in Izmir (Turkey) and one as part of the new daycare center in Metzingen (Germany). Consequently, in 2022 HUGO BOSS operated **five own photovoltaic systems**, which generated a total of 1,892 MWh, producing approximately twice as much electricity as in the previous year (2021: 941 MWh). That is about the same as the annual consumption of around 400 four-person households. While HUGO BOSS uses the majority of the electricity generated in this way itself, a small part is fed into external power grids.

By switching to **electricity from renewable energy sources**, HUGO BOSS is using another opportunity to reduce its CO₂ footprint. In 2022, the power supply at the Group headquarters consisted of 100% certified green electricity. Locations and Group-owned production facilities in further 13 countries also used green electricity in the reporting year. More than half (59%), 52,906 MWh, of the electricity consumed within the Group in 2022 came from renewable energy sources. HUGO BOSS has set itself the goal of increasing the **amount of electricity from renewable sources to 100% by the year 2030**.

In the reporting year, the **total energy consumption** at HUGO BOSS locations was 129,751 MWh.

02 | 01 ENERGY CONSUMPTION BY REGION AND BY ENERGY SOURCE¹ (IN MWH)

Direct energy consumption	EMEA	Americas	Asia/Pacific	Total
Heating oil	1,397	0	0	1,397
Liquefied petroleum gas (LPG)	20	0	3	23
Natural gas	30,590	5,567	0	36,157
Photovoltaic	1,892	0	0	1,892
Total direct energy consumption²	33,899	5,567	3	39,469
Indirect energy consumption				
Certified green electricity	51,014	0	0	51,014
Electricity	7,700	16,658	12,447	36,805
Other energy sources (e.g. district heating)	2,463	0	0	2,463
Total indirect energy consumption	61,177	16,658	12,447	90,282

¹ Energy data for retail is generally based on data queries at retail stores and outlets. 52% of the retail stores and outlets that are included in the data collection were able to report energy consumption with respect to natural gas. 81% of these retail stores and outlets reported data on electricity while 50% were able to report data on district heating. Extrapolations on the basis of existing consumption data were conducted by calculating average values (kWh/m² x opening hours) for all other retail stores and outlets.

² Exclusive fuel consumption of our own vehicles.

Within the scope of energy management, continuous efforts are being worked on across the entire Group to **reduce energy consumption**. For this purpose, the consumption data of the technical systems at the Company's sites are constantly monitored and the energy consumption in the Company's own retail stores is reported on a quarterly basis. This means that any deviations and potential for improvement can be identified in a timely manner. If the need for action arises, the environmental management team initiates effective **measures to reduce consumption** together with the relevant facility managers. Accordingly, in the reporting year the employees at retail stores were informed about energy saving by means of a brochure that also included other topics such as water consumption and recycling of waste.

In 2022, HUGO BOSS implemented several energy efficiency projects. Among other things, it installed LED bulbs in several office buildings at the Group headquarters and in its own production facility in Morrovalle (Italy). Several technical systems have also been replaced by more energy efficient models. These measures save 864 MWh of electricity annually.

02 | 02 ENERGY CONSUMPTION BY ENERGY SOURCE¹ (IN MWH)

	2022	2021	2020
Direct energy consumption			
Heating oil	1,397	1,745	1,031
Liquefied petroleum gas (LPG)	23	20	23
Natural gas	36,157	34,367	33,274
Photovoltaic	1,892	941	939
Total direct energy consumption²	39,469	37,073	35,267
Indirect energy consumption			
Certified green electricity	51,014	46,102	38,579
Electricity	36,805	33,076	36,150
Other energy sources (e.g. district heating)	2,463	2,217	1,924
Total indirect energy consumption	90,282	81,395	76,653
Total energy consumption	129,751	118,468	111,920

¹ Energy data for retail is generally based on data queries at retail stores and outlets. 52% of the retail stores and outlets that are included in the data collection were able to report energy consumption with respect to natural gas. 81% of these retail stores and outlets reported data on electricity while 50% were able to report data on district heating. Extrapolations on the basis of existing consumption data were conducted by calculating average values (kWh/m² x opening hours) for all other retail stores and outlets.

² Exclusive fuel consumption of our own vehicles.

Due to the high company growth in the reporting year, especially with regard to employees and increased production capacities at our own production sites, as well as the reopening of many retail stores closed in the previous year due to the pandemic, energy consumption in 2022 increased slightly by 10% compared to the previous year. Alongside the absolute figures, HUGO BOSS also takes into consideration the development of the specific consumption values per m²: As part of the Group-wide climate action strategy, HUGO BOSS has set itself the goal of reducing direct and indirect energy consumption in relation to area (in kWh/m²) by 20% by 2030 (base year: 2018). Compared to the base year, in the reporting year this figure was reduced by 13%.

> Sustainability Program

02 | 03 REDUCTION OF ENERGY CONSUMPTIONS PER M² AREA¹ (IN KWH/M²)

	2022	2021	2020	2018
Actual value	149.1	140.0	134.1	171.4
Change in actual value (in %)	-13	-18	-22	

¹ Ratio of energy consumption to area. The percentage change for 2020 to 2022 refers to the base year 2018. Energy data for retail is generally based on data queries at retail stores and outlets. 52% of the retail stores and outlets that are included in the data collection were able to report energy consumption with respect to natural gas. 81% of these retail stores and outlets reported data on electricity while 50% were able to report data on district heating. Extrapolations on the basis of existing consumption data were conducted by calculating average values (kWh/m² x opening hours) for all other retail stores and outlets.

Emissions

In the reporting year 2022, **greenhouse gas emissions** amounting to 1,094,339t of CO₂ were caused in connection with the business activities of the HUGO BOSS Group. Not only does this include emissions from electricity purchases, the Group's own primary energy consumption, its own logistics activities and business travel, but also emissions generated in the supply chain, in upstream processes such as the manufacture and processing of raw materials. Greenhouse gas emissions are broken down by Scope 1 to 3 in accordance with the Greenhouse Gas Protocol (GHG Protocol). Compared to the previous year, the emissions of all three scopes in connection with the strong business development increased by 54% in total. The CO₂ intensity in relation to production volume in 2022 was 15.35kg of CO₂/produced piece (2021: 16.08kg CO₂/produced piece). This enabled HUGO BOSS to reduce its CO₂ intensity compared to the previous year, despite the overall increase in emissions.

Further information on Scope 3 production-related emissions in the supply chain can be found in the Partners chapter. > [Partners](#)

02 | 04 DIRECT, INDIRECT AND OTHER GREENHOUSE GAS EMISSIONS¹ (IN T CO₂)

Scope 1 ²	2022	2021	2020
Own vehicles	✓ 3,025	2,478	2,528
Direct energy consumption	✓ 8,033	7,747	7,627
Total Scope 1	✓ 11,058	10,225	10,155
Scope 2 (market-based) ^{2,3}			
Indirect energy consumption	✓ 18,820	16,754	17,199
Total Scope 2	✓ 18,820	16,754	17,199
Scope 3 ⁴			
Purchase of goods and services	931,590	594,274	495,419
Fuel and energy related emissions	8,404	7,564	7,221
Transport and distribution (upstream)	73,064	40,772	20,222
Waste ⁵	1,972	2,759	512
Business travel (air travel)	✓ 4,092	1,170	1,423
Commuting workers ⁶	4,594	7,698	4,905
Property, plant and equipment rented or leased	3,821	3,996	3,846
Transport and distribution (downstream)	13,634	10,161	7,079
Handling of sold products at the end of their life cycle	23,290	14,857	12,386
Total Scope 3	1,064,461	683,251	553,013
Total Scope 1 to 3	1,094,339	710,230	580,367

1 The Greenhouse Gas Protocol is used to calculate greenhouse gas emissions. Scope 2 emissions are calculated in general according to the market-based approach by the Company using specific supplier emission factors for the certified green electricity. For conventional electricity, specific country emission factors are used.

2 Due to improved data availability and the resulting higher proportion of real data when the 2022 Sustainability Report is published, the values for Scope 1 and Scope 2 differ in total from those published in the 2022 Annual Report.

3 Due to a retroactive update of the emission factors used, the values for 2020–2021 differ from the values of the previous sustainability reports.

4 In the 2022 reporting year, HUGO BOSS for the first time reported the Scope 3 emissions in detail broken down by the categories of the "Corporate Value Chain (Scope 3) Standard" of the GHG Protocol. The categories shown were identified as being most important for the company.

5 Due to an improvement in the calculation methodology for the individual waste streams in the reporting year 2022, the figure is not fully comparable with the years 2020 and 2021.

6 Due to improved data transparency regarding commuter behavior in the reporting year 2022, the figure is not fully comparable with 2020 and 2021.

The representation of Scope 2 emissions calculated in accordance with the **location-based approach** is included in the appendix. This is based on the average emission factors in the individual markets. > **Further Key Figures and Information**

HUGO BOSS has set itself the goal of reducing **Scope 1 and Scope 2 emissions** by at least 50% compared to the base year 2019 by 2030. > **Sustainability Program**

02 | 05 REDUCTION OF GREENHOUSE GAS EMISSIONS (SCOPE 1+2)¹ (IN T CO₂)

	2022 ²	2021 ³	2020 ³	2019 ³
Actual value	29,878	26,979	27,355	31,950
Change in actual value (in %)	-6	-16	-14	

¹ The percentage change for 2020–2022 refers to the base year 2019. Further guidance on the method of calculating emissions is provided in Table 02 | 04.

² Due to better data availability and the resulting higher proportion of real data when the 2022 sustainability report is published, the actual value in 2022 differs from the value published in the 2022 Annual Report.

³ Due to a retroactive update of the emission factors used, the values for 2019–2021 differ from the values of previous sustainability reports.

The Scope 1 and Scope 2 emissions amounted to 29,878t of CO₂ in the reporting year. Compared to the base year 2019, this represents a decrease of 6%.

HUGO BOSS has also defined goals to reduce its **Scope 3 emissions**. These emissions are to be reduced by at least 50% by 2030 (base year: 2019). > **Sustainability Program**

02 | 06 REDUCTION OF GREENHOUSE GAS EMISSIONS (SCOPE 3)¹ (IN T CO₂)

	2022	2021	2020	2019
Actual value	1,064,461	683,251	553,013	731,927
Change in actual value (in %)	+45	-7	-24	

¹ The percentage change for 2019–2022 refers to the base year 2019. Further guidance on the method of calculating emissions is provided in Table 02 | 04.

The Scope 3 emissions in the reporting year amounted to 1,064,461t of CO₂ and are therefore 45% above the 2019 reference value. The increase in Scope 3 emissions is related to the strong company growth in fiscal year 2022 and the associated increase in production volume.

As part of Scope 3 emissions, external **logistics processes** represent an important field of work for reducing CO₂ emissions in the long-term and conserving resources. To this end, all transport flows are being analyzed and optimized in close cooperation with the service providers performing the work. Regular internal logistics reporting also transparently presents current transport flows and the corresponding CO₂ emissions. This facilitates the strategic planning for transport processes and enables the Company to use its potential in this regard more consistently.

When planning and executing its transportation, HUGO BOSS continues to pay attention to high-quality logistics services and a decrease in its environmental impacts.

The publicly available Logistics Guideline, which is integrated into the Group's Environmental Policy, plays an important role in this respect. > group.hugoboss.com

02 | 07 ENVIRONMENTAL IMPACTS FROM TRANSPORTATION

		2022	2021	2020
Incoming flows of goods ¹	Ton-kilometers (in tkm)	346,520	193,166	200,341
	Greenhouse gas emissions (in t of CO ₂)	73,064	40,772	27,087
Outgoing flows of goods ²	Ton-kilometers (in tkm)	38,500	29,288	31,523
	Greenhouse gas emissions (in t of CO ₂)	13,634	10,161	11,781

¹ All flows of incoming goods to the logistics centers in Germany, the U.S. and Canada, as well as the raw materials shipments from HUGO BOSS to its producers are taken into account.

² All flows of outgoing goods from the HUGO BOSS distribution centers to its own retail stores, outlets and globally.

In the reporting year, **transport-related CO₂ emissions increased due to very high volume growth** in connection with the strong business development of HUGO BOSS in 2022. HUGO BOSS continues to pursue its approach of avoiding air freight as much as possible and increasing its use of low-emission means of transport in order to continuously reduce its CO₂ emissions. In order to avoid additional greenhouse gas emissions, the Company and its logistics partners are investigating the use of alternative fuels, for example from biomass.

In line with the Company's strategic ambition of further promoting **"nearshoring"** in the medium term, HUGO BOSS has set itself the goal of aligning its regional sourcing activities closer with its sales markets. In this context, the Company aims to further increase the share of its sourcing activities in EMEA in the years to come. This in turn should also positively contribute to reducing the Company's environmental impact from transportation.

Water and wastewater

In its direct area of responsibility, HUGO BOSS continuously checks which measures are necessary for a **resource and environmentally friendly handling of water and wastewater**, and implements these accordingly. The Company places its focus predominantly on areas where it has identified the greatest potential for improvement. At its own sites, this means the reduction of water consumption. In the area of wastewater, the biggest environmental impacts are the production of products in the supply chain. By far the greatest loads are caused by wet processes such as tanning, washing or dyeing. Further information on the HUGO BOSS requirements for handling waste water in the supply chain can be found in the Partners chapter of this report. > [Partners](#)

At the Company's own sites, the majority of the water is used for sanitary systems. Group-wide water consumption increased by 12% in 2022 compared with the previous year. The increase is mainly due to the strong business development in the reporting year, the associated increase in the number of employees and the higher level of production at our own production sites.

Water consumption is also analyzed with regard to the availability of drinking water. **Especially in water-stressed regions, water consumption is to be reduced as much as possible.** During the reporting year, HUGO BOSS used 102,442m³ of water at its production sites in water-stressed regions (2021: 84,482m³).

One measure for using water responsibly in water-stressed regions are the groundwater tanks which were installed at the site in Izmir in 2017. In the reporting year, 27,316m³ of water were collected here and used for the irrigation of green areas and for the sanitary installations on the site. This is equivalent to around 33% of the site's water consumption. The remaining fresh water is obtained from external water supply sources.

HUGO BOSS also regularly reviews concepts for **reusing water or reducing its consumption at its production sites**. In Izmir, for example, water from a refrigeration plant has been reprocessed since spring 2021 and also used for irrigation of green spaces, saving around 500m³ of fresh water annually. In addition, new washing processes have been developed to reduce water consumption at the Company's own production sites. These processes are already in use in Izmir and led to a decrease in water consumption in washing processes of around 60% in 2022. > [Further Key Figures and Information](#)

02 | 08 WATER CONSUMPTION BY REGION¹ (IN M³)

	✓ 2022	2021	2020
EMEA	161,281	138,191	129,306
Americas	21,928	19,039	17,167
Asia/Pacific	13,115	18,740	16,024
Total	196,324	175,970	162,497

¹ Water consumption data for retail is generally based on data queries at retail stores and outlets. For water consumption, data is available for 12% of the retail stores and outlets included in the data collection process. For the remaining retail stores and outlets, a benchmark of the real estate investment management company, Redevo, was taken from 2013 and a value of 0.22m³/m² for the apparel retail sector was established.

HUGO BOSS has set itself the goal of **reducing water consumption in relation to Group sales by 40%** by 2025 (base year and reporting scope 2016). In 2022, this value was 41.4m³/EUR million sales and therefore 38% lower than in the base year 2016. Water consumption from the external water supply (excluding the Company's own ground water tanks) was taken into consideration. In particular, the overproportionate increase in Group sales in 2022 contributed to this development. > [Sustainability Program](#)

02 | 09 REDUCTION OF WATER CONSUMPTION IN RATIO TO GROUP SALES (REPORTING SCOPE AND BASE YEAR 2016)¹ (IN M³/MILLION EUR SALES)

	✓ 2022	2021	2020	2019	2016
Actual value	41.4	52.6	63.6	55.8	66.9
Change in actual value (in %)	-38	-21	-5	-17	

¹ Ratio of total water consumption to Group sales. The percentage change of the years 2019 to 2022 represents the change in each case compared to the base year 2016. Water consumption data for retail is generally based on data queries at retail stores and outlets. For water consumption, data is available for 12% of the retail stores and outlets included in the data collection process. For the remaining retail stores and outlets, a benchmark of the real estate investment management company, Redevo, was taken from 2013 and a value of 0.22m³/m² for the apparel retail sector was established.

During the reporting year, HUGO BOSS discharged a total of 139,265m³ of **wastewater mainly into the communal wastewater systems at the locations**. This was approximately 7% more than in the previous year. At the production site in Morrovalle, the water from the sanitary installations and the staff canteen is purified and discharged into a ditch. The discharge has been approved and is verified by means of annual tests. In addition to compliance with local legal regulations, the quality of the water discharged from its own production sites is subject to the requirements of ISO 14001 certification.

02 | 10 WASTEWATER DISCHARGES BY REGION¹ (IN M³)

	✓ 2022	2021	2020
EMEA	104,222	93,340	88,044
Americas	21,928	18,573	15,343
Asia/Pacific	13,115	18,738	16,024
Total	139,265	130,651	119,411

¹ It is assumed that the amount of water consumption is equal to the amount of wastewater discharges for all retail stores in scope (retail stores and outlets).

Waste

Waste is generated across the entire HUGO BOSS value chain. The following section reports on the waste generated by the Company's own sites. Information on the handling of waste in the supply chain or at the end of the product's life can be found in the Partners and Products chapters. > [Partners](#) > [Products](#)

At HUGO BOSS sites, waste is generated by production and logistics, as well as by retail stores and administration buildings. HUGO BOSS is committed to **reducing this waste** and is therefore continuously **optimizing its processes** to achieve this. As a result, at three of its production sites where waste generation is significantly higher than at the other sites, the Company is using an environmental management system certified in accordance with ISO 14001. Waste that cannot be avoided using this approach is collected separately in order to ensure that it can be recycled or sent for professional processing or disposal. In the reporting period, the various types of waste, e.g. packaging, paper and cardboard, food waste, and other waste, were collected separately. This waste also includes production waste in the form of textile or leather scraps.

Total waste generation in 2022 was 8,161t (2021: 5,907t). Compared to the previous year, this is equivalent to an increase of 38%. The increase is mainly due to the strong business development in the reporting year, the associated increase in the number of employees, increased production at our own production sites and the reopening of stores after closures due to the pandemic.

02 | 11 GENERATED WASTE BY DISPOSAL TYPE AND WASTE TYPE¹ (IN T)

	Non-hazardous waste				Hazardous waste ²			
	✓ 2022	2021	2020	2019	✓ 2022	2021	2020	2019
Recycling	4,865	3,650	3,071	4,264	13	16	23	18
Reuse	5	7	41	16	0	0	0	0
Disposal (landfill)	1,569	855	855	848	26	17	20	30
Incineration	90	113	79	114	5	10	6	7
Unknown	1,587	1,239	1,036	1,799	0	0	0	1
Total	8,116	5,864	5,083	7,041	45³	43	49	55

¹ Sold products at the retail stores and outlets in scope as well as transportation carried out (consideration of respective product and transportation packaging) form the basis for the calculation of retail waste data.

² "Hazardous waste" includes various types of waste that pose a risk to health and/or the environment. In the reporting year, hazardous waste was generated in the categories "batteries," "chemicals," "oil," "electronic equipment," "toner cartridges" and "other hazardous waste".

³ Due to the decimal places not shown in this table, the total for hazardous waste is 45.

02 | 12 GENERATED WASTE BY TYPE AND REGION¹ (IN T)

	EMEA	Americas	Asia/Pacific	Total
Hazardous waste	43	0	2	45
Non-hazardous waste	6,210	1,265	641	8,116
Total	6,253	1,265	643	8,161

¹ Sold products at the retail stores and outlets in scope as well as transportation carried out (consideration of respective product and transportation packaging) form the basis for the calculation of retail waste data.

HUGO BOSS has continued to set the goal of reducing the volume of domestic waste per employee by 10% by 2025. In 2022, this equated to 65.5kg/employee and was therefore 19% below the figure for the base year 2018.

02 | 13 REDUCTION OF GENERATED WASTE (DOMESTIC WASTE) IN RATIO TO NUMBER OF EMPLOYEES (BASE YEAR 2018)¹ (IN KG/EMPLOYEE)

	✓ 2022	2021	2020	2018
Actual value	65.5	65.2	62.7	81.1
Change in actual value (in %)	-19	-20	-23	

¹ "Domestic waste" includes residual waste and food waste. The percentage change for 2020–2022 refers to the base year 2018.

A large proportion of the generated waste produced at the HUGO BOSS sites is **sent for recycling** (2022: 67%). All other waste is disposed of according to the locally valid regulations – partly with the support of certified waste disposal companies. > [Sustainability Program](#)

In addition, HUGO BOSS is working to further reduce waste in connection with product and transport packaging, for example by **saving packaging materials and applying reusable solutions**. > [Products](#)

3 EMPLOYEES

FOSTERING A FAIR AND RESPONSIBLE CULTURE

EMPLOYEE SATISFACTION

78%

2022

76%

2021

72%

2020

SHARE OF WOMEN IN THE FIRST MANAGEMENT LEVEL BELOW THE MANAGING BOARD (TOP MANAGEMENT)

28%

2022

29%

2021

25%

2020



HUGO BOSS owes its competitiveness and international reputation to the many qualified and motivated employees at its own administrative, production and logistics sites as well as in its own retail stores. The Company therefore aims to inspire its employees every single day, motivate them with challenging and varied tasks and thus retain their loyalty in the long-term. HUGO BOSS assumes responsibility for the well-being of every single employee and promotes a corporate culture that is based on trust and characterized by mutual appreciation and respect. The Company is committed to equal opportunities and diversity, helps employees to reconcile their private and professional lives, offers excellent development opportunities and provides safe, healthy jobs throughout the entire Group. In this way, HUGO BOSS aims to consolidate its reputation as an attractive employer. The Company is fully committed to respecting human rights and contributes towards **Sustainable Development Goals (SDGs) 5, 8 and 10** at all its locations through fair, performance-related compensation, protection against discrimination and respect for employee rights.

Management Approach

The global apparel market is subject to constant change. Customer requirements are constantly increasing, while at the same time technological advances are changing everyday business. In addition, there are societal changes, trends and other challenges that the Company must respond to, such as demographic change. HUGO BOSS actively meets these challenges with its growth strategy "CLAIM 5" and works **continuously on further developing its corporate culture**. In this respect, the Company relies on a sense of **responsibility, courage, agility and participation**. HUGO BOSS thus aims to become even more attractive as an employer and, through greater involvement and agile processes, empower its employees to make responsible decisions and proactively shape changes. The foundation for this is formed by the trust-based **HUGO BOSS values** of Entrepreneurial Spirit, Personal Ownership, Team Mentality, Simplicity & Quality and Youthful Spirit.

Work at HUGO BOSS is characterized by a **motivating working environment, open and transparent communication and an appreciative management culture**, which is based on the concept of leadership mindset. This concept establishes the primary role of managers as pioneers and promoters of trust and a feeling of belonging. Today these qualities are more important than ever. Being an **attractive employer** is extremely important for HUGO BOSS, both in the face of competition for new talent and in its efforts to retain qualified personnel in the long-term where possible. With a **wide range of development programs and training courses**, the Company therefore enables all employees to continuously expand their knowledge, learn new skills and abilities and develop as a person. In addition, HUGO BOSS helps its employees to reconcile their professional and private lives, thereby promoting their satisfaction and performance as well as their loyalty to the Company. In order to achieve this goal, the Company must protect its employees from discrimination and undesirable behavior. This is confirmed by the Company in its **commitment against discrimination and harassment** and in its **anti-discrimination and harassment policy** published in the reporting year.

For HUGO BOSS, the diversity of its workforce is extremely important: **Heterogeneous and inclusive teams solve problems better and more creatively in complex situations** and have a positive impact on employee satisfaction. **"Diversity & Inclusion"** is a topic of particular importance at HUGO BOSS thus falling directly under the responsibility of the Managing Board. Under the leadership of the Head of Global Diversity & Inclusion, numerous measures are being initiated to promote the diversity of employees in a targeted manner. The implementation of these measures is also supported by an internal task force in which employees from various sites and functional areas can promote selected topics. In addition, a function was created at the Izmir (Turkey) site, which deals solely with the topic of diversity and inclusion. HUGO BOSS thereby places a special focus on the topic at its largest production site.

HUGO BOSS is committed to **respecting human rights and labor standards** on the basis of internationally recognized standards for all employees within the Company. HUGO BOSS offers fair working conditions globally through a structured and comprehensible compensation system as well as fair opportunities for development and participation. The Company is committed to freedom of association, gender equality and a strict principle of non-discrimination throughout its entire value chain. > [We > Partners](#)

As a responsible employer, HUGO BOSS also attaches a great deal of importance to the **occupational health and safety** of its employees. The Company's goal is to keep accident and health-related absences as low as possible and, through preventive measures, to reinforce the health and safety of its employees as well as confidence in HUGO BOSS as an employer.

Responsibility for the continuous review and development of Group-wide human resource management lies with the **central Human Resources department** based in Metzingen (Germany), which reports to the Senior Vice President of Global Human Resources. In turn, the Senior Vice President of Global Human Resources reports to the Chief Executive Officer. The HR department works closely with the heads of other central departments as well as the HR departments and managers of the Group companies. It also works regularly with the Managing Board.

Responsibility for occupational health and safety (OHS) is decentralized at HUGO BOSS. Clear responsibilities have been defined for this at the Group headquarters as well as in the respective Group companies as well as in its own retail stores. The responsible employees report regularly and as the situation demands to the management of the Group's subsidiaries and relevant departments at the Group headquarters. There is also a regular exchange of information with the Managing Board. In order to clearly regulate the processes in the OHS sector throughout the Group in a binding manner, HUGO BOSS has **established on itself a Health & Safety Commitment**, which has been further developed with regard to topics such as improving occupational health and safety management, defining quantitative targets in occupational health and safety and the coverage of contractors by the occupational health and safety system in the reporting year.

The human resource management of HUGO BOSS is based on centralized and decentralized guidelines. The Company's **Code of Conduct**, plays a central role as it specifies fundamental cornerstones for trusted collaboration within the Company as well as for interaction with customers and suppliers. With binding rules, it creates clarity for essential ethical and legal issues. The **Human Rights Policy** and the **Supplier Code of Conduct** are also of fundamental importance for human resource management. The Human Rights Policy contains binding guidelines for all employees on the respect of human rights and humane working conditions,

which must also be taken into account in cooperation with partners. The Supplier Code of Conduct, which is based in particular on internationally recognized labor and social standards, applies not only to suppliers, but also to the Company and its employees. > [We](#) > [Partners](#) > group.hugoboss.com

The global subsidiaries of HUGO BOSS structure their personnel management with the help of more far-reaching, decentralized guidelines. In doing so, they take into consideration their own standards and comply with the respective national legal norms.

HUGO BOSS uses various tools, including an **annual global employee survey**, to evaluate the effectiveness of its measures to increase employer attractiveness and to ensure equal opportunities and diversity. The survey is conducted in cooperation with Great Place to Work® Germany. The results of the survey are used by the Company to discover more about the requirements and the satisfaction of its employees. In particular, employees repeatedly commended the fact that they were treated fairly at HUGO BOSS, irrespective of their sexual orientation or ethnicity. Overall satisfaction rose to 78% in 2022 (2021: 76%) ✓. The Company's goal is to maintain overall satisfaction of more than 75% on a sustained basis. In addition to the annual employee survey, HUGO BOSS carries out further **evaluation processes** for personnel management and occupational health and safety management, and organizes a range of internal and external audits. > [Partners](#) > [Annual Report 2022, Combined Non-Financial Statement, Employee Matters](#)

HUGO BOSS received several awards for its work in the area of Employees during the reporting period. > group.hugoboss.com

The defined targets, the status of their achievement and the implemented measures in the Employees field of action are also reported on in the Sustainability Program. > [Sustainability Program](#)

Employee Risks

Risks in personnel management can occur in various places: Insufficient training measures in work practices and specialist knowledge could, for example, have a negative impact on the productivity of employees and the effectiveness of their work. Within the context of diversity and equal opportunities, biased decisions during recruitment may mean that positions are not optimally filled and the full potential of the pool of applicants is not exploited. In terms of reconciling work and private life, a poor work-life-balance may lead to higher levels of absence. There is also the risk that the Company is regarded as an unattractive employer. HUGO BOSS takes a proactive approach to the risk of legal violations in connection with work standards and cases of discrimination, including in its own value chain. To reduce this risk, the Company has established preventative measures such as specific training and audits.

Employees

At the end of fiscal year 2022, 19,770² members of staff were employed by the HUGO BOSS Group (2021: 16,698).

03 | 01 EMPLOYEES BY REGION (HEADCOUNT)

	✓ 2022	2021	2020
EMEA	14,615	12,366	11,663
Americas	2,709	2,045	1,620
Asia/Pacific	2,446	2,287	2,248
Total	19,770	16,698	15,531

During the reporting year, for 88% of the workforce the working conditions were regulated through collective agreements with trade unions or operational employee agreements (2021: 84%).

Compared with the previous year, the gender quota remained almost the same.

03 | 02 EMPLOYEES BY GENDER AND REGION (IN %)

	✓ 2022		2021		2020	
	Women	Men	Women	Men	Women	Men
EMEA	60	40	60	40	59	41
Americas	46	54	49	51	49	51
Asia/Pacific	71	29	72	28	71	29
Total	60	40	60	40	60	40

8,060 new employees were hired in 2022 (2021: 4,403). The increase compared to the previous year is in line with the strategic claim "Organize for Growth", which is intended to ensure the successful implementation of "CLAIM 5". This development reflects in particular the strategic expansion of capacities at the production site in Izmir (Turkey) and the further strengthening of the global retail business and important central functions. 5,234 people left the Company (2021: 3,905).

03 | 03 NEW HIRES BY REGION¹ (HEADCOUNT)

	✓ 2022	2021	2020
EMEA	5,313	2,689	1,027
Americas	1,970	1,161	388
Asia/Pacific	777	553	418
Total	8,060	4,403	1,833

¹ Data does not include apprentices, interns, diploma students, agency staff.

² The value reported here relates to headcounts as of December 31, 2022 and forms the basis of the reported key figures. All employees were included unless otherwise noted. The figure published in the Annual Report (around 17,000), however, is based on a full-time equivalent (FTE) calculation.

When evaluating the employee termination rate, HUGO BOSS considers the retail and corporate³ areas separately. This enables the Company to derive differentiated statements about **employee retention** in the individual departments and to identify the individual need for action.

In total, the **employee termination rate** in the reporting year equated to 29%, representing a slight increase compared with the previous year (2021: 25%). The improvement of the COVID-19 situation had an impact on the dynamics of international labor markets, especially in retail. In 2022, employee-related turnover was 32% in the retail area (2021: 26%) and 9% in the corporate area (2021: 10%) ✓. The Company's goal is still to lower the level of employee-related termination. > **Sustainability Program**

03 | 04 TERMINATION RATE BY REASON AND REGION¹ (IN %) ✓

	EMEA	Americas	Asia/Pacific	Total ²
Termination by employee	15	42	23	19
Termination by employer	8	14	4	9
Redundancy	0	0	1	0
Retirement	1	0	0	1
Death, emigration	0	0	0	0
Total²	24	56	28	29

¹ Data does not include apprentices, interns, diploma students, agency staff.

² The total figure reflects the employee termination rate by weighted region. The weighting results from the different employee numbers in the regions.

03 | 05 EMPLOYEE-SPECIFIC TERMINATION BY REGION¹

	✓ 2022		2021		2020	
	Headcounts	in %	Headcounts	in %	Headcounts	in %
EMEA	1,981	15	1,505	13	1,056	10
Americas	1,024	42	716	38	378	25
Asia/Pacific	526	23	445	21	302	14
Total	3,531	19	2,666	17	1,736	12

¹ Data does not include apprentices, interns, diploma students, agency staff.

Through individual exit interviews, HUGO BOSS collects the reasons why its employees have left the Company. The Company wants to use the findings to improve employee retention and thereby reduce the employee termination rate.

At the end of the reporting year, a total of 92 workers were employed via personnel leasing who are deployed at logistics sites or in retail stores to absorb peak periods.

Further key figures on the employee structure can be found in the appendix. > **Further Key Figures and Information**

³ The corporate area includes all functions in the Company that are not allocated to its own retail business.

Fair Working Conditions

The **respect of human rights and applicable labor standards** form an integral part of the corporate culture at HUGO BOSS. This applies to all areas of its global business activities – from administration and its own production sites through to logistics and its own retail business. HUGO BOSS also pays attention to the protection of human rights and respect of labor standards at its suppliers. > [We](#) > [Partners](#) > [Annual Report 2022, Combined Non-Financial Statement, Respect for Human Rights](#)

Given the background of the already existing high labor standards at the Company's own locations, the focus here is on the topics of freedom of association, the prohibition of discrimination and fair compensation.

HUGO BOSS enables its employees globally to form or join **trade unions** and participate in collective bargaining within the scope of the respective national law. Employees receive information about their corresponding rights in compliance training courses and via the Group's Code of Conduct and Human Rights Policy. All the specified information sources are accessible globally. > [We](#) > group.hugoboss.com

HUGO BOSS consistently takes action against all cases of discrimination and violations of the freedom of association, the right to collective bargaining and the right to fair working conditions that come to light in the Company. The Company has **comprehensive complaint mechanisms** and various reporting channels for reporting such incidents. > [We](#)

During the reporting year, 20 **internal cases of discrimination** were reported (2021: 13). Of these, eleven incidents involved women, eight involved men, and one case was presented anonymously. In 2022, corrective actions were initiated and completed in twelve of the reported discrimination cases. The remaining eight cases have either not yet been completed or have not proved to be discriminatory ✓.

In addition to complaint management, open communication and enhancing awareness of discrimination are important tools for **ensuring equal opportunities and fair working conditions**. Accordingly, the topic of anti-discrimination is a regular part of the Group's compliance training. To further raise awareness among employees, an independent **anti-discrimination e-learning⁴** course was introduced. The e-learning is reviewed annually and, if necessary, adapted to current business-specific requirements. All employees worldwide were requested to participate in the training. 8,239 employees completed training in the reporting year 2022.

In its Human Rights Policy, HUGO BOSS has committed itself to paying at least the statutory minimum wage or a cross-industry reasonable wage that is sufficient to cover the cost of living. The Company is convinced that, beyond these minimum requirements, fair working conditions imply **transparent and performance-related remuneration**. Therefore, HUGO BOSS has set itself the goal of continuing to increase the fairness and competitiveness of its compensation system, and to guarantee its employees at a global level a fair compensation in line with market conditions. All positions worldwide are evaluated on the basis of standard criteria. This assessment enables a classification of compensation in line with market-based salary ranges, independent of gender or other diversity aspects. In cooperation with a renowned consultancy firm,

⁴ E-learnings are online trainings that employees carry out independently.

HUGO BOSS published a global **Fair Pay Commitment** at the beginning of 2023 and will gradually introduce it worldwide. In doing so, the Company is focused on a continuous improvement process. > [Annual Report 2022, Combined Non-Financial Statement, Respect for Human Rights](#)

All employees in Germany are involved in the success of the Company through a variable remuneration component, which is linked to the achievement of the Company's objectives. In order to increase awareness of social and environmental matters, in particular at upper management level, **sustainability aspects** including employee satisfaction form fixed components of the **long-term management compensation**. HUGO BOSS also makes an important contribution towards the **company pension** of its employees. Its scope and conditions differ from country to country. Within Germany, HUGO BOSS offers the same company pension for all employee groups. The Company also supports its employees beyond the employment relationship. HUGO BOSS offers targeted programs in Germany for employees who are planning to retire. This includes a **partial retirement program** under which they continue to enjoy Company benefits such as free access to the fitness studio and the staff restaurant.

In order to offer its employees an additional incentive, HUGO BOSS has introduced an **employee share purchase plan** in the first quarter of 2023. This gives full-time employees across a large number of locations the opportunity to purchase a certain number of HUGO BOSS shares in regular intervals at a discount, and thus participate directly in the Company's success.

Additional benefits for HUGO BOSS employees relate to health protection, accident and incapacity to work insurance, maternity leave and other offers such as parental leave and subsidies for further training measures. > [Annual Report 2022, Employees and Teams](#)

Diversity, Inclusion and Equal Opportunities

The **diversity of the employees** at HUGO BOSS is a **natural component of the corporate culture**. By joining the Charter of Diversity in 2008, HUGO BOSS committed itself to providing all employees with a working environment that is free of discrimination and to enabling equal opportunities. Furthermore, the Company is committed to gender equality. To reinforce this, all Group companies worldwide signed up to the **Women's Empowerment Principles** of the United Nations. The **Diversity Task Force** plays a key role in implementing the commitments that HUGO BOSS has undertaken. Its task is to intensify diversity awareness and highlight its value throughout the Company. It is for this purpose that the Diversity Task Force has established several working groups to implement awareness and qualification measures. In 2022, for example, it demonstrated support for the "Pride" month of June with visual installations on the campus in Metzingen (Germany). In addition, in the reporting year, a special "Pride" capsule collection was launched on the market in order to increase the visibility of the topic to customers as well. To further develop its corporate culture and to keep it free of prejudices and stereotypes, HUGO BOSS launched the **BREAKTHEBIAS awareness-raising campaign** as part of International Women's Day 2022. The Company has set itself the goal of ensuring that all employees have completed training on the topic of "Overcoming Bias for Business Success" by 2024. In the reporting year, the Managing Board and several members of top management as well as employees working in talent acquisition and talent management were trained.

In addition, HUGO BOSS also formed groups at a global level to encourage employees to become proactive in their free time with matters that concern them personally and to join together to put forward their own topics for discussion. These **HUGO BOSS CREWS** give employees the chance to further develop their talents away from hierarchies and formal channels, and to share special interests or life experiences. With this concept, as well as **regular employee events**, the Company is pursuing the objective of combating silo mentalities and fostering openness, self-engagement and a feeling of belonging among employees.

As a contribution toward equal opportunities, HUGO BOSS helps its employees reconcile their **private and professional lives**, for example to cope with family duties or childcare. The Company generally grants the minimum legal rights. In addition, HUGO BOSS provides parental leave benefits in excess of the statutory minimum at the international locations in Switzerland, Great Britain and Hong Kong. Special leave of one to three days is also granted when an employee gets married or enters a civil partnership, for the birth of a child and other family and private events. The Company also contributes to the childcare costs of all employees in Germany. With the **Threedom of Work** working model, the Company enables administrative staff in Germany to freely choose their workplace two days a week. Similar offers also exist at other sites outside of Germany. In addition to existing part-time models, HUGO BOSS has also been offering **job-sharing and co-leadership models** since 2022. Two employees share one position or a management position. At the Group headquarters in Metzingen (Germany), HUGO BOSS is also expanding its services for employees with children by **constructing its own daycare center**, with an operational start in February 2023. To ensure the inclusion of employees who have specific requirements due to special physical limitations, the Company also practices an uncomplicated, barrier-free meeting policy. > **Annual Report 2022, Combined Non-Financial Statement, Employee Matters**

At 60%, women account for the majority of the workforce. At the four management levels, 50% of the positions were held by women in 2022 (2021: 50%). In 2022, the Supervisory Board was made up of 42% women (2021: 42%) ✓. In the future, HUGO BOSS intends to increase the **proportion of women in upper management levels**. Accordingly, the Company has set a target gender quota of at least 40% women in the first management level below the Managing Board (top management), to be achieved by 2025. The proportion in the reporting year was 28% (2021: 29%) ✓. Furthermore, HUGO BOSS has set a target gender quota of at least 50% women in the second management level below the Managing Board (middle management), to be achieved by 2025. The proportion of women at this level in 2022 was 46% (2021: 45%) ✓. > group.hugoboss.com

03 | 06 EMPLOYEES BY MANAGEMENT LEVEL AND GENDER (IN %)

	2022		2021		2020	
	Women	Men	Women	Men	Women	Men
Managing Board	0	100	0	100	0	100
Top management	28	72	29	71	25	75
Middle management	46	54	45	55	45	55
Management	52	48	52	48	52	48
Total	50	50	50	50	50	50

Further information on the topic of diversity and equal opportunities is available on the Group's website.

> group.hugoboss.com

Vocational Training and Employee Development

HUGO BOSS regards **vocational training and employee development** as an important **contribution to securing its future**. For this reason, the Company attaches great importance to ensuring that its employees are able to keep their knowledge up to date at all times. In addition to subject-related training courses, training on social skills is also offered. This is intended to promote an **appreciative, cooperative and performance-oriented corporate culture**. HUGO BOSS also offers school leavers, students and people at the beginning of their careers a variety of different training programs. > group.hugoboss.com > **Annual Report 2022**,

Employees and Teams

It is very important to HUGO BOSS to identify the **performance and development potential** of its employees in a comprehensible and fair manner, and use this information for individual development planning. For this purpose, HUGO BOSS introduced the Performance & Development Dialog (PDD) for all corporate and retail employees worldwide.

With the assistance of the PDD, HUGO BOSS carries out a comprehensive, transparent **assessment of employees in terms of performance and potential**. Based on this assessment, the Company offers personalized development opportunities to each employee.

03 | 07 EMPLOYEES WITH PERFORMANCE APPRAISALS BY REGION (IN %)

	2022	2021	2020
EMEA	83	73	80
Americas	94	39	63
Asia/Pacific	90	99	92
Total	85	73	80

HUGO BOSS offers special **personnel development programs** that are based on the Company's values in order to promote high achievers in a targeted manner: These include the Employee Development Program (EDP), the Leadership Development Program (LDP), and the High Potential Program (HIPOSS). EDP is about empowering employees in their first leadership or senior role. The LDP prepares employees for the next higher level of leadership, which is increasingly about strategic approaches and leading of leaders. The HIPOSS, which was newly launched in autumn 2022, is aimed at selected high potentials at the top management levels throughout the Group. Through a combination of group and individual development measures, they are prepared for cross-functional leadership roles in top management positions worldwide. The topic of trusting and supportive leadership is of particular importance in the program.

HUGO BOSS offers further development programs alongside those mentioned above for employees and managers at its international locations. The HUGO BOSS training program also consists of physical **training and e-learning courses** for the further development of social, technical and leadership skills.

Based on the positive experiences with digital formats, a large number of training courses were also conducted as virtual training in 2022. All online, physical trainings and e-learning courses are offered via the **internal training platform, the HUGO BOSS University**. This means that uniform training content can be shared globally. The physical training courses are also increasingly being digitalized so that they can be accessed at any time, allowing participants to tailor training times to their own requirements. In addition, a free online library was established in the reporting year, which provides employees with e-books and audio books as well as virtual training at any time, independent of location. In 2022, HUGO BOSS organized 3,686 on-site training sessions across the Group (2021: 2,403). The Company's aim is to guarantee at least 15 training hours per employee per year; in the reporting year, all employees globally completed an average of around 14 training hours each. > **Further Key Figures and Information**

03 | 08 TRAINING BY TYPE (NUMBER)

	2022 ¹	2021	2020
Face-to-face training courses ²	3,686	2,403	1,342
Employees who participated in e-learnings	13,007	10,717	7,876
Successfully completed e-learnings	133,136	123,414	40,955

¹ The data that the figure is based on has changed and includes OHS and compliance training in the 2022 reporting year, and is therefore not comparable to the figures for the previous year.

² Face-to-face training in both physical and online formats.

To promote its **young talents**, HUGO BOSS also works closely with regional, national and international universities and other vocational training institutions. In collaboration with them, the Company offers a wide range of industrial, technical and commercial **apprentices** as well as dual **studies**. In light of the increasing shortage of specialists, the Company is therefore making an important contribution to securing a successful future. > **Annual Report 2022, Employees and Teams**

Occupational Health and Safety

The prevention of occupational accidents and the protection of employee health are central goals of HUGO BOSS. The Company runs a **comprehensive OHS program** to manage the areas of occupational health and safety. It is based on legal requirements and, in addition to its own employees, also includes employees who work for HUGO BOSS through personnel leasing agreements (contractors). The Company also decided to **introduce a management system in accordance with ISO 45001**. In the course of this, procedures for employee participation in the development, implementation and performance evaluation of the system will also be developed.

Occupational Safety

The **Health and Safety Committee** that convenes every quarter is of fundamental importance for occupational safety at HUGO BOSS. It is composed of employer representatives, the works council, the company doctors, the safety officers and members of the occupational health and safety teams. The committee discusses occupational safety issues, shares technical information among its members, formulates protection goals and defines preventive measures to be implemented. Due to the COVID-19 pandemic, the meetings of the first half of 2022 were suspended and made up in the second half of the year in a joint meeting with all relevant departments and, in addition, in several meetings with the respective target groups concerned. In order to meet the different requirements of the corporate, retail and logistics sectors, these meetings were held together with the departments in the form of a workshop for the first time. The respective employer representatives present and the works council are authorized to make decisions. HUGO BOSS also uses a range of OHS instruments to ensure the occupational safety of all employees, including contractors. For example, the Company carries out regular **health and safety inspections** involving occupational safety specialists, company doctors, management, the works council and, if necessary, external experts. Furthermore, the occupational safety team and the company doctors support all departments in the preparation of **risk assessments** in order to be able to identify and evaluate potential hazards in good time and to take suitable precautionary measures.

HUGO BOSS operates a **reporting system** in order to be able to respond to dangerous situations as effectively as possible. Within its framework, employees and contractors are required to report hazards and cooperate in risk assessments. The Company's **Health & Safety Commitment** also encourages employees to behave responsibly with regard to their own health and safety and that of others, and to report any abuses that occur. In the event that risks or hazards have been identified, a defined process of technical, organizational and personal **protective and preventive measures** is specified, starting with the elimination of the source of the hazard. Assigned first-aiders, safety officers and fire protection assistants ensure that all reporting channels and basic conditions to avert hazards are observed and that processes run smoothly. > group.hugoboss.com

The Company employees are also trained regularly on protection and safety in the workplace. Administrative and retail employees complete standardized **OHS e-learning courses**. In addition, all commercial employees in administration, retail and at the Company's own production and logistics sites must take part in **workplace-related training**. Contractors receive workplace-specific briefings as well as general instructions from supervisors. They are also provided with site-specific safety information. In addition, HUGO BOSS organizes regular training courses (initial training and refresher courses) for its fire protection assistants and assigned first-aiders. Employees receive information on occupational health and safety through various channels including the Intranet, e-learning courses and briefings.

Despite the high standards and observation of the duty of care, in 2022 there were 229 (2021: 209) **accidents** involving employees, each of which resulted in absence of at least one working day. The total number of lost working days was 3,032 (2021: 3,244) and therefore the absentee rate⁵ was 0.1% (2021: 0.1%). Furthermore, there were no occupational accidents involving contractors (2021: 0) ✓. The Company aims to further reduce the number of accidents at work. > [Sustainability Program](#)

03 | 09 ACCIDENTS AND COMMUTING ACCIDENTS AND CORRESPONDING ABSENTEE DAYS BY REGION¹ (NUMBER)

	Accidents at work ≥1 lost day ²			Commuting accidents ≥1 day of absence			Absentee rate		
	✓ 2022	2021	2020	✓ 2022	2021	2020	✓ 2022	2021	2020
EMEA	147	124	87	52	33	29	2,756	2,689	1,677
Americas	19	17	13	5	8	2	178	500	504
Asia/Pacific	6	26	10	1	1	1	98	55	205
Total	172	167	110	58	42	32	3,032	3,244	2,386

¹ As of the 2021 reporting year, the data for occupational accidents and commuting accidents will be shown separately. Previously, commuting accidents were included with occupational accidents. Accordingly, the figures differ compared to the previous reports. A working day corresponds to eight hours.

² If event accidents (accidents that occurred at company events) are recorded as occupational accidents pursuant to local framework conditions, these are included in the data capture.

03 | 10 LOST TIME INJURY FREQUENCY RATE (LTIFR)¹

	✓ 2022	2021	2020	2019
Accident frequency rate for employees	6.1	7.1	5.2	6.3
Accident frequency rate for contractors	0	0	0	0

¹ The lost time injury frequency rate measures the number of accidents at work with at least one lost day per million hours worked. The weighted average FTE in the reporting year forms the basis for this. The previous year's data differs from the previous reports, as commuting accidents have been excluded since the reporting year 2021 and the previous year's values have been adjusted accordingly.

HUGO BOSS has implemented various measures to provide its employees with protection during the COVID-19 pandemic. In the reporting year, due to the continuously evolving protective measures, employees of the headquarters in Metzingen (Germany) had once again the opportunity to be vaccinated in the in-house vaccination center. HUGO BOSS continues to regularly inform its employees about new findings, measures and advisory services relating to the pandemic, as well as Company-specific and division-specific topics via its interdisciplinary crisis management team.

⁵ The absentee rate shows the number of absence days due to occupational accidents in proportion to planned working days.

Occupational Health

The strengthening of the **physical and mental health** of employees is an important matter for HUGO BOSS. To this end, the Company provides its employees with a wide range of diverse offerings as part of its **operational health management**. The topics range from physical and mental fitness, nutrition and the ergonomic workstation design to target group-specific offers such as breaks to engage in movement, massages and individual advice for commercial employees. Contractors who work mainly in the office also benefit from ergonomic workstations. In the canteen, HUGO BOSS offers healthy, varied food for both employees and contractors. In addition, HUGO BOSS provides its own sports facilities and fitness studios at several international sites and offers movement-based courses. The training takes place either in-person whilst observing the required hygiene measures, or in a digitalized format. HUGO BOSS **traditionally organizes "Health Days"** at its headquarters in Metzingen (Germany) and at some international locations. Some of these have not been possible since the outbreak of the COVID-19 pandemic, but will be resumed next year.

At many locations, **operational health management** is coordinated by designated responsible employees. In addition, **occupational medical care** is available at the headquarters in Metzingen (Germany) and at other international locations, which contractors can also benefit from. Furthermore, at some locations HUGO BOSS offers its employees the opportunity to have regular health checks. > group.hugoboss.com > **Annual Report 2022, Employees and Teams**

In the reporting period, the number of sick days amounted to 145,275 (2021: 108,926). The sickness rate⁶ increased to 3.8% (2021: 3.2%). There were no work-related illnesses at HUGO BOSS, as was also the case in the previous years ✓.

⁶ The sickness rate shows the number of days of absence due to illness in proportion to planned working days. The weighted average FTE in the reporting year forms the basis for this.

4 PARTNERS

ACHIEVING JOINT RESPONSIBILITY

**GOODS FROM FINISHED GOODS SUPPLIERS
WITH AT LEAST "SATISFACTORY" IN THE SOCIAL AUDIT**

97%

2022

99%

2021

96%

2020

**VALID SOCIAL AUDITS
WITH A "GOOD" RESULT**

65%

2022

68%

2021

58%

2020



In addition to manufacturing at HUGO BOSS' own production sites, goods are sourced from numerous suppliers around the globe. The Company works with its suppliers to ensure the well-being of suppliers' employees. In doing so, HUGO BOSS is committed to the protection of human rights and labor standards in its value chain, and promotes healthy workplaces among its partners. The Company is also committed to protecting the environment in its production countries and is working to decrease the environmental footprint of its own and third-party production facilities. Key fields of action in this regard are climate action in production and the responsible handling of chemicals. HUGO BOSS has defined the tasks for the Company and its partners arising from this commitment in binding guidelines. With its commitment, the Company is also making a contribution to achieving **Sustainable Development Goals (SDGs) 6, 8, 12, 13, 14, 15 and 17.**

Management Approach

As a responsible company with international production activities and business operations, **sustainable design of sourcing and production processes** is of fundamental importance at HUGO BOSS. These processes range from **extraction of raw materials** to **processing and finishing of materials** to the **production of the final product**. From a sustainability perspective, these process stages differ in particular in terms of their environmental impacts. Raw material production and wet processes such as dyeing, tanning or bleaching are usually associated with substantial environmental impacts. There may also be risks in the areas of human rights, employee rights and health at all stages. HUGO BOSS only has limited influence on many of these environmental and social impacts. As a result, the Company relies on **close cooperation** with its partners, who directly control these processes, and focuses on upstream value-adding stages, in particular on a **continuous increase in transparency**. HUGO BOSS also requires its partners to integrate sustainability aspects into their own supply chains.

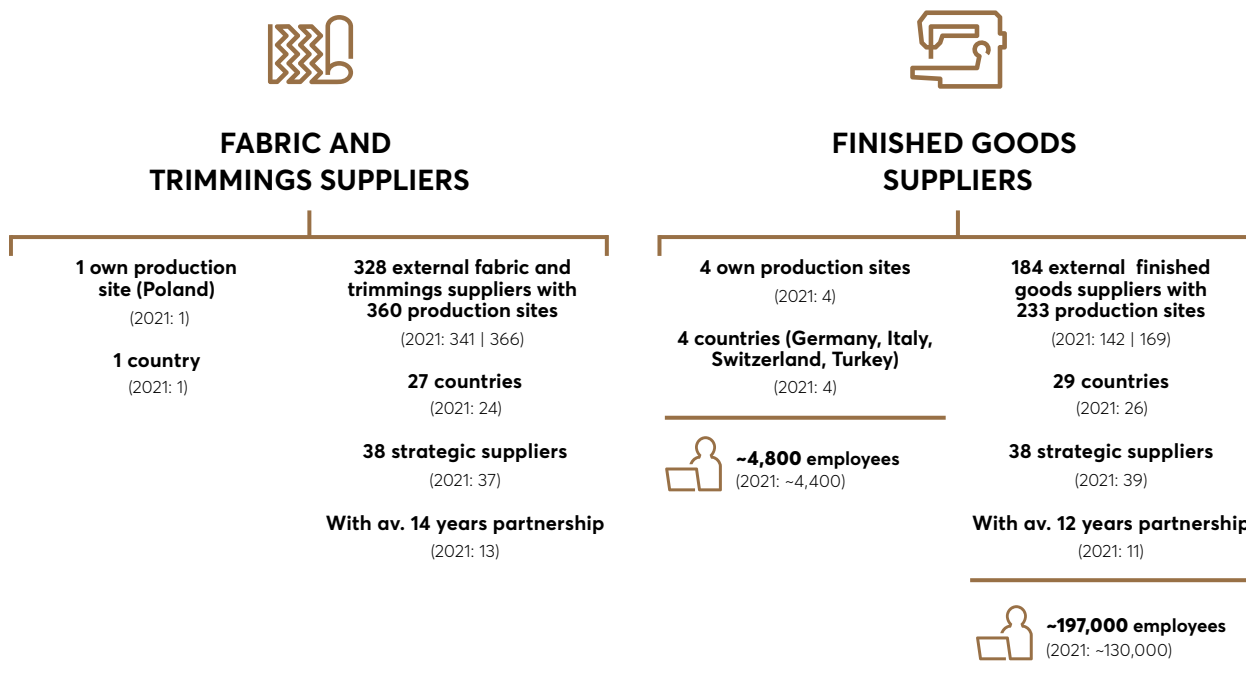
04 | 01 SUPPLY CHAIN STEPS AT HUGO BOSS



In terms of managing supplier-related sustainability issues, HUGO BOSS classifies its suppliers into two groups: finished goods suppliers, and fabrics and trimmings suppliers. HUGO BOSS understands the term **finished goods suppliers** to mean its own production facilities, its contract manufacturing partners and producers of merchandise. The Company purchases shell fabrics as well as buttons, yarns and other materials for its own manufacturing and contract manufacturing from **fabric and trimmings suppliers**.

HUGO BOSS sources **14% of its total procurement and production volume** from its **own production sites** (2021: 17%). With these finished goods, the Group covers a large part of its product range of formal wear in the men's and women's segment and increasingly also in the casual sector. At **86%**, the majority of the sourcing volume is accounted for by **products manufactured by independent suppliers of contract manufacturing or that are purchased as full merchandise** (2021: 83%). The following diagram provides an overview of the structure of the sourcing and production activities of HUGO BOSS. > [Annual Report 2022, Sourcing and Production](#)

04 | 02 HUGO BOSS SOURCING AND PRODUCTION ACTIVITIES



As part of its sourcing strategy, HUGO BOSS focuses on **long-term, trusting supplier relationships to ensure further joint development**. The Company has a structured supplier management system that ensures that its products are always produced to **high quality standards** in compliance with **strict sustainability requirements** and are available on time at the points of sale. By doing so, the Company wants to generate appropriate added value for everyone involved. In this context, HUGO BOSS has set up a **Supplier Financing Program** to secure its suppliers and support them in the long-term. The program gives the Company's partners the opportunity, if necessary, to settle their financial receivables more quickly and to ensure their solvency.

The Company pursues a multi-year plan with its suppliers in line with the concept of long-term relationships. As part of the plan, HUGO BOSS performs a **strategic supplier assessment** twice a year in order to determine the distribution of order volumes among different partners. In this assessment, **sustainability criteria** are evaluated in addition to **cost, quality and delivery reliability**. Suppliers with a good supplier assessment receive preferred treatment in their cooperation with the Company. In addition to this performance incentive, HUGO BOSS supports improvement processes through close interaction and joint development of expertise (for example in the area of quality and efficiency). The Company engages in particularly close cooperation with strategic, i.e. especially large, strong suppliers or suppliers which are of particular importance due to their unique manufacturing capabilities.

In order to minimize potential procurement risks (e.g. supply bottlenecks), HUGO BOSS relies on a **stable network of partners** in different regions. The Company **analyzes and takes into account the country risks that exist on site when selecting its suppliers**. In addition to quality, price structure and compliance with specified social and environmental standards, further selection criteria include availability of certain certificates or the qualification of the supplier to produce particularly sustainable collections (RESPONSIBLE styles) for the Company.

The Company focuses on long-term cooperation and only actively separates itself from its partners in justified cases. If HUGO BOSS separates from a supplier, it takes action in a planned, responsible manner. The aim is to give the supplier enough time to adapt to the new situation. This is accomplished by reducing order volumes step by step, so that the supplier can gradually acquire larger orders from other customers to utilize its capacity. This is documented in the **Responsible Exit Factsheet**.

At HUGO BOSS, **responsibility for environmental, social and human rights issues in the supply chain** lies with the Chief Financial Officer/Chief Operating Officer. At the strategic level, the Sustainable Supply Chain Management department draws up central specifications and standardized supplier management processes. At the operational level, units from the areas of Brand & Creative Management and Business Operations cooperate with the suppliers and are responsible for ensuring that they comply with the specifications. Managers are constantly interacting to ensure that processes meet business requirements and comply with them. The results of the work are the subject of regular reports to the Managing Board.

The Company's **Supplier Code of Conduct** is an important framework for **responsible structuring of its procurement activities**. It regulates the handling of significant social and environmental issues within the Company and forms the basis for business cooperation throughout the entire supply chain. The Supplier Code of Conduct is binding and publicly available to all employees at the production sites of HUGO BOSS and to all employees of its suppliers. Each supplier must formally recognize the Supplier Code of Conduct, which is documented by a system. The Code is available in 30 languages, meaning that most suppliers in the Company's procurement regions can access it in their official language. In addition, in the reporting year HUGO BOSS compiled a simplified short version of the Supplier Code of Conduct, which will be made available to suppliers for display in their production facilities. This one-pager is also available in 30 languages and contains information and a QR code on the complaint mechanism. The company hopes this will reduce possible barriers to the use of the complaint channels. > group.hugoboss.com

The provisions are based on **internationally recognized standards**, such as the core conventions of the International Labour Organization (ILO), and also take into account the principles of the Fashion Industry Charter for Climate Action of the United Nations Framework Convention on Climate Change (UNFCCC). Through its Supplier Code of Conduct, HUGO BOSS also demands **compliance with human rights** throughout the entire supply chain. This means that suppliers are obligated to share these requirements with their upstream suppliers and their partners and to check observance of the requirements in an appropriate manner. The code also contains provisions on anti-discrimination and equal opportunities as well as freedom of association and collective bargaining. In addition, the Supplier Code of Conduct commits suppliers to adopt a continuous improvement approach in areas including **energy consumption, greenhouse gas emissions, chemicals management** and **wastewater**. It also states that **no form of corruption** whatsoever is **tolerated** at HUGO BOSS. For countries where the national legislation is inadequate, the Supplier Code of Conduct defines the Company's own minimum binding requirements.

Other publicly available policies are also relevant to the supply chain management: For example, the HUGO BOSS **Environmental Policy** contains its standards and requirements for issues such as energy and water consumption, greenhouse gas emissions and waste management. The Company also laid down specific rules for the handling of chemicals in the production process in its **Chemicals Management Policy**.

To emphasize the great importance of human rights in the HUGO BOSS supply chain, the Company has also adopted a binding and publicly accessible **Human Rights Policy** for all employees and partners. This is based on the **Human Rights Statement** which has been updated by the Managing Board in 2023. In 2022, HUGO BOSS also published a **policy against discrimination and harassment**, which calls on partners to create a culture of work that is free of discrimination and harassment and to promote gender equality.

> [We > group.hugoboss.com](https://www.group.hugoboss.com)

For many years the Company has been monitoring compliance with its environmental and social standards and supports its partners to implement a sustainable corporate governance. Since 2021, environmental and social issues in the supply chain have been covered jointly through the **Supply-Chain-Sustainability-Program (SCS-Program)**.

A **factsheet** containing all of the important **information on supply chain management** as well as **lists of finished goods, fabric and trimmings suppliers** producing for HUGO BOSS can be found on the Company website. At the beginning of 2022, the Company made the list of fabric and trimmings suppliers available to the public for the first time. By providing its supplier data on the **Open Supply Hub platform**, HUGO BOSS is also contributing to increased transparency in the textile industry in general. > [group.hugoboss.com](https://www.group.hugoboss.com)

The Sustainability Program also reports on the goals set, the status of their achievement and the measures implemented in the area of partners. > [Sustainability Program](#)

Supply Chain Risks and Compliance with Due Diligence Process

HUGO BOSS is aware that its international procurement activities are associated with sustainability risks in addition to commercial and financial risks. It cannot be guaranteed that suppliers will comply with the legal requirements specific to HUGO BOSS or locally applicable requirements, for example with regard to human rights, labor or environmental standards. These result in special **due diligence obligations** for HUGO BOSS **along the supply chain**. To comply with these obligations, the Company conducts a clearly defined **due diligence process** as part of its risk management. HUGO BOSS makes a fundamental distinction between risks relating to its own operations, those that arise along the supply chain, and those relating to the environment and society.

In addition, the Company creates special **country scorecards** in order to be able to evaluate and manage country-specific social and environmental risks in its supply chain. The human rights situation in the countries is also assessed. Countries whose scorecards show a very high human rights risk are excluded as procurement markets for the Company.

The following diagram shows examples of the supply chain risks to the Company identified in its due diligence process.

04 | 03 SUSTAINABILITY RISKS IDENTIFIED IN THE SUPPLY CHAIN

Violations of human rights	Non-compliance with environmental standards
<ul style="list-style-type: none"> • Child and forced labor • Discrimination, sexual harassment, gender-specific violence • Exceeding permitted work hours/working time violations • Risks to health and safety at the workplace • Restriction of freedom of association/collective bargaining • Unfair compensation • Corruption 	<ul style="list-style-type: none"> • Pollution of drinking and wastewater through the use of chemicals • Contributions to climate change • Threats to biodiversity • Inefficient use of resources • Air pollution • Soil pollution

In the reporting year, HUGO BOSS updated its **human rights risk analysis** in order to comply with the requirements of the German Supply Chain Act on Corporate Due Diligence Obligations. Details can be found in the chapter We. > [We](#)

More information on identifying human rights risks, monitoring of human rights compliance and resolving human rights violations can be found on the Company's website. > group.hugoboss.com

Supplier Selection

For rigorous supply chain management, it is important that HUGO BOSS chooses its partners carefully from a sustainability perspective. The **supplier selection** at HUGO BOSS is carried out in **three stages**: First, every potential supplier is required to answer a **questionnaire** covering social, environmental and compliance issues, among other topics. HUGO BOSS checks this information carefully before moving to the second stage, which is **contract drafting**. A formal recognition of the Supplier Code of Conduct is a fixed and mandatory component of the contractual agreement. Potential suppliers must also successfully complete an online training course on social responsibility and environmental – as well as chemicals management. The third phase focuses on **verifying social compliance**. All suppliers must submit valid certificates for examination before starting an active business relationship or submit a self-assessment questionnaire (SAQ). In the reporting year, all potential new suppliers were reviewed according to these procedures ✓. Four of them showed irregularities, which is why HUGO BOSS did not enter into a business relationship with these suppliers. For newly admitted finished goods suppliers who pass the selection procedure, HUGO BOSS conducts a social audit on site after six or twelve months, depending on the country's risk.

Supply-Chain-Sustainability-Program

In order to comprehensively manage the risks mentioned above in existing supplier relationships, HUGO BOSS introduced its **SCS-Program** in 2021. The Company's previous Social Compliance Program and Environmental Program are now integrated into this.

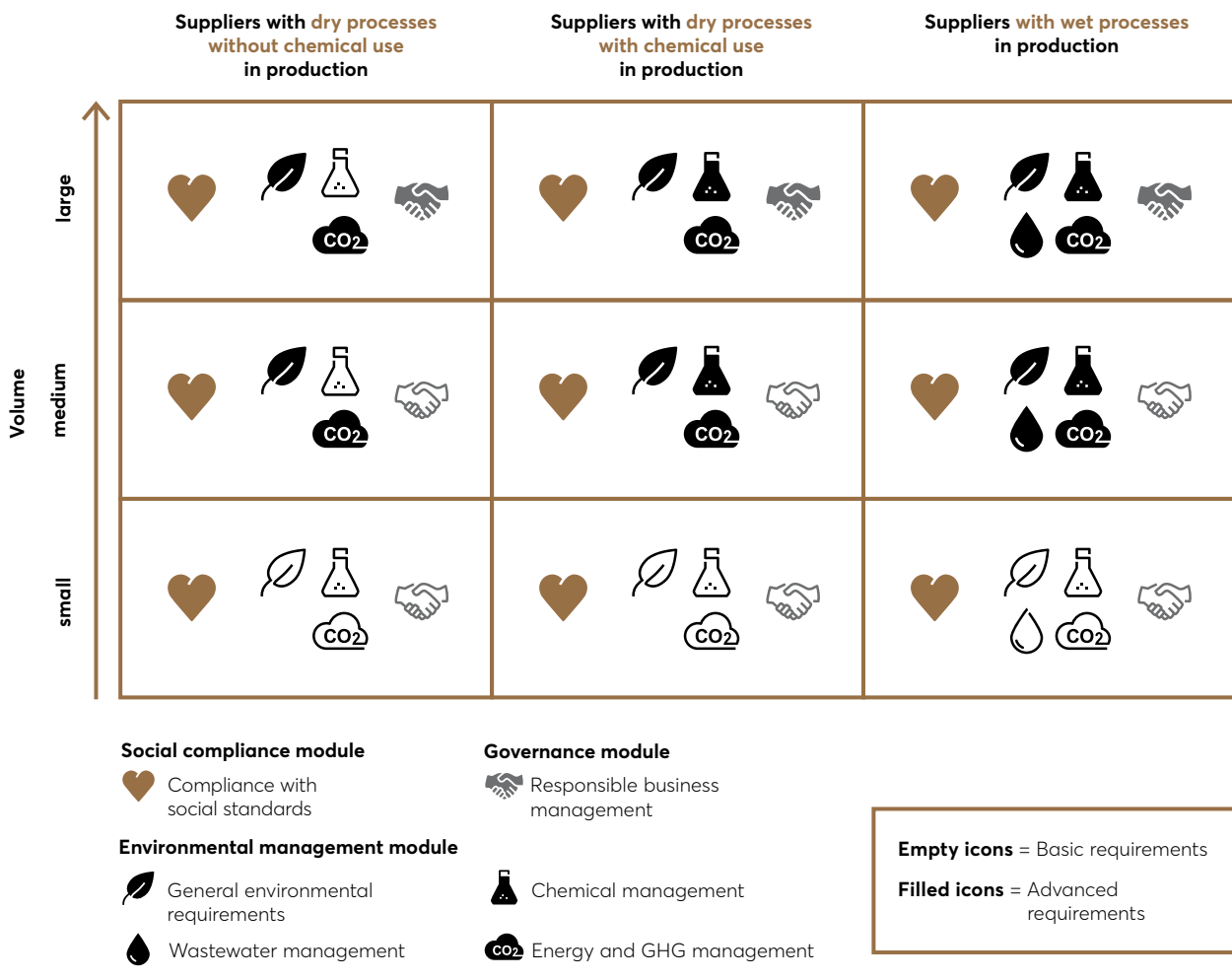
The SCS-Program will initially be applied to all suppliers from which the Company directly purchases finished goods or fabric and trimmings. In the medium-term, all contractual partners are to be included as well as the fabric and trimmings suppliers nominated by the Company who supply materials not to the Company itself but to its finished goods suppliers.

The **SCS-Program consists of three modules**: social compliance management, environmental management and governance, each with different content building blocks. HUGO BOSS is using the **Social Compliance Management module** to create a binding framework for fair working conditions and human rights in its supply chain. This includes the elimination of child and forced labor, reasonable wages, and the right to freedom of association. The **Environmental Management module** focuses on measures to limit climate change, protect water and soil, and prevent air pollution. The goal of the **Governance module** is to provide suppliers with tools that enable them to take on increasing responsibility for their own supply chain in accordance with the regulations in the Supplier Code of Conduct, while reducing their own environmental and social supply chain risks. The provisions of the Supplier Code of Conduct are essential components of the requirements in all three modules.

In order to manage the sustainability risks that occur in the individual process stages of the textile supply chain in a meaningful and appropriate manner, the Company divides its suppliers into clearly **defined clusters** for the SCS-Program. For this categorization, the Company considers the existing **country risk**, the **volume** of the supplier as well as the **processes implemented at the supplier**, which HUGO BOSS distinguishes as

follows: **Dry processes without the use of chemicals** such as cutting or sewing, **dry processes with the use of chemicals** such as the gluing of shoe soles and **wet processes** such as dyeing or bleaching. Depending on which cluster a supplier is assigned to, different (basic or extended) requirements apply to it, as shown in the following diagram. There are differences, above all, with regard to the environmental standards defined by HUGO BOSS, while the social standards apply to all suppliers to the same extent.

04 | 04 CLUSTER OF THE HUGO BOSS SUPPLY-CHAIN-SUSTAINABILITY-PROGRAM



Social Compliance Management Module

HUGO BOSS uses the **Social Compliance Management module** to check to what extent the standards set out in its Supplier Code of Conduct, which applies to all suppliers to the same extent, are being complied with. As part of this module, the Company conducts **regular social audits** or collects **SAQs** for review. In addition, if a supplier has been ranked in one of the two best outcomes categories in three consecutive audits, the **Remote Risk Assessment (RRA)** is used. In this case, the RRA implemented in the form of a questionnaire can replace the next scheduled audit, depending on its result.

Social audits are carried out especially for **finished goods suppliers**. In 2022, 82% were conducted by **external auditors**, and the remainder were conducted by **internal auditors**. Due to the ongoing COVID-19 pandemic, unannounced audits were not possible in the reporting year. Against this background, the reviews were only carried out on notice. In general, the Company plans to reinstate unannounced audits. The audits examine items such as issues relevant to human rights, for example, child and forced labor, discrimination, exceeding maximum work hours, employee co-determination, or standards relating to occupational safety and employee health. An important test point for employee health, for example, is free access to clean drinking water. In the same framework, interviews with employees are also held and business cards with information on the complaint channels are distributed. Following the audit, all audited suppliers receive a detailed report.

If, during the inspection, violations of the Supplier Code of Conduct are apparent, HUGO BOSS develops **corrective action plans** together with the affected suppliers. The corrective action plan implementation is accompanied by a structured process and verified by follow-up audits. If there are insufficient improvements or if the supplier refuses to cooperate regarding the identified issues, HUGO BOSS may, as a last resort, terminate the supplier relationship after conducting several reviews.

Relevant HUGO BOSS employee groups, for example from the operational sourcing units, are regularly **trained on the content of the Supplier Code of Conduct and Social Compliance Management**. This makes them aware of the requirements placed on suppliers so that they can, for example, advise and help suppliers to implement action plans.

Since 2018, the Company's **Social Compliance Management** module has been **accredited by the Fair Labor Association (FLA)** multi-stakeholder initiative. The FLA also checks compliance with its standards through independent audits, and the results of this are also used by HUGO BOSS to manage its supply chain management.

HUGO BOSS has set itself the goal, by 2025, of sourcing all of its goods, measured by sourcing volume, from finished goods suppliers (including its own production sites) with one of the top two performance levels ("good" or "satisfying") in the most recent audit. In 2022, this figure was 97% (2021: 99%) ✓. Based on this, the Company has decided that by 2025, 80% of its goods – measured by sourcing volume – will only be sourced from finished goods suppliers (including its own production sites) who performed at the highest level ("good") in the last social compliance check (proven by an audit, SAQ or certificate of an external social compliance standard). In 2022, the corresponding share was 52%, based on a total of 224 social compliance checks at 213 suppliers (including own production sites) ✓. Due to the update of the SAQ during the course of the year, this value is only comparable to the previous year's value to a limited extent (2021: 68%). > **Sustainability Program**

The following overview shows the current performance level of finished goods suppliers regarding social compliance. It refers to all valid audits. Some of these audits were also carried out before January 1, 2022. In the reporting year, the proportion of finished goods suppliers covered by a valid audit was 90% (2021: 90%) ✓. An audit is valid if a (follow-up) audit has been carried out in the previous 24 months in accordance with the result-dependent audit frequency, the supplier has been included in a "Remote Risk Audit (RRA)" cycle (validity of the audit for 36 months) or a "low-risk" RRA has been present. The proportion of suppliers with "good" or "satisfying" performance decreased from 96% to 90% in comparison to 2021 ✓. The decrease is

due to the inclusion of new suppliers in the reporting year, which do not yet meet the high requirements and will develop in these areas in the future. Of the finished goods suppliers audited in 2022, 19% (2021: 19%) were able to improve their result compared to the last audit; 42% (2021: 42%) again achieved a good result.

04 | 05 SOCIAL COMPLIANCE PERFORMANCE STATUS OF FINISHED GOODS SUPPLIERS¹ (IN %)

	✓ 2022	2021	2020
Good	65	65	58
Satisfying	25	31	33
Improvements needed	10	3	7
Risky	0	0	1
Insufficient	0	1	1

¹ The table refers to the valid audits of the production sites of active finished goods suppliers (including our own production sites).

Good = The supplier establishes necessary activities for safe, fair working conditions in its management and takes its own social responsibility very well. – Follow-up audit usually after 24 months.

Satisfying = The supplier recognizes the need for activities for safe, fair working conditions and establishes processes and activities to be implemented. – Follow-up audit usually after 18 months.

Improvements needed = The supplier is aware of the need for safe working conditions, but consistent implementation of the relevant activities in daily practice and for the employees is lacking. – Follow-up audit after six months.

Risky = The supplier is aware of social compliance requirements. However, management does not feel that implementation is important and allows abuses to occur. – Follow-up audit after three months.

Insufficient = Management is not aware of the topic of social compliance or is unwilling to address it and deal with any recognizable weaknesses in management. There is an immediate threat to employees. – Follow-up audit after three months.

The violations of the Supplier Code of Conduct discovered during the social audits in the reporting year related in particular to deficits in working hours, as well as some cases of inadequate social compliance management and individual cases in the area of employee treatment and occupational safety. In the reporting year, **no cases** were known for specific topics such as **child and forced labor**, for which HUGO BOSS pursues a **zero tolerance policy** – including cases relating to subcontractors.

The following table shows the matters classified as "risky" and "insufficient" in the context of the social audits carried out in the reporting year. Ten violations related to three suppliers, who have improved significantly after intensive processing of the topics and have addressed and eliminated the violations accordingly. This was confirmed by a follow-up audit. Another case concerned health and safety at a production site, which immediately received an action plan. The implementation of this action plan will be checked in a follow-up audit.

04 | 06 VIOLATIONS OF THE SUPPLIER CODE OF CONDUCT¹ (NUMBER) ✓

	Risky	Insufficient	Total
Social compliance management	1	2	3
Work hours	2	2	4
Compensation and benefits	0	0	0
Discrimination	0	0	0
Health and safety	1	1	2
Treatment of workers	2	0	2
Freedom of association and collective bargaining	0	0	0
Child labor and young workers	0	0	0
Supplier control	0	0	0
Forced labor	0	0	0
Total	6	5	11

¹ Listed violations refer to 97 audits conducted in 2022 at the production facilities of finished goods suppliers (including own production facilities).

The Company also defines appropriate action plans for less serious matters that are not shown in the table. In the reporting year, there were 85 action plans for all audited production sites of finished goods suppliers.

For example, in the reporting year, it was found that a supplier exceeded the total monthly working time. As a result, the production planning was optimized and a buffer was planned for any incidents in the production process. As a result, the number of daily overtime hours and consequently the total monthly working time could be reduced. In another case, a supplier was found to have deficiencies with regard to fire protection equipment. The supplier then immediately initiated the necessary structural measures. The implementation will be checked in a follow-up audit.

The Company checks compliance with the **social standards** set by HUGO BOSS **for fabric and trimmings suppliers**, in particular with the help of **SAQs**. In 2022, the Company received and evaluated a completed SAQ from 120 of these suppliers (2021: 98) ✓. This means that all new fabric and trimmings suppliers have been checked by a SAQ and will continue to be checked annually in the future. This step contributes to the goal of fully integrating all suppliers of fabric and trimmings into the Social Compliance Management module by 2025. This will ensure that these suppliers of fabric and trimmings are also regularly verified for compliance with social standards and human rights, not only prior to the start of cooperation, but also during the course of the business relationship.

04 | 07 THE SOCIAL COMPLIANCE MANAGEMENT MODULE IN FIGURES

	✔ 2022	2021
Total number of suppliers	512	483
Number of finished goods suppliers	184	142
Number of fabric and trimmings suppliers	328	341
Total verified suppliers	253	188
Verified finished goods suppliers	121	76
By social audit	87	55
By SAQ or certificate of external social compliance standards	18	5
By RRA	16	16
Verified fabric and trimmings suppliers	132	112
By social audit	12	14
By SAQ	120	98

HUGO BOSS recognizes that further development of social compliance management together with other actors in the textile value chain is an important requirement for systematic changes: In 2015, the Company became a member of the **German Partnership for Sustainable Textiles (Textilbündnis)**. In 2017, the Company became involved in the **Tamil Nadu Partnership Initiative**. The goal of this initiative, now known as "Tamil Nadu 2.0", is to improve working conditions for women and girls in the textile industry of the Indian state of Tamil Nadu. HUGO BOSS has also been a member of the Bangladesh Accord since 2016 and joined its successor organization, the **International Accord for Health and Safety in the Garment and Textile Industry** in 2021. Together with the NGO Phulki, the Company opened a **Women's Café** in Bangladesh in 2022 to give women a space for exchange and further education. Further information on the project is described in the Society chapter. > [Society](#)

Continuously, the Company exchanges information with its suppliers in various formats in order to increase their awareness of relevant sustainability aspects. HUGO BOSS regularly hosts its **Supplier Summit** with suppliers from different regions of the world. Within the framework of this dialog forum, a Sustainability Award will also be awarded. This award will, among other things, recognize the social, environmental and chemicals management of suppliers.

Environmental Management module

The **Environmental Management module** of the SCS-Program sets requirements at various levels. In addition to **general environmental requirements**, the module also contains specific requirements for the topics of **chemicals and wastewater management** as well as **climate impact management**. Depending on which processes a supplier uses and how large its volume is for HUGO BOSS, different requirements have been defined for these subject areas (see > [diagram 04 | 04](#)). The most stringent requirements apply to those suppliers whose production processes have the greatest environmental and climate impacts. According to the Company's natural capital evaluation, these are mainly suppliers with wet processes, such as dyeing, washing, bleaching or tanning.

General Environmental Requirements

HUGO BOSS requires its suppliers to comply with comprehensive general environmental requirements in their operations and in their supply chain. These range from implementing **environmental and energy management systems** to **embedding responsibility** for environmental issues **in the organization** to operating a **monitoring system** for tracking environmental activities including setting appropriate goals. In addition, the principles of the HUGO BOSS **Environmental Policy** apply to all suppliers of the Company. > **Environment**

Depending on the processes associated with environmental risks that a supplier uses, **environmental audits** are conducted individually to verify the extent that its performance meets HUGO BOSS' general environmental requirements. The fundamental treatment of waste, water and wastewater, energy, transportation, greenhouse gas emissions and pollutants as well as appropriately embedding these issues in the organization by environmental management systems are questioned in environmental audits. The audits are based on the **framework of the Global Social Compliance Programme (GSCP)**. They are carried out by external auditors and are repeated regularly.

Since 2021, HUGO BOSS has given its suppliers the opportunity to submit audit certificates from third parties that have already been received. If a check of the documents shows that the requirements defined by HUGO BOSS are fulfilled, the relevant subject areas are recorded as having been successfully audited and have not to be verified again. This contributes to the Company's goal of making supplier management even more efficient.

For 2025, HUGO BOSS has set itself the goal of ensuring that all suppliers with high environmental impacts can present a valid environmental audit with the result of "satisfying" or better.

In the reporting year, 54 environmental audits were carried out at suppliers (2021: 27); eight third-party audit certificates were also accepted (2021: 4). At the end of 2022, 45% of suppliers with high environmental impacts met the environmental requirements defined by HUGO BOSS (2021: 35%). If shortcomings are identified during the environmental audits, **corrective action plans** are defined together with all suppliers concerned, in the same way as for the social audits, and HUGO BOSS monitors implementation of these plans. HUGO BOSS offers its suppliers support in the form of training courses, appropriate training documents provided digitally and documentation templates to ensure correct implementation of the requirements.

04 | 08 VIOLATIONS OF HUGO BOSS ENVIRONMENTAL STANDARDS¹ (NUMBER)

	Risky	Insufficient	Total
Waste	1	0	1
Water consumption	0	0	0
Management systems	0	0	0
Energy consumption and greenhouse gas emissions	3	0	3
Wastewater	10	0	10
Chemicals management	1	0	1
Total	15	0	15

¹ Listed violations refer to 54 audits conducted in 2022 at the production facilities with high environmental impacts.

In the reporting year, 15 violations classified as "insufficient" or "risky" were determined during environmental audits (2021: 18). The affected suppliers were requested to take the necessary corrective measures and their implementation was checked accordingly. For example, a supplier lacked secondary containers for liquid chemicals. In addition, some of the existing containers were not properly cleaned and the leak containment systems were blocked. The supplier immediately rectified the malfunctions by providing secondary containers for all chemicals and introducing a process to ensure they are properly cleaned. On top of that, the supplier installed properly functioning leak protection systems.

The following overview summarizes the **results of the environmental audits**.

04 | 09 STATUS ENVIRONMENTAL COMPLIANCE PERFORMANCE¹ (IN %)

	2022	2021
Good	4	2
Satisfying	41	35
Improvements needed	24	24
Risky	10	17
Insufficient	0	2
Not audited	21	20

¹ The table refers to the audits valid at the end of 2022 (own audits and satisfying third-party audit certifications) of production sites with high environmental impacts.

Good = Regular verification of relevant consumption and emissions; processes and structures for improving the company's environmental performance are established. – Follow-up audit after 36 months.

Satisfying = Fundamental structures and processes are established; however, relevant documentation is not available. – Follow-up audit after 36 months.

Improvements needed = Potential risks relate in particular to a lack of awareness and non-existence of relevant data. – Follow-up audit after 12 months.

Risky = Required licenses are not available, existing practices present an immediate threat and can lead to significant environmental impacts and violations of legal obligations. – Follow-up audit within six months.

Insufficient = Existing practices lead to significant environmental impacts. – Follow-up audit within three months.



Chemicals and Wastewater Management

Chemicals and wastewater management are two more building blocks in the Environmental Management module of the HUGO BOSS SCS-Program.

Chemicals are mainly used to produce fabrics, leather and trimmings or in washing and dyeing processes. If chemicals are released in these processes, such as via wastewater discharges, this can affect the water quality and, as a result, the water supply of the local population. In order to minimize health and environmental risks in its supply chain, HUGO BOSS therefore requires its suppliers to **handle chemicals responsibly** as part of its environmental program, and helps them to reduce their use and replace hazardous substances. An important instrument for this is the introduction of an **effective chemicals management** in the supply chain.

HUGO BOSS has been working together with other companies in the apparel industry since 2017 as part of the Zero Discharge of Hazardous Chemicals (ZDHC) initiative, to build a textile industry that does not require hazardous chemicals. In this context, the Company has committed itself to the adoption of the ZDHC Chemical Management System in its supply chain. The ZDHC program enables a **standardized assessment of a supplier's chemicals management**. In the reporting year, HUGO BOSS achieved the Aspirational Level in the ZDHC Brands to Zero Program. This award is given to companies that have committed themselves to the highest level of chemical management in their value chain.

The **ZDHC Manufacturing Restricted Substances List (ZDHC MRSL)** defines the **upper limit for critical process chemicals** and is an integral part of the HUGO BOSS contract. This means that all suppliers, including the Company's own production sites, are obligated to verify their respective chemical inventory for conformity with the ZDHC MRSL and to avoid or limit the use of harmful substances accordingly. Furthermore, all suppliers with whom HUGO BOSS has a direct contractual relationship agree to require the implementation of the ZDHC MRSL from their upstream suppliers. For suppliers with wet processes producing industrial wastewater, the requirements of the SCS Program also include a functioning **wastewater management system**.

By 2030, HUGO BOSS aims to ensure that all its suppliers using wet processes produce in **conformity** with the specifications of the **ZDHC-MRSL** – as evidenced by **wastewater test** reports conducted in following the ZDHC Wastewater guidelines and **chemical inventories** of suppliers. The reports are reviewed and evaluated for alignment with evaluation criteria developed by HUGO BOSS. All strategic finished goods suppliers that use wet processes are expected to achieve this goal by 2025. Based on the wastewater tests requested by HUGO BOSS in 2022, 23% of all examined production sites of suppliers with wet processes met the internal criteria for compliance (2021: 21%). The quota for the production sites of strategic finished goods suppliers was 24% (2021: 80%) . The reduction compared to the previous year is based on a constant number of compliant wastewater tests with an increased number of strategic finished goods suppliers. In the reporting year, 24% of the chemical inventories at all checked production facilities of suppliers with wet processes met the criteria defined by HUGO BOSS (2021: 15%), with the ratio of production sites of strategic suppliers with wet processes being 35% (2021: 0%) . [> Sustainability Program](#)

HUGO BOSS is working with its suppliers as part of the ZDHC program to continuously increase **transparency regarding wastewater values and chemical inventories**. The Company also makes suppliers aware of the topic and supports or trains them with setting up their own chemical management processes. It provides them **access to the ZDHC database** for this purpose. This database contains comprehensive information on alternative substances that are environmentally and economically justifiable and are comparable with conventional substances in terms of technical application. In addition, suppliers can have their wastewater tested by ZDHC-certified laboratories and make the results available to other companies on the database.

Management of Climate Impacts

With the signing of the **UNFCCC Fashion Industry Charter for Climate Action** in 2018, HUGO BOSS aims to achieve **"net-zero" greenhouse gas emissions by the year 2050** together with other companies in the fashion industry. The fourth component of the Environmental Management module is therefore designed to decrease the climate impacts in the supply chain. In order to manage this process, the Company continuously increases **transparency regarding greenhouse gas emissions** in its supply chain. The main focus is on those suppliers that generate the most emissions due to high energy requirements. This includes mainly those who heat water in their processes, or suppliers who require large amounts of energy, for example, during coating, steaming or ironing.

In the reporting year, greenhouse gas emissions of 935,656t of CO₂ were generated in the Company's supply chain (including own production). Compared to the previous year, this represents an increase of 56%. This development can be attributed to the strong business development in the reporting year.

04 | 10 GREENHOUSE GAS EMISSIONS FROM THE SUPPLY CHAIN (INCL. OWN PRODUCTION)^{1,2} (IN T CO₂)

	2022	2021	2020
Raw material production	123,455	80,630	75,058
Production processes	812,201	517,553	422,728
Of which own production	3,941	3,909	3,879
Total	935,656	598,183	497,786

¹ The calculation of the present greenhouse gas emissions is based on the "purchased goods and services" category as defined in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol. It includes all CO₂ emissions released in connection with the manufacture of raw materials and the production of goods. In addition, this table also contains the emissions of the Company's own production processes in the "production processes" category. Accordingly, the values in this table are not directly comparable with the "Purchase of goods and services" category in Table 02 | 04.

² The figures for 2020 and 2021 have been adjusted retrospectively, therefore not comparable to the figures from previous reports.

Materials such as wool, which is very emissions-intensive due to sheep farming, account for most of the emissions in **raw material production**. Due to the increased use of more sustainable materials, a positive influence on greenhouse gas emissions in the production of raw materials can already be observed.

In **production processes**, the generation of heat from fossil fuels and the consumption of electrical energy for the operation of production machinery were the main sources of emissions. The increased use of renewable energy sources instead of fossil fuels and the increased conversion from standard electricity to certified green electricity in the supply chain have also had a positive impact on greenhouse gas emissions from production processes.

HUGO BOSS supports its partners in the supply chain in making their contribution to climate action. The Company has developed the **Resource Efficiency Module (REM)** together with other companies under the umbrella of ZDHC. With the REM, suppliers can, in particular, record their energy consumption, set goals, start and manage their own resource efficiency projects, and report on their progress. By doing this, HUGO BOSS wants to enable its suppliers to make their contribution to **achieving the UNFCCC target**. Besides, the Company worked with the suppliers to develop a roadmap to identify potential savings and to map the steps on the way to achieving targets in a structured manner. For more information on the Company's Scope 3 emissions, see the Environmental chapter of this report. > **Environment**

In addition, HUGO BOSS has developed the **online training session "Climate Action Training for the Fashion Industry"** in cooperation with GIZ (Society for International Cooperation) and the UN Fashion Industry Charter for Climate Action as well as other international companies from the fashion industry. It is aimed at all interested parties from the textile industry and is available free of charge. The goal of the training is to inform participants about the influence of the textile industry on the climate, to raise awareness about their responsibility to reduce greenhouse gases and to impart the appropriate expertise to do so. In the reporting year, HUGO BOSS and other companies involved provided both financial and coordination support to translate the training into further languages. This means the training is available in seven different languages.

Governance Module

In order to ensure that the sustainability requirements in the textile supply chain are consistently met, it is also **necessary to involve upstream suppliers**. HUGO BOSS has set itself a goal for 2025 of ensuring that all goods are sourced from a transparent and responsible supply chain. To achieve this, the Company uses the Governance module from its SCS-Program. This contains several elements that enable suppliers to assume increasing **responsibility for their own supply chains**. Among other things, they are directed to develop tools to verify and establish the environmental and social standards required by HUGO BOSS at their own suppliers. For suppliers with large order volumes, higher requirements apply (see > **diagram 04 I 04**). Requirements such as a risk management strategy are mandatory. Suppliers must also define their own strategies and policies, for example on social and environmental issues, and expand their knowledge of their supply chain. In addition, they are required to report on specific topics according to recognized standards. All suppliers are also obligated to **pass on the standards of the Supplier Code of Conduct to their business partners** and to verify compliance with the standards in an appropriate manner. Following the verification of all strategic finished goods suppliers in 2020 on the basis of a self-assessment questionnaire to determine the extent that they had implemented the Governance module, including the environmental and social requirements contained therein, 33 other finished goods suppliers submitted a self-assessment questionnaire in the reporting year (2021: 32). If shortcomings were evident, HUGO BOSS agreed with the affected suppliers about the necessary measures for improvement. In the reporting year, the proportion of finished goods suppliers checked in this way amounted to 47% (2021: 44%). In 2022, for the first time, fabric and trimmings suppliers were also checked accordingly. The proportion was 27%. > **Sustainability Program**

Grievance Mechanism

If any **violations of human rights or labor standards** are reported, staff members of suppliers have recourse to a defined **grievance mechanism** through which they can contact the responsible contact person at HUGO BOSS directly, or an independent external ombudsman. In addition, a **whistleblowing portal** was made accessible, which offers suppliers' employees the opportunity to report misconduct and criminal offenses in the Company confidentially and anonymously. In its publicly available **HUGO BOSS Whistleblowing Policy**, HUGO BOSS clarifies how the Company receives, reviews and processes complaints and other information. In order to strengthen the internal complaint set-up, the company supported a project within the framework of the Partnership for Sustainable Textiles in 2022 that helps textile factories in Pakistan to build up functioning structures or to further develop existing mechanisms. > **group.hugoboss.com**

All information is carefully checked and processed as part of a **structured and clearly defined process**. If the information proves to be justified, HUGO BOSS works together with the supplier in question to develop a **corrective action plan** to remedy the deficiencies. Depending on the severity of the violations, more frequent audits and more follow-up of remedial measures are ordered or specific training measures are implemented at the suppliers. In 2022, a total of eight reports from external production companies were received via the available complaint channels, of which five cases were closed. Three of the reports are still in a conciliation process, which is being accompanied and supported by HUGO BOSS.

In addition to the above-mentioned reporting methods, supplier employees can also use the complaint channels provided by the FLA.

The grievance mechanisms described here are also available to the Company's own employees.

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Fair Compensation

Fair compensation is a human right. For HUGO BOSS, appropriate compensation for employees in the supply chain is therefore the basis and prerequisite for a long-term, partnership-based cooperation with its suppliers and is also **stipulated in the Supplier Code of Conduct**. > group.hugoboss.com

In order to establish a living wage throughout the entire supply chain, HUGO BOSS contributes to the **design of industry-wide standards**. Together with the FLA and as a partner of an initiative launched by the German Partnership for Sustainable Textiles, HUGO BOSS is committed to political and economic conditions that are intended to improve wage levels in specific countries.

Since 2021, HUGO BOSS has also been working on a **strategy for living wages in the supply chain**. The aim of the strategy is to ensure that its suppliers' employees' wages meet their **basic needs** of food, water, housing, education, health care, mobility and clothing for all household members. In addition, they should have **disposable income** to enable them to accumulate reserves for unexpected events.

In order to achieve this goal, the Company is continuously dealing with the specific **compensation practices of its suppliers**. On the basis of the guiding principles contained in its strategy, HUGO BOSS will, together with the respective suppliers, define specific measures to **bring salaries closer to the living wage level** described above. In the reporting year, the Company developed a comprehensive action plan and training course on the basis of wage data collection and analysis of the wage gaps at its suppliers. In addition, the first pilot projects to introduce living wages with selected suppliers were launched. Details on the goals, measures and the specific implementation of the Company's compensation strategy can be found on its website.

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HUGO BOSS is aware that the target wage development for suppliers can only be achieved if purchasing practices (such as collaborative production planning with suppliers or the implementation of fair and transparent payment terms) on the part of fashion companies improve. For this reason, the Company has introduced **mandatory training courses** for its Sourcing and Operations department employees on **sustainable procurement** and will include this topic in its **Purchasing Policy** that is currently being updated.

5 PRODUCTS

IDEAS FOR TOMORROW

AMOUNT OF RECYCLED PAPER IN PRODUCT PACKAGING

72%

2022

55%

2021

50%

2020

SHARE OF RESPONSIBLE STYLES IN THE PRODUCT RANGE

35%

2022

31%

2021

15%

2020



HUGO BOSS is committed to developing collections that meet its customers' high expectations of design, quality, durability and innovation, while at the same time not posing social, health or environmental risks. Accordingly, it is important to procure materials which are as sustainable as possible and pay particular attention to responsible extraction of processed raw materials. In addition, the Company wants to help conserve resources and protect biodiversity by offering high-quality, durable products and closing materials cycles. This also applies to the packaging used in logistics and distribution. In order to protect people and the environment, the responsible handling of chemicals and a high level of product safety are essential, and it is important that customers take care of products in an environmentally friendly way. Due to the use of materials of animal origin, animal welfare and species protection are also of great importance to HUGO BOSS. Through this comprehensive approach, the Group is contributing towards the implementation of **Sustainable Development Goals 6, 12, 13, 14, 15 and 17**.

Management Approach

HUGO BOSS products combine premium quality and sophisticated design with social, environmental and health requirements. When developing collections, in addition to qualitative aspects, the **selection of materials that are as sustainable as possible** and an increasing application of **circular design principles** are taken into account; these principles enable products to be safely returned to the raw material cycle. By doing so, the Company is also contributing to its goals in the field of **climate action** and **biodiversity**.

HUGO BOSS pursues a **holistic strategy for more sustainable products**, which is constantly being developed. As a basis for this, the Company has analyzed the environmental and climate impacts of its materials. Among other things, it uses the Natural Capital Protocol from the Capitals Coalition based on life cycle analyses. The strategy for more sustainable products focuses in particular on a **more sustainable procurement of the most widely used materials**, and the **expansion of the sustainable product range in the collections**. The strategy is defined in the Company's own publicly available **RESPONSIBLE Product Policy**. This was revised in the current reporting year, classifying materials in a differentiated manner according to their degree of sustainability. Thereby, it defines materials that have special sustainability properties and are thus one of the preferred more sustainable materials for the Company. However, it also lists those whose use is to be reduced or completely phased out in the future. For instance, from 2024 onwards, HUGO BOSS will no longer classify recycled polyester from PET bottles as a more sustainable material. Beyond that, a regenerative cotton program has been introduced, which is aimed in particular at increasing biodiversity and reducing CO₂ emissions from cultivation processes. The requirements for increasing the circularity of products are defined in an additional document, the **Circular Product Policy**, being publicly available.

> [Sustainability Program](https://www.hugoboss.com/sustainability-program) > [group.hugoboss.com](https://www.hugoboss.com)

Besides the overarching RESPONSIBLE Product Policy, HUGO BOSS has imposed other wide-ranging commitments on itself: Namely, in the reporting year, the Company complemented more plant-based fibers to the previous cotton guideline, thus developing the new **Policy for Cotton and Other Plant Fibers**, aiming to reduce the social and environmental impacts of vegetable fiber production. Just as important, the policy includes a **Wool Commitment** ensuring sheep welfare and a **strategy paper on biodiversity**. This is based on a white paper prepared in cooperation with the International Union for Conservation of Nature, identifying the Company's impact on biodiversity along the value chain and describing specific measures to protect and promote it. > group.hugoboss.com

Furthermore, HUGO BOSS has published its **Animal Welfare Policy**, based on the recommendations of the non-governmental organization FOUR PAWS. The policy is applicable throughout the Group and contains items such as tangible specifications and restrictions for the procurement and use of animal materials. With a purpose in fostering responsible agriculture, the policy also includes environmental aspects of animal husbandry. As a relatively new partner of the environmental organization Canopy, the Company also entered into a **commitment protecting forests** in 2021. The aim is to prevent old and endangered forests from deforestation for the production of packaging materials and cellulose fibers. All documents can be viewed on the Company website. > group.hugoboss.com

With regard to chemicals management and product safety, HUGO BOSS focuses its product strategy on responsible use of chemical substances. Among other things, the Company requires its suppliers to countersign its own, constantly updated **Restricted Substances List (RSL)** and to consistently comply with its restrictions on the chemicals contained in products and packaging. The Company's RSL complies with the requirements of the Apparel and Footwear International RSL Management Group (AFIRM) with regard to substances, limit values and test methods. HUGO BOSS laid down its principles for responsible chemical management in the publicly accessible **Chemical Management Policy**. > [Partners](#)

The Company has a clear strategy not only in terms of products, but also in terms of **packaging**: The packaging design is based on the principle that the products remain intact during transportation and storage, always meeting high customer expectations. By using **innovative packaging designs**, the Company is committed to saving material, using more sustainable raw materials and applying **reusable solutions**. In order to minimize the impact on the environment and conserve resources, HUGO BOSS is gradually increasing the **proportion of recycled plastic and paper** as well as paper and cardboard with the Forest Stewardship Council® (FSC®)⁷ certification. The specifications are outlined in the **HUGO BOSS Sustainable Packaging Guideline**. This policy assesses various material options for product packaging according to environmental impacts of raw material extraction and production and in terms of recyclability and sets appropriate minimum standards and targets. In addition, the Company has internal regulations for the transportation packaging of its goods.

⁷ HUGO BOSS' FSC® license number is FSC® N002527.

HUGO BOSS has clearly defined the **responsibility** for its strategies for **more sustainable products and packaging** along its value chain: The future orientation and objectives for more sustainable products are primarily controlled by the Group Strategy and Corporate Development division, which reports to the Chief Executive Officer (CEO). Operational responsibility lies with the Business Operations department, reporting to the Chief Financial Officer/Chief Operating Officer (CFO/COO), and with the four business units (BOSS Menswear, BOSS Womenswear, HUGO, and Footwear, Accessories, Bodywear & Hosiery), which in turn report to the CEO. The Sustainable Supply Chain division, which reports to the CFO/COO, meets the requirements for more sustainable product packaging. These are implemented operationally by the Business Operations division and the suppliers. The Global Logistics department is responsible for shipping packaging specifications, reporting to the CFO/COO; the specifications are implemented in close cooperation with Business Operations and suppliers.

HUGO BOSS cooperates with internationally renowned organizations to realize its strategy for more sustainable products and packaging, including Better Cotton (BC, formerly the Better Cotton Initiative), the Cotton made in Africa initiative supported by the Aid by Trade Foundation (AbTF), as well as Canopy and the Leather Working Group (LWG). In addition, the Company interacts with organizations in the field of regenerative agriculture. HUGO BOSS continues to work with **partners, designers and startups** on exceptional materials and processing technologies: At the beginning of 2022, the Company entered into a **strategic partnership with HeiQ AeonIQ LLC**, the subsidiary of the innovative Swiss company HeiQ. HeiQ AeonIQ™ offers a sustainable, cellulose-based alternative to synthetic fibers such as polyester and nylon.

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HUGO BOSS evaluates the effectiveness of its brand and product strategy – and hence its approach to more sustainable products – on the basis of **feedback from its distribution partners** and **systematic customer surveys**. Performance indicators such as the Net Promoter Score (NPS) and the Brand Equity Index are measured. The NPS query in retail stores in Europe, the Americas and parts of Asia, as well as in the global online store, resulted in a score of 62% for 2022 (2021: 61%; this value has been corrected retrospectively and therefore differs from that of the previous report). The Company's combined non-financial statement explains in detail what measures HUGO BOSS is taking with regard to customer satisfaction. > **Annual Report 2022, Combined Non-Financial Statement, Social Matters**

When communicating with customers – especially in marketing materials about its products – the Company has defined, in the reporting year, ethical principles, especially in terms of credibility, published in the **Responsible Marketing Policy**. > group.hugoboss.com

HUGO BOSS has set itself measurable, time-bound goals for the entire product field, also reported on in the Sustainability Program. > **Sustainability Program**

Product Related Risks

HUGO BOSS also has risks associated with the more sustainable and circular design of its products, packaging and services. For example, resources may not always be available in the **required quality or quantity**. Furthermore, the transition to more sustainable materials and circular design principles may involve **additional effort and costs**. On the other hand, by aligning the value chain in a more sustainable way, the Company can meet emerging challenges and create a product portfolio that strengthens the **brand trust** of existing customer groups and gains relevance for **additional customer groups**.

More Sustainable Materials and Products

Based on the RESPONSIBLE Product Policy, since 2020, HUGO BOSS has been labeling particularly sustainable products as **RESPONSIBLE styles thus** making them directly visible to customers by using special product hangtags. RESPONSIBLE Styles contain **at least 60% more sustainable raw materials** and meet **stricter environmental and social requirements for processing**. Besides the product hangtags, the Company uses special communication campaigns to draw attention to its more sustainable product offering and to inform its customers about the benefits of these products in the online store on various topic pages.

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Land use, water shortages and the use of chemicals threaten the livelihoods of many animal and plant species and other organisms. This is why HUGO BOSS launched products made of wool and cotton from **regenerative agriculture** on the market for the first time, in the reporting year, thereby supporting biodiversity and climate action. In 2022, the Company entered into a strategic partnership with the Indian farm initiative Raddis®, supporting women in training and financial independence with the cultivation of regenerative cotton. Through the partnership, HUGO BOSS is contributing to the fact that an area of 750 acres can be used for the cultivation of regenerative cotton in 2022. The first products from this collaboration entered the market at the beginning of 2023.

A responsible use of materials at HUGO BOSS also means systematically reducing surplus from procurement. The Company uses inventories of past collections that have not been consumed as raw materials for new product developments. In this way, raw material is simultaneously saved and **leftover goods** are used in a resource-friendly and responsible manner. This is an example of cooperation with the designer label PHIPPS. The joint, exclusive collection is characterized not only by the use of more sustainable materials such as organic cotton, recycled nylon or Piñatex™, but also by the use of fabrics and goods that would otherwise have been unused.

05 | 01 CHARACTERISTICS OF RESPONSIBLE STYLES



HUGO BOSS has set itself the goal of making **RESPONSIBLE** styles account for more than 60% of the product range by 2025. At the end of 2022, this figure was 35% (2021: 31%). > [Sustainability Program](#) > group.hugoboss.com

Responsible Materials

For its products, HUGO BOSS only uses materials that meet the Company's high quality criteria. Hence, social and environmental aspects also play an important role in material procurement.

05 | 02 MATERIALS USED

	2022		2021 ¹	
	in t	in %	in t	in %
Cotton	15,261	59	8,597	60
Synthetic fibers	4,663	18	2,452	17
Wool	1,924	7	900	6
Leather	1,142	4	704	5
Rubber	962	4	508	4
Regenerated Cellulose Fibers	886	3	398	3
Polyurethane	448	2	287	2
Polyvinyl chloride	280	1	239	2
Linen	155	1	74	0.5
Other	162	1	71	0.5
Total	25,883	100	14,231	100

¹ The data was recalculated retroactively due to an improved basis, resulting in a reduced total quantity. Therefore, the figures in 2022 are not comparable to those from the last report.

The following section is a detailed report on the materials used and the concepts with which the Company reduces its negative impact on CO₂ emissions, water consumption or biodiversity when selecting materials.

Plant-Based Fibers

Compared with synthetic fibers such as polyester or nylon, plant-based fibers such as cotton, hemp or linen have some advantages in terms of their environmental impacts and their carbon footprint. As with all other raw materials, resources are consumed for producing and processing plant-based fibers. However, these fibers are **renewable raw materials** that can **decompose much more quickly** compared to synthetic plastics. This is why the use of plant-based fibers plays a major role in the Company's more sustainable product strategy.

In order to continuously limit the environmental impacts of cotton cultivation, HUGO BOSS has set itself targets for procuring **cotton**: By 2025, 100% of purchased cotton should come from **more sustainable sources** in accordance with the criteria set out in the Policy for Cotton and Other Plant Fibers. In 2022, cotton purchased from more sustainable sources accounted for 93% (2021: 87%⁸) ✓. HUGO BOSS is involved in specific projects – for instance, the Company helps small farmers in Egypt cultivate cotton more sustainably via the **Egyptian Cotton Project**, together with the United Nations Industrial Development Organization and BC. By the end of 2022, the number of small farmers involved in the project remained unchanged at 3,628 (2021: 3,628). In the reporting year, HUGO BOSS was able to offer further products from this cooperation.

> [Sustainability Program](#) > [Further Key Figures and Information](#) > group.hugoboss.com

The following table shows the origin of the cotton sourced at HUGO BOSS.

05 | 03 ORIGIN OF THE COTTON SOURCED BY HUGO BOSS (IN %)

	2022	2021
U.S.	21	26
India	16	18
Australia	12	10
Burkina Faso	9	10
Turkey	9	8
Cameroon	5	7
Ivory Coast	5	3
Brazil	5	6
Greece	4	4
Pakistan	3	0
Peru	3	2
Other	8	6
Total	100	100

⁸ In the reporting year, the calculation methodology was improved and applied retrospectively to 2021. This has resulted in an improvement in target achievement for the year 2021 thus differs from the figure in the last report.

Regenerated Cellulose Fibers

Regenerated cellulose fibers such as **lyocell**, **modal** or **viscose** are obtained from wood and processed in an industrial manufacturing process. In contrast to a fossil raw material (as in the case of polyester), this is a renewable raw material. In principle, cellulose-based fibers are therefore **easy to recycle and decomposable**. Both in the production of cellulose and in the energy and chemical intensive conversion of cellulose into fibers, care must be taken to minimize the environmental impacts as much as possible. For this reason, HUGO BOSS entered into a partnership with the non-profit environmental organization Canopy. Since then, the Company has exclusively worked with viscose suppliers, who according to the **Canopy Hot Button Ranking** do not offer **materials from old and endangered forests** to the market and also meet the Company's requirements for chemical management. Furthermore, HUGO BOSS uses the more sustainable TENCEL™ REFIBRA™ fibers from Lenzing, which is obtained from certified wood and leftover cotton fabric using an innovative closed-loop system.

Synthetic fibers

Synthetic materials are mainly produced from non-renewable fossil raw materials, the extraction of which is associated with pressures on the ecosystems and water reservoirs affected by them. In addition, the production process of synthetic fibers is often energy and chemical-intensive.

HUGO BOSS aims at reducing the use of non-renewable resources while at the same time limiting the environmental impacts of synthetic fibers. The **strategic partnership with HeiQ AeonIQ GmbH** contributes to this goal. The innovative filament yarn AeonIQ™ resembles polyester and nylon fibers in its properties, but is based on cellulose. This makes it a sustainable, recyclable alternative to synthetic fibers. A first product containing AeonIQ™ fiber was launched in early 2023. > group.hugoboss.com

Various studies have also shown that small fiber particles are released when synthetic products are washed. These are known as **microplastics**. They are virtually completely non-biodegradable, bind to environmental toxins and dangerous microorganisms, contributing significantly to water pollution. As a result, HUGO BOSS is increasingly seeking to exchange ideas with companies that offer **bio-based substitution materials** (for example, from waste from the textile and food industries) or develop additives for synthetic fibers that help to degrade microplastics in a natural way.

Animal Materials

HUGO BOSS rejects animal experiments as well as inhumane animal husbandry and rearing. The Company strictly adheres to EU-wide and globally **recognized rules on animal welfare and protection of biodiversity**, as laid down in its **Animal Welfare Policy**, stating a clear commitment to the Five Freedoms recognized as guiding principles by the World Organization for Animal Health. In an **intensive dialog with animal welfare organizations** such as FOUR PAWS, HUGO BOSS wants to promote animal welfare beyond its own value chain. > group.hugoboss.com

HUGO BOSS uses only selected **leather types** and is also looking for replacement materials that meet the Company's high quality standards. With regard to leather and fur, besides consistently **excluding farmed furs** from its collections, the Company is also committed to only using leather and fur from sheep, goats, cows and buffalo, resulting as a by-product of the food industry. > group.hugoboss.com

The greatest environmental hazard in terms of leather is due to improper use of chemicals and insufficient wastewater disposal during tanning. This puts the water supply of the population and biodiversity at risk, especially in bodies of water and coastal zones. In order to limit these effects, HUGO BOSS has set itself the goal of **sourcing 100% of leather from tanneries certified according to LWG or comparable standards** by 2025. At the end of 2022, this figure was 86% (2021: 72%). > [Sustainability Program](#) > [group.hugoboss.com](#)

The requirements for the production of more sustainable wool are set out in HUGO BOSS' own **Wool Commitment** and the Animal Welfare Policy. The policy includes requirements such as **species-appropriate animal husbandry, gentle shearing** of animals and the **avoidance of the painful mulesing process**, in which the skin around the tail of the sheep is removed thus preventing fly infestation. The Company's pure wool knit products are already made exclusively from mulesing-free wool, while HUGO BOSS seeks to achieve this for all products made of 100% wool by 2030. In the reporting year, 43% of pure wool products contained mulesing-free wool. In addition, the Company, in cooperation with FOUR PAWS, has signed a letter of intent to switch to mulesing-free wool as far as possible by 2030. > [Sustainability Program](#) > [group.hugoboss.com](#)

HUGO BOSS continuously focuses on sourcing **wool with a traceable origin** as well as on **regenerative agriculture**. The wool meets certified standards with the highest animal welfare requirements such as the ZQ Merino Standard. Furthermore, the Company regularly purchases wool that is certified according to the Responsible Wool Standard. > [group.hugoboss.com](#)

The Good Cashmere Standard® from AbTF, which HUGO BOSS was part in the development, is the world's first standard for **sourcing responsibly produced cashmere fibers**. The Company is also involved in the Mongolian Sustainable Cashmere Platform, which aims to ensure a common framework for sustainable sourcing of cashmere fibers from Mongolia. In addition, HUGO BOSS has developed the first pure cashmere knitted products with the FTC Cashmere™ (Fair Trade Cashmere) quality standard in the 2023 winter collection. FTC ensures a traceable cashmere supply chain with very high environmental and social standards. The cashmere fibers are sourced from animal-friendly production from specialized farms, subsequently treated in a low-pollutant process.

The production of **down**, for example for quilted jackets, is often accompanied by impairments of animal welfare, which HUGO BOSS does not tolerate. Since 2016, the Company has therefore only used down that is neither produced by live-plucking nor in connection with force feeding and comes from animals that are reared under **controlled conditions**. Since 2021, the down used at HUGO BOSS has been certified by the Downpass Commitment seal of approval.

Besides the selection of more sustainable materials, product development is increasingly focusing on the application of **resource-saving wet processes and treatments**. The focus is on water and chemical savings as well as process innovations. In this context, HUGO BOSS will launch RESPONSIBLE products in the 2023 summer collection in collaboration with Zetaterra™, with products saving energy, chemicals and water through natural dyeing processes.

HUGO BOSS is also dedicated to the development of **more sustainable production processes**. In partnership with The Woolmark Company™, the first fully knitted suit was launched on the market in the reporting year. The innovative design method does not require seams, cut lines or technical trims, so that no waste is generated during production hence, valuable resources are saved.

Responsible Use of Chemicals and Product Safety

HUGO BOSS is responsible for the **health and safety of people** involved in the production process or who come into contact with HUGO BOSS' products as customers. Responsible use of chemicals is particularly important in this context. Transparency also plays an important role – in cooperation with suppliers as well as in customer communication.

HUGO BOSS has been seeking industry-wide **interaction and cooperation with producers and experts** to avoid the use of hazardous chemicals both in the value chain and in products. The Company is involved in the Apparel and Footwear International RSL Management (AFIRM) and **Zero Discharge of Hazardous Chemicals (ZDHC)** associations and uses its management and analysis tools in its value chain.

HUGO BOSS also takes potential environmental impacts of chemicals in products very seriously. As a result, the Company decided to step up its efforts by **excluding perfluorolalkyl and polyfluorolalkyl substances (PFAS) or perfluorinated and polyfluorinated chemicals (PFC)**. Since 2022, suppliers have been obliged by the RSL to stop using PFAS in production processes. In the future, the Company wants to exclude other harmful substances and materials.

HUGO BOSS commissions accredited institutes to carry out **extensive pollutant tests** in order to verify compliance with its specifications. The aim is to minimize the proportion of products that do not conform to market requirements and to ensure that they are not shipped. If abnormalities are identified during the tests, a defined escalation process is initiated. All relevant specialist departments are involved, including the Managing Board in serious cases. In 2022, 3,472 materials were assessed this way (2021: 2,898 materials). As part of these assessments, 0.5% of the tested products were found to be nonmarket-compliant and therefore were not released for distribution (2021: 0.3%) ✓.

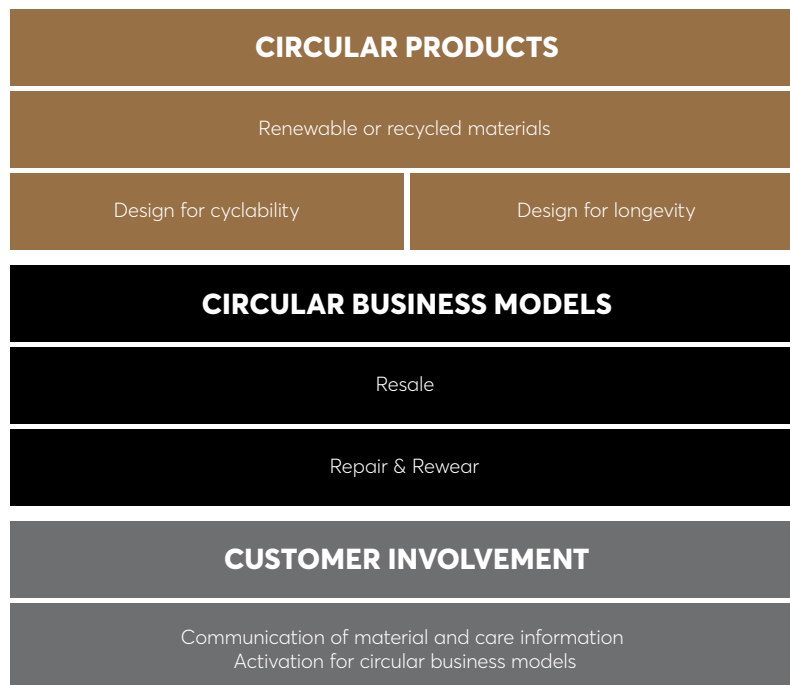
HUGO BOSS takes all necessary precautions to comply with **legal labeling requirements**. All products are provided with information on the material composition and the country of origin, with care instructions, as well as with the product and supplier number. In the reporting year, there were no penalties imposed due to incorrect labeling.

Circularity

Products from HUGO BOSS are of highest quality and stand for long-lasting design. With the new **strategic focus on circularity**, the Company is now going one step further: HUGO BOSS intends to further increase the service life of its products, closing material cycles and focusing on the selection of high-quality recycled and renewable materials. The Company pursues the overriding goal of **conserving resources by developing circular products**. To achieve this, HUGO BOSS continued to implement the following guiding principles in the reporting year: Promoting closed-loop solutions, expanding product recycling potential, and implementing circular-based business models such as repair and resale.

The Company has set itself the goal of making **80% of its products circular** by the year 2030. The first resulting products were developed in the reporting year. With this goal, HUGO BOSS further strengthens its aspiration in the area of used materials by increasingly **enabling a return of the materials to the raw-material cycle**. The Company focuses on the shared creative potential of the Design, Product Development and Business Operations departments. The **employees** from these departments were **trained in the area of circular design** with the support of the design consultancy circular.fashion. Based on the training courses, the Company worked with circular.fashion to develop a **Circular Product Policy**, which defines the criteria for circularity in the design and development phase. An online training course has been developed to accompany the guide and train all relevant employees accordingly.

05 | 04 BUILDING BLOCKS OF HUGO BOSS' CIRCULARITY STRATEGY



Circular Products

HUGO BOSS focuses its efforts on the **use of renewable and recycled raw materials** in order to realize the circularity strategy. Products that can be **recycled** in one material cycle and components that can be **disassembled** contribute to an increasingly circular product range. The circularity of the products is also defined by their **longevity**. Robust and highly resistant materials and workmanship, as well as modular and multifunctional design elements, ensure that garments can be used in a more versatile way thus extend their **useful life**.

At the beginning of 2023, HUGO BOSS launched its first circular collection, which also met criteria for more sustainable materials and was produced without resource-intensive dyeing processes.

Circular Business Models

Circular business models, such as reselling or care and repair services, are also an important component of the circularity strategy. In 2022, HUGO BOSS launched its **online resale platform "Pre-Loved"** in France, which allowed customers to purchase and return used clothing from HUGO BOSS. A rollout to other countries is scheduled for 2025. In addition, HUGO BOSS introduced its **Repair and Rewear Service** in select stores in Germany in order to prolong the lifespan of its products. These business models help to **keep products in circulation loop longer**. To ensure the long-term success of these services, it will be particularly important to provide customers with offers that are user-friendly, informing them extensively about these offers and encourage them to take their own initiative. > group.hugoboss.com

Customer Involvement

Careful handling of clothing can also save resources in a circular economy: Careful handling makes material collection, separation, preparation and new production unnecessary in the short-term. Customers have a key role to play here; they can significantly increase the longevity of products with **gentle cleaning and care**. HUGO BOSS offers its customers special material guides for this purpose in its online stores. These guides contain practical **information on quality, wearing comfort, product care and the sustainability aspects** of a range of materials. For all products with standard care labels that will be on the market from 2023 onwards, the importance of proper care as a contribution to environmental protection is labeled. Following products are excluded from the labeling standards: certain laundry items and accessories, as well as never-out-of-stock (standard) items produced before the changeover.

More Sustainable Packaging

At HUGO BOSS, packaging is used at various stages in the value chain. **Transport and shipping packaging**, such as cardboard boxes and protective garment covers, is used in particular to protect the goods, but also to bundle transport and order units. The Company also uses **product packaging** such as shoeboxes and polybags for optimal handling during storage or presentation in retail stores. In addition, **sales packaging**, such as carrier bags and gift packaging, is used.

In the field of packaging materials, HUGO BOSS has set itself ambitious targets, similar to the goals for its products. These can be found in the Sustainability Program. > [Sustainability Program](#) > group.hugoboss.com

HUGO BOSS primarily uses paper and plastic for the different packaging in its value chain. Metals and natural materials such as cotton play a lesser role.

05 | 05 PACKAGING MATERIALS USED AND THEIR RECYCLED CONTENT

Material	Type of packaging	2022		2021	
		Total (in t)	Recycled share (in %)	Total (in t)	Recycled share (in %)
Paper	Transport and shipping cartons	4,473	79	3,446	80
	Product/gift boxes	2,465	73	1,234	65
	Carrier bags	1,618	77	1,201	70
	Other packaging	1,066	5	628	5
	Total paper	9,622	69	6,510	68
Plastic	Polybags & garment covers	535	38	371	38
	Hangers	418	99	176	98
	Suit bags ¹	190	22	165	87
	Other packaging	405	16	290	4
	Total plastic	1,548	47	1,002	47
Metal	Hanger hooks	47	12	20	11
	Other packaging	2	0	14	0
	Total metal	49	12	34	6
Natural materials (e.g. cotton, leather)		67	0	51	0
Total		11,287	65	7,597	64

¹ Due to strategic decisions, part of the suit bags were temporarily not made from recycled material in the reporting year.

In the reporting year, the proportion of non-renewable packaging materials was 14%, with a corresponding proportion of renewable materials of 86% (2021: 14% and 86% respectively).

HUGO BOSS **almost exclusively uses FSC®-certified paper packaging and cardboard**. Wherever possible, recycled material is used for this purpose, as is the case with carrier bags and shoeboxes. Attention is paid to the recyclability of the material by avoiding lamination. Overall, the FSC®-certified share of transportation, product and sales packaging in 2022 accounted 90% (2021: 89%). In addition, all newly sourced cardboard boxes that are intended for shipment out of German distribution centers are FSC®-certified. They consist of 77% recycled material on average (2021: 77%).

As part of its packaging regulations for transportation, HUGO BOSS also requires that its suppliers obtain cardboard packaging from sustainable sources and make the best possible use of each cardboard box. As a **signatory to Canopy's Pack4Good initiative**, the Company has also committed itself to ensuring that its packaging does not contain materials from old and endangered or cleared forests.

For **plastic packaging**, HUGO BOSS also increasingly uses **materials with recycled content**. The **polybags and garment covers** used as transportation packaging were made of 38% recycled material in 2022 (2021: 38%). Furthermore, the Company continuously tests which types of transportation can be carried out without garment covers while saving further packaging material. In 2021, a pilot project was started to package individual products in **FSC®-certified paper bags instead of polybags**. In the reporting year, HUGO BOSS further developed the material properties and quality of the paper bags, hence extended their use. In total, almost 4 million paper bags were used in 2022. In the future, the proportion is to be gradually increased even further. [> Further Key Figures and Information](#)

In addition, HUGO BOSS has set itself the goal of further increasing the proportion of **reused materials in logistics and sales**. In the area of transportation packaging, 1,294t (2021: 1,047t) of cardboard used for delivering finished goods were reused for shipping from German distribution centers in the reporting year. This affected 49% of all goods shipped (2021: 49%). At the same time, used clothes hangers from retail stores in Germany and Austria continued to be re-used or recycled into new hangers in a closed loop.

[> Sustainability Program](#)

SOCIETY

PROMOTING PERSPECTIVES

PUPILS AND STUDENTS RECEIVING SUPPORT SINCE THE FOUNDING OF THE HUGO BOSS EDUCATION ASSOCIATION



¹ The value for the year 2021 has been revised retrospectively and therefore deviates from the value of the 2021 Sustainability Report.

ALUMNI OF OPEN DOORS FOR WOMEN SINCE PROJECT LAUNCH





As a Company, HUGO BOSS' commitment to society's wellbeing is an integral part of its corporate responsibility. With its corporate citizenship strategy, HUGO BOSS also leverages being a role model as a global leading fashion company. The Company aims to inspire people to succeed and, as the most important prerequisite for this, to give them equal access to high-quality education. In addition, HUGO BOSS promotes equal opportunities and diversity. Through its corporate citizenship throughout the value chain, it is contributing towards **Sustainable Development Goals (SDGs) 4, 5 and 10**.

Management Approach

With its **corporate citizenship strategy** based on the **SDGs**, HUGO BOSS created a clear framework for its social commitment. At the core of the strategy are projects and measures that benefit **local communities**. The strategy was revised in 2020. Since then, it has been more closely aligned with the endeavor of the Company to empower people to succeed personally and establishes an even closer link to the HUGO BOSS value chain. Under the motto "We help people grow stronger", the Company aims in particular to promote **individual potential for success** and has set the following strategic priorities:

- to support young people in particular with access to high-quality education as a basis for personal progress and social participation.
- to promote equal opportunities in general, and women and diversity in particular.
- to provide immediate aid in emergency situations around the globe.

In the reporting year, the Global Responsibility department was responsible for the global corporate citizenship strategy, which it manages centrally. The respective subsidiaries continue to independently implement the local initiatives of HUGO BOSS' corporate citizenship. The publicly available HUGO BOSS **Corporate Citizenship Policy** provides guidance in this regard. This regulates that sponsored projects are in line with the Company's values and principles, and guides through the selection and implementation of the respective project. In order to expand and further develop its corporate citizenship, HUGO BOSS **founded its own foundation**, which began its work in 2023. Under the heading "**Be bold for the planet,**" it is intended to focus on climate and environmental issues. For every BOSS or HUGO product sold worldwide (except licensed products), HUGO BOSS donates EUR 0.05 for the work of the Foundation. > group.hugoboss.com

Since 2015, HUGO BOSS has been evaluating the success of its commitment using a special methodology for **measuring the impact of corporate citizenship projects**. It is based on the Business for Societal Impact model and evaluates the ratio of input, output and impact for selected projects. On this basis, HUGO BOSS makes decisions annually with regard to the continuation of the projects and makes any necessary adjustments.

HUGO BOSS also relies on the active involvement of local employees in its corporate citizenship activities. The Company specifically promotes **corporate volunteering** and counts the time spent on volunteer work in the selected projects as working hours.

Through targeted donations, HUGO BOSS also supports longer-term projects and initiatives and provides short-term immediate aid to people in need. The Managing Board is responsible for the donations while also for approving them. In the reporting year, the pure amount of **donations** totaled EUR 863,324 (2021: EUR 577,443).

Information on the Company's goals as well as other initiatives and programs in the area of corporate citizenship can also be found in the Sustainability Program and on the Group's website. [> Sustainability Program](#)
group.hugoboss.com

Corporate Citizenship Priorities

Education enables people to lead an autonomous and successful life. In cooperation with recognized partner organizations, HUGO BOSS is therefore committed to **improving access to education**. As part of the **annual donation to UNICEF at Christmas time**, for example, the Living Schools project in Malawi was supported. In addition, with the HUGO BOSS Education Association, for many years the Company has provided financial support for the vocational training of young people in Izmir (Turkey). In 2022, a total of 126 pupils and students from the region received a stipend from HUGO BOSS (2021: 194 pupils and students). They were also assigned HUGO BOSS employees as mentors with whom they can discuss professional goals and aspirations or private issues and from whom they can receive support. [> Sustainability Program](#)

In order to enhance equal opportunities in its own value chain, HUGO BOSS runs programs to **promote women and diversity**. At its largest production site in Izmir for example, the Company offers a program aimed at supporting women to re-enter the workforce, under the motto "Open Doors for Women." In addition, in 2021 for the first time three **women's clubs in Zambia** were supported by promoting a project of the Company's partner organization Cotton Made in Africa. With the construction of small warehouses and the purchase of corn mills, 71 women now have the opportunity to generate additional income. This benefits not only the women themselves and their families, but also about 4,000 villagers, who now have a much shorter route to the nearest mill. In the reporting year, HUGO BOSS supported two other women's clubs in Zambia. The focus was on the acquisition of livestock and the transfer of knowledge to livestock farming. In July 2022, the Company also successfully opened a **Women's Café in Bangladesh**. There women could meet after work to converse and engage in further training in a safe place. Initial training courses on issues such as labor rights, health and gender-specific violence have already taken place. By the end of the reporting year, 592 women had taken advantage of the offer. On International Women's Day, HUGO BOSS also launched a project together with Boss Beauties, which aims to enable women from socially underrepresented groups to develop

as part of a mentoring program. The opening event was the **auction of a Boss Beauties NFT** (non-fungible token), the proceeds of which were donated to the program. In addition, the Company has sold an NFT of the "Embrace Your Emotions" collection for World Mental Health Day in collaboration with Imaginary Ones, in favor of the YAM – Youth Aware of Mental Health program. In order to increase awareness of equality of **members of the LGBTQIA+ community**, the Company has also been cooperating with the ILGA (International Lesbian, Gay, Bisexual, Trans and Intersex Association) since 2021. Accordingly, in the Pride month of June 2022, the Company introduced a capsule collection to the market which was combined with a donation to ILGA World. [> Sustainability Program > Employees](#)

In 2022, **spontaneous help and support services** therefore continued to play an important role in HUGO BOSS' corporate citizenship. Among other things, the Company provided financial support following the floods in Bangladesh and Pakistan. In addition, refugees from Ukraine received help – financially as well as through a donation of around 3,000 items of clothing.

1

WE

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ENVIRONMENT

3

EMPLOYEES

4

PARTNERS

5

PRODUCTS

6

SOCIETY

7

APPENDIX

APPENDIX

SUSTAINABILITY PROGRAM

TODAY. TOMORROW. ALWAYS.

Within "CLAIM 5," HUGO BOSS regards sustainability as an important foundation of its strategy and thus an integral part of its business activities. The Company addresses sustainability through **ambitious goals and effective measures**, which it portrays in the annual publication of its Sustainability Program. It summarizes its activities and goals in the individual topics under the concept "TODAY. TOMORROW. ALWAYS.". The program shows that sustainability is a continuous process within the Company, which is constantly evolving and is firmly anchored in its business activities.

TODAY: Milestones achieved in the current reporting year as well as initiatives and programs implemented to strengthen sustainability in the corresponding field of action.

TOMORROW: Medium and long-term objectives in the corresponding field of action, along with their time frame and implementation status.

ALWAYS: Continuous efforts and commitments in the corresponding topics, which form the basis of sustainability management.



Sustainability is an integral part of business operations at HUGO BOSS. The aim of the Company's sustainability activities is to ensure its long-term success through **continuous improvement and anticipatory management** of environmental, social and economic opportunities and risks. With the development and implementation of its sustainability strategy, HUGO BOSS relies upon **dialog and collaboration with its stakeholders**.

TODAY.

In 2022

- as **part of its climate strategy**, HUGO BOSS has adapted its reduction targets to the increased requirements of the **UNFCCC**.
- HUGO BOSS invited internal and external stakeholders to its seventh **stakeholder dialogue event**.
- HUGO BOSS was included in the **Dow Jones Sustainability Index (DJSI) World** for the sixth time and in the DJSI Europe for the third time.

TOMORROW.

The We topic forms the **overarching strategic framework** for the Company's sustainability activities and for the other topics (Environment, Employees, Partners, Products and Society). Therefore, HUGO BOSS does not define any specific sustainability goals under We. The Company's goals are detailed under the individual topics on the following pages.

ALWAYS.

- HUGO BOSS is committed to **free and fair competition** and respects competition and antitrust laws and regulations.
- HUGO BOSS **does not accept or tolerate any form of corruption** (such as bribery) or other corrupting behavior.
- HUGO BOSS takes over **responsibility for ethical corporate management** and considers it a matter of course that the payment of corporate tax is not only made in accordance with applicable laws but is also ethically justifiable.
- HUGO BOSS proactively and responsibly manages the **risks and opportunities associated with sustainability**.
- HUGO BOSS maintains **active and regular dialog with its stakeholders** and ensures that the concerns of stakeholders are incorporated into the sustainability strategy.



ENVIRONMENT

HUGO BOSS is committed to the **introduction and further development of environmentally and climate-friendly processes** and takes appropriate measures to improve the environmental footprint of its own locations, production facilities and stores as well as the entire logistics chain. In this context, the **careful use of natural resources** is just as important as the avoidance and recycling of waste and the reduction of CO₂ emissions.

TODAY.

In 2022

- the Company set itself the goal of **"net-zero" greenhouse gas emissions** throughout the entire value chain by 2050.
- almost 60% of the electricity consumed in the Group came from **renewable energy sources**.
- the Company's **own photovoltaic systems** generated electricity equivalent to the annual consumption of around 400 four-person households.
- the Company put into operation a **photovoltaic plant at its own production site** in Izmir (Turkey). The plant produces approximately 820 MWh of electricity per year.

TOMORROW.

SDG reference (direct or indirect)	Target year	Goal	Status quo
	2050	"Net-zero" greenhouse gas emissions throughout the value chain (Scope 1–3)	
	2030	Reduction of CO ₂ emissions along the entire value chain compared to the base year 2019: <ul style="list-style-type: none"> • Reduction of CO₂ emissions (Scope 1 and 2) by at least 50% • Reduction of CO₂ emissions (Scope 3) by at least 50% • Reduction of energy consumption (direct and indirect) in relation to area (m²) by 20% compared with the base year 2018 	Reduction of 6% Increase of 45% Reduction of 13%
	2030	100% of the electricity used comes from renewable sources	59%
	2025	Reduction of own water consumption (external water supply) in relation to Group sales by 40% compared to the base year 2016	Reduction of 38%
	2025	Reduction of waste volume (household waste) per employee by 10% compared with the base year 2018	Reduction of 19%

ALWAYS.

- HUGO BOSS is constantly working to **minimize** the **environmental impacts** of its own business activities and places a special focus on climate action.
- HUGO BOSS operates a **comprehensive environmental management** system and in its Environmental Policy it defines the principles of environmental protection for all relevant business areas.
- HUGO BOSS ensures that the new construction or renovation of existing **company buildings** takes sustainability criteria into account, and strives for sustainability certifications for new buildings.
- HUGO BOSS endeavors to use new innovative technologies wherever possible and in an economically viable manner in order to further **reduce the consumption of resources**.
- HUGO BOSS strives to **continuously reduce waste volumes in production** and, where this is not possible, to adequately recycle and reuse the waste.



EMPLOYEES

HUGO BOSS takes **responsibility for the well-being of its employees** and promotes a corporate culture of mutual appreciation and respect. The Company is committed to equal opportunities, helps employees to reconcile their private and professional lives, offers very good development opportunities and ensures safe, healthy workplaces. HUGO BOSS aims to inspire its employees every single day, motivate them with challenging and varied tasks, and retain their loyalty.



TODAY.

In 2022

- the Company redesigned its **career website** and added new features to make job search easier and more targeted.
- HUGO BOSS extended its online tool for the **Performance & Development Dialog** to include system-based succession planning.
- the Company was listed as **Financial Times Top 50 "Diversity Leaders"** in Europe.
- HUGO BOSS ranked third among Germany's most popular fashion employers in the **"Working in Fashion"** survey of the journal TextilWirtschaft.

TOMORROW.

SDG reference (direct or indirect)	Target year	Goal	Status quo
8	2025	Reduction of employee-related turnover (resignations) to: <8% in the Corporate area <30% in the Retail area	9% in Corporate, 32% in Retail
	2025	75% of vacancies for the top two management levels to be filled with internal candidates. Milestone by 2022: 70%	61%
5	2025	Share of at least 40% women in the first management level below the Managing Board (top management)	28%
5	2025	Share of at least 50% women in the second management level below the Managing Board (middle management)	46%
5	2024	Training of all employees on the topic of "Overcoming Bias for Business Success" Milestone 2023: all managers and HR managers involved in talent acquisition and management participated	The Managing Board, several top management members, and employees engaged in talent acquisition and management have been trained.

SDG reference (direct or indirect)	Target year	Goal	Status quo
8 	2025	Reduction of occupational and industrial accidents by 10% at the Headquarters in Metzingen (Germany) compared to the base year 2019	Reduction by 7.9%
8 	2025	Reduction of the Lost Time Injury Frequency Rate (LTIFR) by 5% compared with the base year 2019	Reduction by 3.2%

ALWAYS.

- **Employee satisfaction** according to the Great Place to Work® survey should be **at least 75% on a sustained basis**.
- The Company undertakes to comply with its Human Rights Policy and its Supplier Code of Conduct, which set out **fundamental rights to protect workers** (such as humane working conditions).
- HUGO BOSS is committed to improving **equal pay** regardless of diversity factors and also wants to ensure fair and market-based remuneration on a global level.
- For HUGO BOSS, the **diversity of its employees** is a natural element of its corporate culture and a living reality. By joining the Charta of Diversity in 2008, HUGO BOSS committed to enabling all employees to work in a non-discriminatory environment.
- HUGO BOSS is committed to **strengthening the physical and mental health of all employees** in accordance with its Health & Safety Commitment, through various measures.
- HUGO BOSS attaches great importance to **equal opportunities** and promotes this, among other things, by providing access to flexible working models throughout the entire Group to balance private and professional life.
- The Company is committed to the **continuous training of its employees** and offers a wide range of training opportunities.



PARTNERS

In addition to manufacturing at HUGO BOSS' own production sites, the Company sources finished goods as well as fabrics and trimmings from numerous suppliers globally. As their customer, HUGO BOSS assumes **co-responsibility for the well-being of their employees** and the **protection of the environment** in the sourcing countries. The basis for cooperation is therefore respect for human rights and compliance with internationally recognized environmental and social standards, which are reviewed in regular audits.



TODAY.

In 2022

- the Company **revised its human rights risk analysis** and used questionnaires to identify risks both in its own business operations and with all direct suppliers.
- more than **50 suppliers already submitted consumption and emissions data** to HUGO BOSS via the **"Resource Efficiency Module."**
- the Company started initial **pilot projects** in relation to **fair compensation in the supply chain** with selected suppliers.

TOMORROW.

SDG reference (direct or indirect)	Target year	Goal	Status quo
8	2025	Sourcing of all goods from finished goods suppliers (including the Company's own production sites) who achieved a result of "satisfying" or better in the last social audit	97%
8	2025	80% of the goods come from finished goods suppliers (including their own production sites) who achieved a result of "good" in the last social compliance check (proven by audit, SAQ or certificate of an external social compliance standard)	52%
8 12	2025	All finished goods suppliers have an appropriate control system (Governance Model) for their supply chain	47%
	2025	All fabric and trimmings suppliers with a direct contractual relationship with HUGO BOSS have an appropriate control system (governance model) in place for their supply chain	27%
8	2025	All fabrics and trimmings suppliers with a direct contractual relationship with HUGO BOSS are integrated into the HUGO BOSS Supply-Chain-Sustainability Program (SCSP)	33%

SDG reference (direct or indirect)	Target year	Goal	Status quo
	2025	<p>All suppliers with a high environmental impact comply with the environmental requirements defined by HUGO BOSS (measured by the result of their environmental audits)</p> <p>This means they:</p> <ul style="list-style-type: none"> • comply with national environmental legislation, • contribute to the implementation of the ZDHC alliance's standards and • support the Fashion Industry Charter for Climate Action of the UNFCCC. 	45%
	2030	<p>All suppliers with wet processes produce in compliance with the ZDHC MRSL standards (measured by their wastewater tests and chemical inventory)</p> <p>Milestone by 2025: all strategic finished goods suppliers with wet processes</p>	<p>Wastewater tests: 23% of all production sites inspected (24% of strategic finished goods suppliers) comply with the specifications</p> <p>Chemical inventory: 24% of all inspected production sites (35% of strategic finished goods suppliers) meet the requirements</p>

ALWAYS.

- HUGO BOSS is fully committed to **respecting human rights and fair working conditions** throughout its entire value chain and obliges its suppliers to comply with the HUGO BOSS Supplier Code of Conduct.
- HUGO BOSS, as a customer, assumes joint responsibility for ensuring that all the workers in its supply chain work in a **safe and healthy working environment**. A constant and obvious goal of the Company is for no fatal accidents to occur in its supply chain.
- HUGO BOSS is committed to improving **compensation standards within the global supply chain**.
- HUGO BOSS is committed to **reducing its environmental impact** along the entire supply chain, focusing on climate protection, the efficient use of resources and ensuring clean water.
- HUGO BOSS works closely and in good faith with its suppliers, and focuses on **dialog and joint development**. For example, the Company organizes training sessions for all finished goods suppliers on focus topics relating to the sustainable supply chain.



PRODUCTS

HUGO BOSS aspires to develop collections that not only meet customers' high standards in terms of design, quality, longevity and innovation, but also pose **no social, health or environmental risks**. HUGO BOSS therefore gives high priority to manufacturing processes that conserve resources as much as possible and safely return materials to the raw material cycle as well as to the responsible use of chemicals in production, animal welfare and biodiversity protection.

TODAY.

In 2022

- the Company advanced its cooperation with the Swiss innovation company HeiQ and **launched a first product with the innovative cellulose filament yarn AeonIQ™ on the market at the beginning of 2023**.
- HUGO BOSS entered into a partnership with Raddis® and was able to further advance the procurement of raw materials from **regenerative agriculture**.
- the Company developed products according to circular principles and was also able to bring a **repair service** and an **online resale platform** onto the market, thereby actively contributing to the circular economy.
- HUGO BOSS included guidelines for the use of chemicals in packaging in its RSL.

TOMORROW.

SDG reference (direct or indirect)	Target year	Goal	Status quo
	2030	80% of products meet the requirements for circular products	The first products were developed
	2025	At least 60% of the product range consists of RESPONSIBLE styles	35%
	2025	Use of 100% sustainably sourced cotton in accordance with the criteria of the HUGO BOSS Policy for Cotton and Other Plant Fibers	93%
	2025	100% of the leather used is to come from tanneries certified by the Leather Working Group or a similar standard	86%
	2030	Use of 100% mulesing-free wool in purely woolen products	43%
	2025	30% of all products contribute to a water-saving footprint through responsible treatment processes of the materials (dyeing, washing, refinement, tanning) (water consumption is reduced by at least 30% in the production of these products)	10%
	2022	Increase the share of reused transport packaging in outbound shipments by 3% compared with the base year 2019	The share of reused carton amounts to 49% (2019: 49%)

SDG reference (direct or indirect)	Target year	Goal	Status quo
12 ∞	2025	Reduction of single-use plastic used in packaging by 10% (per sold item) compared with the base year 2019	Reduction by 8%
12 ∞	2025	100% of plastic packaging is made of recycled or other sustainably sourced material	47%
12 ∞ 15 🌱	2025	Reduction of packaging paper by 5% (per sold item) compared with the base year 2019	Reduction by 2%
12 ∞ 15 🌱	2025	100% of the packaging paper comes from sustainably managed forestry and/or is made from recycled material	90%
12 ∞ 15 🌱	2025	>80% of the packaging paper comes from recycled material	69%
12 ∞	2025	Reduction of metal in packaging by 30% (per sold item) compared with the base year 2019	Reduction by 78%

ALWAYS.

- HUGO BOSS ensures that its products can be used over a long period of time by using **selected materials** and high-quality workmanship.
- HUGO BOSS recognizes its particular responsibility for animal welfare and is opposed to animal testing as well as animal breeding and husbandry methods that are not appropriate to the species.
- HUGO BOSS excludes the use of **down** obtained through live plucking and force feeding.
- HUGO BOSS does not use **farmed fur**.
- HUGO BOSS does not use **angora wool**.
- HUGO BOSS only uses **leather** that is a by-product of the food industry and does not use exotic types of leather.
- HUGO BOSS uses **at least 60% recycled material** in all paddings in clothing and accessories.
- HUGO BOSS only uses **mulesing-free wool** in purely woolen knitted products.
- In the future, HUGO BOSS will only source viscose fibers from suppliers according to the 20 **Hot Button Canopy Ranking**.
- HUGO BOSS ensures that all of its products that reach the market meet **international standards in the area of chemicals**.
- All the **product packaging** used should be reduced to the absolute minimum required to bring the products to the customer intact and in line with the brand's premium claim. Wherever possible, the Company uses paper from sustainable forestry.



SOCIETY

As a Company, HUGO BOSS' commitment to **society's wellbeing** is an integral part of its corporate responsibility. With its corporate citizenship strategy, HUGO BOSS also leverages being a role model as a global leading fashion company. The focus is directed towards supporting and promoting educational opportunities for young people, as well as the Company's commitment to equal opportunities in general.

TODAY.

In 2022

- the **total amount of donations was EUR 863,324**.
- the Company supported **women's clubs in Zambia** for the second time, together with the organization Cotton made in Africa.
- the Company again supported the ILGA organization with a donation as part of the sale of a **Pride capsule collection**.
- HUGO BOSS once again supported the **UNICEF project Living Schools in Malawi**.
- a total of 126 pupils and students received support in the form of a **scholarship from the HUGO BOSS Education Association** in Izmir (Turkey).
- 727 women at the Izmir location were supported to **re-enter the workforce** with the Open Doors for Women program.

TOMORROW.

SDG reference (direct or indirect)	Target year	Goal	Status quo
5	2025	Reaching 2,100 women from a disadvantaged economic background with a training course to re-enter the workforce at the Izmir location (the "Open Doors for Women" project)	2,352 women
4	2025	Reaching 1,400 pupils and students through the HUGO BOSS Education Association (Izmir location)	1,384 pupils and students
4	2025	Reaching 75 disadvantaged children through the Food & Art project in cooperation with the Filderstadt art school (project start 2015)	61 children
10	2025	Support of 150,000 people in difficult living conditions through a donation of HUGO BOSS products (base year 2020)	89,900 People

ALWAYS.

- HUGO BOSS is particularly committed to promoting prospects and long-term partnerships, supporting **high-quality education for children** at global and local level.
- HUGO BOSS is committed to providing **professional training** at a local level to strengthen the skilled workforce in the fashion segment.
- HUGO BOSS is committed to **equal opportunities and diversity** and particularly promotes women along the value chain.
- HUGO BOSS takes **responsibility in the global textile supply chain** and is actively involved in dedicated programs to strengthen vulnerable groups.
- HUGO BOSS sees itself as a **part of society** and, in crisis situations, always looks at ways in which the Group can provide support.

FURTHER KEY FIGURES AND INFORMATION

Environment

A I 01 INDIRECT GREENHOUSE GAS EMISSIONS (LOCATION-BASED APPROACH) (IN T OF CO₂)

	✓ 2022	2021	2020
Scope 2 Indirect energy consumption	39,297	34,791	33,625

A I 02 WATER CONSUMPTION BY SOURCE (IN M³)

	✓ 2022	2021	2020	2019
Internally sourced	27,316	25,608	23,180	23,681
Externally sourced	169,008	150,362	139,317	183,177
Total	196,324	175,970	162,497	206,858

A I 03 WASTEWATER DISCHARGE BY SOURCE¹ (IN M³)

	✓ 2022	2021	2020
Surface water	1,220	1,035	1,521
Municipal wastewater disposal	138,045	129,618	117,890
Total	139,265	130,653	119,411

¹ It is assumed that the amount of water consumption is equal to the amount of wastewater discharges for all retail stores in scope (retail stores and outlets).

A I 04 WASTE VOLUMES BY TYPE¹ (IN T)

	✓ 2022	2021	2020	2019
Solid waste	7,271	5,552	4,893	6,821
Unsolid waste	33	28	28	40
Total	7,304	5,580	4,921	6,861
Recycling amount of solid waste	4,881	3,671	3,131	4,269

¹ Waste volumes from extraordinary activities (for example conversion work) were not considered. The recycling volume consists of the generated waste from recycling and reuse.

A | 05 SITES WITH CERTIFIED MANAGEMENT SYSTEMS¹

Company	Sites	Country	Management system	Certified since
HUGO BOSS AG	Headquarters Metzingen	Germany	ISO 50001 ISO 9001	2012 1999
HUGO BOSS AG	Own retail stores	Germany and Austria	ISO 50001	2016
HUGO BOSS AG	Distribution Center Filderstadt	Germany	ISO 50001	2014
HUGO BOSS AG	Distribution Center I Metzingen	Germany	ISO 50001	2012
HUGO BOSS AG	Distribution Center II Metzingen	Germany	ISO 50001	2019
HUGO BOSS AG	Distribution Center Wendlingen	Germany	ISO 50001	2012
HUGO BOSS AG	Warehouse Raw Material Metzingen	Germany	ISO 50001	2012
HUGO BOSS AG	Warehouse Bad Urach	Germany	ISO 50001	2012
HUGO BOSS AG	Outlet Metzingen, Kanalstraße Outlet Metzingen, HUGO-BOSS-Platz	Germany	ISO 50001	2012 2019
HUGO BOSS AG	Showroom Düsseldorf	Germany	ISO 50001	2016
HUGO BOSS AG (Austria)	Site Salzburg	Austria	ISO 50001	2016
HUGO BOSS AG (Switzerland)	Headquarters Zug and own retail stores	Switzerland	ISO 50001	2017
HUGO BOSS Belgium Retail B.V.B.A.	Own retail stores	Belgium	ISO 50001	2017
HUGO BOSS Benelux B.V. y CIA, S.C.	Own retail stores	Spain	ISO 50001	2017
HUGO BOSS Benelux Retail B.V.	Own retail stores	Netherlands and Luxembourg	ISO 50001	2017
HUGO BOSS Finland Oy	Own retail stores	Finland	ISO 50001	2017
HUGO BOSS France SAS	Headquarters Paris and own retail stores	France	ISO 50001	2017
HUGO BOSS Hellas LLC	Own retail stores	Greece	ISO 50001	2017
HUGO BOSS International Markets AG Branch Poland	Own retail stores	Poland	ISO 50001	2017
HUGO BOSS Ireland Ltd.	Own retail stores	Ireland	ISO 50001	2017
HUGO BOSS Italia S.p.A.	Own retail stores	Italy	ISO 50001	2017
HUGO BOSS Magazacilik Ltd. Sti.	Own retail stores	Turkey	ISO 50001	2017
HUGO BOSS Nordic ApS	Own retail stores	Denmark	ISO 50001	2017
HUGO BOSS Portugal & Companhia	Own retail stores	Portugal	ISO 50001	2017
HUGO BOSS Scandinavia AB	Own retail stores	Sweden	ISO 50001	2017
HUGO BOSS Scandinavia NUF Branch Norway	Own retail stores	Norway	ISO 50001	2017
HUGO BOSS Shoes & Accessories Italia S.p.A.	Production Morrovalle	Italy	ISO 14001 ISO 45001 ISO 50001	2015 2018 2021
HUGO BOSS Shoes & Accessories Poland Sp. Z o.o.	Production Radom	Poland	ISO 14001	2017
HUGO BOSS Textile Industry Ltd.	Production Izmir	Turkey	ISO 14001 ISO 50001	2014 2014
HUGO BOSS Ticino S.A.	Headquarters Coldrerio	Switzerland	ISO 50001	2015
HUGO BOSS UK Ltd.	Headquarters London and own retail stores	United Kingdom	ISO 50001	2017

¹ The coverage of HUGO BOSS locations with an ISO certification is at around 71% (calculation in relation to buildings area).

Employees

A I 06 EMPLOYEES BY CATEGORY AND REGION (HEADCOUNT)

	Management	Commercial employees	Industrial employees	Apprentices	Temporary workers
EMEA	1,320	6,914	5,335	146	900
Americas	349	1,892	226	1	241
Asia/Pacific	410	1,847	30	0	159
Total	2,079	10,653	5,591	147	1,300

A I 07 EMPLOYEES BY AGE AND CATEGORY (IN %)

	<30	30≤-<40	40≤-<50	≥50
Management	5	38	39	18
Commercial employees	34	35	19	12
Industrial employees	28	33	28	11
Apprentices	99	1	0	0
Temporary workers	75	11	7	7
Total	32	33	23	12

A I 08 EMPLOYEES BY TYPE OF CONTRACT AND REGION (HEADCOUNT)

	Open-ended	Temporary	Full-time	Part-time
EMEA	13,084	1,531	11,708	2,907
Americas	2,466	243	1,925	784
Asia/Pacific	1,249	1,197	2,340	106
Total	16,799	2,971	15,973	3,797

A I 09 EMPLOYEES BY CONTRACT TYPE AND REGION (HEADCOUNT)

	Open-ended	Temporary	Full-time	Part-time
Women	9,774	2,005	9,268	2,511
Men	7,025	966	6,705	1,286
Total	16,799	2,971	15,973	3,797

A I 10 EMPLOYEES BY POSITION AND GENDER (IN %)

	Managers in revenue-generating positions	Employees in positions with STEM relevance ¹
Women	52	47
Men	48	53
Total	100	100

¹ STEM-related positions include positions thematically related to science, technology, engineering and mathematics.

A I 11 TERMINATION BY REASON AND REGION¹ (HEADCOUNT)

	EMEA	Americas	Asia/Pacific	Total
Termination by employee	1,981	1,024	526	3,531
Termination by employer	1,128	335	80	1,543
Redundancy	46	3	24	73
Retirement	69	4	2	75
Death, emigration	7	4	1	12
Terminations (total)	3,231	1,370	633	5,234

¹ Data does not include apprentices, interns, diploma students, agency staff.

A I 12 TERMINATION BY GENDER AND REGION¹ (HEADCOUNT)

	Women	Men
EMEA	1,917	1,314
Americas	630	740
Asia/Pacific	408	225
Total	2,955	2,279

¹ Data does not include apprentices, interns, diploma students, agency staff.

A I 13 TERMINATION BY AGE AND REGION¹ (HEADCOUNT)

	<30	30≤-<40	40≤-<50	≥50
EMEA	1,783	845	411	192
Americas	772	358	131	109
Asia/Pacific	207	291	102	33
Total	2,762	1,494	644	334

¹ Data does not include apprentices, interns, diploma students, agency staff.

A I 14 AVERAGE EXPENDITURE FOR TRAINING PER FULL-TIME EQUIVALENT (FTE) (IN EUR)

Total	234.45
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Products

A I 15 STANDARDS OF SUSTAINABLY SOURCED COTTON

	in t	in % ¹
Better Cotton	8,373	55
Cotton made in Africa	3,312	22
Organic	2,389	16
Recycled	63	0
Organic in conversion	9	0
The Egyptian Cotton Project	4	0
Regenerative	2	0
Total	14,152	93

¹ Percentage of total cotton used by HUGO BOSS.

A I 16 TOTAL WEIGHT OF PLASTIC PACKAGING¹ (IN T)

	2022	2021	2020	2019
Total	1,548	1,002	845	1,192

¹ The totals for 2019 differ from the figures published in the Sustainability Report for this year. They have been adjusted retrospectively due to changes in the calculation method.

GRI CONTENT INDEX

The HUGO BOSS Sustainability Report 2022 was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) Standards 2021 update for the period January 01, 2022 to December 31, 2022. The selection of general and specific standard specifications which are to be reported on is based on a materiality analysis. Selected disclosures have been subject to an external audit.

GRI Standard/ Other source	Disclosure	Location	Omission			External assurance
			Requirement(s) omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	6				
	2-2 Entities included in the organization's sustainability reporting	4–5, 116				
	2-3 Reporting period, frequency and contact point	4–5				
	2-4 Restatements of information	111–113			Where information from earlier reports is continued in a different form, this is noted accordingly at the relevant points in the report.	
	2-5 External assurance	111–113				
	2-6 Activities, value chain and other business relationships	6, 49–50	2-6-d	Not applicable	In the reporting year, no significant changes occurred.	
	2-7 Employees	37–39, 99–100	2-7-b	Information unavailable/incomplete	Information on employees with non-guaranteed working hours is not available.	✔
	2-8 Workers who are not employees	37–39, 99–100				
	2-9 Governance structure and composition	8–11, AR 146 ff.				
	2-10 Nomination and selection of the highest governance body	AR 154				
	2-11 Chair of the highest governance body	8–11, AR 153				
	2-12 Role of the highest governance body in overseeing the management of impacts	8–11				
	2-13 Delegation of responsibility for managing impacts	8–11				

GRI Standard/ Other source	Disclosure	Location	Omission			External assurance
			Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	4–5				
	2-15 Conflicts of interest	8–11				
	2-16 Communication of critical concerns	18				
	2-17 Collective knowledge of the highest governance body	8–11				
	2-18 Evaluation of the performance of the highest governance body	AR 146 ff.				
	2-19 Remuneration policies	11, AR 158				
	2-20 Process to determine remuneration	40–41, AR 160 ff.				
	2-21 Annual total compensation ratio		2-21 a, b, c	Information unavailable/incomplete	Information on the ratio of total annual compensation is not available.	
	2-22 Statement on sustainable development strategy	2–3				
	2-23 Policy commitments	15, 36–37, 51–52				
	2-24 Embedding policy commitments	16–17				
	2-25 Processes to remediate negative impacts	17–19, 85–96				
	2-26 Mechanisms for seeking advice and raising concerns	16–18				
	2-27 Compliance with laws and regulations		2-27		No fines were imposed for any environmental violations in the reporting year.	
	2-28 Membership associations	16–21				
	2-29 Approach to stakeholder engagement	20–21				
2-30 Collective bargaining agreements	37–41					
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	11–13				
	3-2 List of material topics	12–13				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	8–11, 81–82				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	6, 81–83, AR 198 ff.				
	201-2 Financial implications and other risks and opportunities due to climate change	AR 198 ff.				
	201-3 Defined benefit plan obligations and other retirement plans	AR 243 ff.				
	201-4 Financial assistance received from government	AR 216 ff.				

GRI Standard/ Other source	Disclosure	Location	Omission		Explanation	External assurance
			Requirement(s) omitted	Reason		
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	49–52				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		204-1	Information unavailable/incomplete	Data regarding the proportion of spending on local suppliers are not available. When comparable, HUGO BOSS gives preference to local sourcing offers.	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	15–18				
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	18				
	205-2 Communication and training about anti-corruption policies and procedures	18, 21				
	205-3 Confirmed incidents of corruption and actions taken	17–18				✓
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	15–18				
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	17–18				✓
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Tax Strategy				
GRI 207: Tax 2019	207-1 Approach to tax	Tax Strategy				
	207-2 Tax governance, control, and risk management	Tax Strategy				
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Strategy				
	207-4 Country-by-country reporting	Tax Strategy				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	23–24				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	71, 78				
	301-2 Recycled input materials used	78, 101				
	301-3 Reclaimed products and their packaging materials		301-3	Information unavailable/incomplete	Data on recycling and reuse of products broken down into product categories and packaging are not collected.	

GRI Standard/ Other source	Disclosure	Location	Omission		Explanation	External assurance
			Requirement(s) omitted	Reason		
GRI 302 Energy 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	23–24				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	25–27	Requirement omitted		HUGO BOSS reports energy consumption in the unit megawatt hour (MWh). One megawatt hour corresponds to 3.6 gigajoules (GJ). Information on the fuel consumption of own vehicles is currently not available. The conversion factors for the individual energy sources are based on generic conversion factors.	☑
	302-2 Energy consumption outside of the organization	27				
	302-3 Energy intensity	27				☑
	302-4 Reduction of energy consumption	26–27				
	302-5 Reductions in energy requirements of products and services		302-5	Not applicable	Only assumptions can be made for the energy requirements of the products.	
GRI 303 Water and effluents 2018						
GRI 3: Material Topics 2021	3-3 Management of material topics	23–24				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	30–32, 70, 97				
	303-2 Management of water discharge-related impacts	30–31				
	303-3 Water withdrawal	30–32, 97				☑
	303-4 Water discharge	30–32, 97	303-4 b-d	Information unavailable/incomplete	Data on water recycling broken down by fresh-water and other water are not collected.	
	303-5 Water consumption	30–32			HUGO BOSS reports water consumption in units of cubic meters (m ³). One cubic meter is equal to 0.001 megaliters (ML). The determination of water consumption at the Company's own production sites in water-stressed areas is based on the globally recognized Aqueduct Water Risk Atlas of the World Resources Institute (WRI).	

GRI Standard/ Other source	Disclosure	Location	Omission			External assurance
			Requirement(s) omitted	Reason	Explanation	
GRI 305 Emissions 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	23–24				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	28–30			Emission factors from the GaBi database as well as the company's own emission factors were used for the calculation. The data are consolidated according to the financial control method.	☑
	305-2 Energy indirect (Scope 2) GHG emissions	28–30			Emission factors from the GaBi database as well as the company's own emission factors were used for the calculation. The data are consolidated according to the financial control method.	☑
	305-3 Other indirect (Scope 3) GHG emissions	28–30				
	305-4 GHG emissions intensity	28				
	305-5 Reduction of GHG emissions	28–30				
	305-6 Emissions of ozone-depleting substances (ODS)		305-6	Not applicable	For HUGO BOSS, these emissions are insignificant because the substances are not used in the core business.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Not applicable	For HUGO BOSS, these emissions are insignificant because the substances are not used in the core business.	
GRI 306 Waste 2020						
GRI 3: Material Topics 2021	3-3 Management of material topics	23–24				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	32–33				
	306-2 Management of significant waste-related impacts	32–33				
	306-3 Waste generated	32–33, 97				☑
	306-4 Waste diverted from disposal	32–33				
	306-5 Waste directed to disposal	32–33				

GRI Standard/ Other source	Disclosure	Location	Omission			External assurance
			Requirement(s) omitted	Reason	Explanation	
GRI 308 Supplier environmental assessment 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	53–55, 59–62				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	53, 59–61				
	308-2 Negative environmental impacts in the supply chain and actions taken	59–62				
GRI 401 Employment 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	35–37				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	39, 100		Information unavailable/incomplete	Information and rates on new hires and employee turnover by gender and age are currently not available.	☑
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	40–41				
	401-3 Parental leave	41	401-3	Information unavailable/incomplete	Detailed data on employees entitled to parental leave by gender are not collected.	
GRI 402 Labor/management relations 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	35–37, AR 51–57				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		402-1	Not applicable	HUGO BOSS complies with all legal regulations on notice periods.	
GRI 403 Occupational health and safety 2018						
GRI 3: Material Topics 2021	3-3 Management of material topics	35–37, 44–47				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	44–47				
	403-2 Hazard identification, risk assessment, and incident investigation	45–47				
	403-3 Occupational health services	46–47				
	403-4 Worker participation, consultation, and communication on occupational health and safety	44–47				
	403-5 Worker training on occupational health and safety	44–47				
	403-6 Promotion of worker health	46–47				

GRI Standard/ Other source	Disclosure	Location	Omission			External assurance
			Requirement(s) omitted	Reason	Explanation	
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46-47, 55-59				
	403-8 Workers covered by an occupational health and safety management system	44	403-8 a-i-iii,b	Information unavailable/incomplete	Detailed information on the coverage of employees and contractors by the OHS program is currently not available.	
	403-9 Work-related injuries	45-46	403-9 a-i,ii, v b-i,ii,v	Not applicable	As in previous years, there were no fatal accidents in the year under review. Slips, trips and falls are the most common types of accidents and work-related hazards that pose a risk of serious injury.	✔
	403-10 Work-related ill health	47	403-10 a-iii, b-iii	Informationen nicht verfügbar/unvollständig	The definition of work-related illnesses differs from that in the GRI. No information is currently available on work-related hazards that pose a risk of illness. In the reporting year, as in previous years, there were no fatalities due to work-related illnesses.	✔
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	35-37				
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	44	404-1 a-i, ii	Information unavailable/incomplete	Figures on average training hours split by gender and employee category are currently not available.
404-2 Programs for upgrading employee skills and transition assistance programs		43-44				
404-3 Percentage of employees receiving regular performance and career development reviews			404-3	Information unavailable/incomplete	Figures on employees receiving reviews split by gender and employee category are currently not available.	
GRI 405 Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	35-37, 41-42				
	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	41-42, 99	405-1-iii, b-iii	Not applicable	Statements about minorities are not applicable for HUGO BOSS, because the Company does not consider anybody as such.

GRI Standard/ Other source	Disclosure	Location	Omission			External assurance
			Requirement(s) omitted	Reason	Explanation	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	41-42	405-2	Not applicable	HUGO BOSS pays women and men equally. The remuneration is based on the performance and qualification of the employees.	
GRI 406 Non-discrimination 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 35-37, 51-52				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	55-57, 40-41				✓
GRI 407 Freedom of association and collective bargaining 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 35-37, 51-52				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	55-57				✓
GRI 408 Child labor 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 35-37, 51-52				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	55-57				✓
GRI 409 Forced or compulsory labor 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 35-37, 51-52				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	55-57				✓
GRI 413 Local communities 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	81-82				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	81-82				
	413-2 Operations with significant actual and potential negative impacts on local communities	11-13				
GRI 414 Supplier social assessment 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	49-52, 55-56				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	56-57				✓

GRI Standard/ Other source	Disclosure	Location	Omission			External assurance
			Requirement(s) omitted	Reason	Explanation	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	55–59	414-2 d	Information unavailable/incomplete	Percentage of suppliers audited with corrective action plans 100%. Every audited supplier receives an corrective action plan as a result of an audit. In the reporting year, no supplier relationships were terminated as a result of social compliance checks.	☑
GRI 415 Public policy 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	20–21				
GRI 415: Public Policy 2016	415-1 Political contributions		415-1	Not applicable	In the reporting year, HUGO BOSS made no donations to political parties.	
GRI 416 Customer health and safety 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	67–69				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	75	416-1 a	Information unavailable/incomplete	The calculation is based on a sample of materials tested for harmful substances, therefore this information does not fully correspond to the disclosure requirement of GRI 416-1.	☑
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	75				
GRI 417 Marketing and labeling 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	67–69				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	75				
	417-2 Incidents of non-compliance concerning product and service information and labeling	75				
	417-3 Incidents of non-compliance concerning marketing communications		417-3	Not applicable	HUGO BOSS complies with all relevant standards in marketing.	
GRI 418 Customer privacy 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	19, AR 79 ff.				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	19				☑

AR = Annual Report 2022, Tax Strategy = Tax Strategy 2022

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

Limited Assurance Report of the Independent Practitioner Regarding Selected Disclosures of the Separate Sustainability Report 2022

To HUGO BOSS AG, Metzingen/Germany

Engagement

We have performed a limited assurance engagement on the sections marked with a gray and a white check mark "(☑)" and "(⊖)" and displayed in gray font color as well as the disclosures marked with a gray and a white check mark (☑) and (⊖) in the sustainability report for the period from January 1 to December 31, 2022 (hereafter referred to as "Sustainability Report") of HUGO BOSS AG, Metzingen/Germany, (hereafter referred to as "the Entity"). In respect to this, our engagement solely concerns the sections marked with a gray and a white check mark "(☑)" and "(⊖)" and displayed in gray font color as well as the disclosures marked with a gray and a white check mark (☑) and (⊖).

Responsibilities of the Executive Directors

The executive directors of the Entity are responsible for the preparation of the Sustainability Report in accordance with the principles stated in the "Core" option of the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter referred to as "GRI Standards Criteria") and for the selection of the disclosures to be assessed.

These responsibilities of the executive directors of the Entity include the selection and application of appropriate methods for sustainability reporting and the use of assumptions and estimates for individual sustainability disclosures which are reasonable under the given circumstances. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud (fraudulent sustainability reporting) or error.

The preciseness and completeness of the environmental data in the non-financial reporting are subject to inherent restrictions resulting from the manner in which the data was collected and calculated as well as from assumptions made.

Independence and Quality Assurance of the Audit Firm

We have complied with the German professional requirements on independence and other professional rules of conduct.

Our audit firm applies the national statutory rules and professional announcements – particularly of the “Professional Charter for German Public Auditors and German Sworn Auditors” (BS WP/vBP) and of the IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW) – and therefore maintains a comprehensive quality assurance system comprising documented regulations and measures in respect of compliance with professional rules of conduct, professional standards, as well as relevant statutory and other legal requirements.

Responsibilities of the Independent Practitioner

Our responsibility is to express a conclusion on the sections marked with a gray and a white check mark “(☑)” and “(☑)” and displayed in gray font color as well as the disclosures marked with a gray and a white check mark (☑) and (☑) in the Sustainability Report based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, issued by the IAASB. This standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether matters have come to our attention that cause us to believe that the sections marked with a gray and a white check mark “(☑)” and “(☑)” and displayed in gray font color as well as the disclosures marked with a gray and a white check mark (☑) and (☑) in the Sustainability Report of HUGO BOSS AG, Metzingen/Germany, for the period from January 1 to December 31, 2022 have not been prepared, in all material respects, in accordance with the relevant GRI Standards Criteria. However, we do not issue a separate conclusion on each marked disclosure.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the practitioner’s professional judgment.

Within the scope of our limited assurance engagement, which we performed (remotely) between January and April 2023, we performed, among others, the following procedures and other work:

- Gaining an understanding of the structure of the sustainability organization, and of the stakeholders’ engagement
- Inquiries of the executive directors and relevant personnel who have been involved in the preparation process of the Sustainability Report, about the preparation process, about the system of internal control relating to this process, as well as about selected disclosures in the Sustainability Report
- Identification of risks of material misstatement in the Sustainability Report by taking the GRI criteria as a basis

- Analytical assessment of selected disclosures in the Sustainability Report
- Squaring of disclosures with the corresponding data in the consolidated financial statements as well as in the group management report
- Evaluation of the presentation of the selected disclosures on the sustainability performance

Practitioner's Conclusion

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sections marked with a gray and a white check mark "(☑)" and "(☑)" and displayed in gray font color as well as the disclosures marked with a gray and a white check mark (☑) and (☑) in the Sustainability Report of HUGO BOSS AG, Metzingen/Germany, for the period from January 1 to December 31, 2022, do not comply, in all material respects, with the relevant GRI Standards Criteria.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Entity (including the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" as of January 1, 2017 promulgated by the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was performed for the purposes of the Entity and the report is solely designed for informing the Entity about the findings of the assurance engagement. Therefore, it may not be suitable for another than the aforementioned purpose. Hence, this report should not be used by third parties as a basis for any (asset) decision.

We are liable solely to the Entity. However, we do not accept or assume any responsibility to third parties. Our conclusion was not modified in this respect.

Metzingen/Germany, April 28, 2023

Deloitte GmbH
 Wirtschaftsprüfungsgesellschaft

Dr. Thomas Reitmayr
 Wirtschaftsprüfer
 (German Public Auditor)

Sebastian Dingel
 Partner

LIST OF ABBREVIATIONS

ABBREVIATIONS

AbTF	Aid by Trade Foundation
AFIRM	Apparel and Footwear International RSL Management
AR	Annual Report
BC	Better Cotton
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSR-RUG	CSR-Richtlinie-Umsetzungsgesetz (German implementation of the CSR Directive on Non-financial Reporting)
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen e.V. (German Sustainable Building Council)
DJSI	Dow Jones Sustainability Index
EDP	Employee Development Program
FLA	Fair Labor Association
FSC®	Forest Stewardship Council®
FTC	Fair Trade Cashmere
FTE	Full Time Equivalent
GCGC	German Corporate Governance Code
GHG	Greenhouse Gas Protocol
GIZ	German Corporation for International Cooperation GmbH
GRI	Global Reporting Initiative
GSCP	Global Social Compliance Programme
GPTW®	Great Place to Work®
HIPOSS	High Potential Program
ILGA	International Lesbian, Gay, Bisexual, Trans and Intersex Association
ILO	International Labour Organization
ISAE	International Standard on Assurance Engagements
ISO	International Organization for Standardization
LED	Light-emitting diode
LDP	Leadership Development Program
LPG	Liquefied Petroleum Gas
LTIFR	Lost Time Injury Frequency Rate
LWG	Leather Working Group
MRSL	Manufacturing Restricted Substances List
NFT	Non-fungible token
NGO	Non-Governmental Organization
NPS	Net Promoter Score
OHS	Occupational Health and Safety
PDD	Performance & Development Dialog
PFC	Perfluorinated and polyfluorinated chemicals
REM	Resource Efficiency Module

ABBREVIATIONS

RRA	Remote Risk Assessment
RSL	Restricted Substances List
SAQ	Self-assessment questionnaire
SCoC	Supplier Code of Conduct
SDGs	Sustainable Development Goals
SCS	Supply Chain Sustainability
TCFD	Task Force on Climate-Related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change (Klimarahmenkonvention der Vereinten Nationen)
ZDHC	Zero Discharge of Hazardous Chemicals
Symbols	
✔ / ⊗	Labeling of information which has been audited for limited assurance engagement

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