

**CANADIAN  
SUPPLY CHAIN ACT  
REPORT**

**YEAR 2023**

## 1 GENERAL STATEMENT

**As a conscientious and responsible global company, the HUGO BOSS Group ("HUGO BOSS") carries out extensive due diligence measures to protect human rights in its own business areas and in the supply chains.**

**HUGO BOSS does not tolerate any form of forced labor or child labor and rejects all kinds of modern slavery and human trafficking.**

HUGO BOSS with all its subsidiaries aims to comply with all respective due diligence acts worldwide including the *Canadian Supply Chain Act*<sup>1</sup>. Therefore HUGO BOSS has set up a central governance system to structure and ensure compliance with all relevant due diligence acts at Group level.

HUGO BOSS Canada, Inc. ("HUGO BOSS Canada") submits this report as a single statement and describes our work on due diligence in our own business areas and supply chains. Our due diligence analysis, as described in this statement, reflects the entire Group due diligence work, as the internal guidelines and supply chain risks are the same across all our companies. However, only HUGO BOSS Canada is directly subject to the Canadian Supply Chain Act for the part of our activity that applies to the Canadian branch. This report shows the steps HUGO BOSS is taking to ensure that child labor, modern slavery and/or human trafficking is not taking place in any part of our business or in our supply chain.

The disclosure covers the previous fiscal year, which ended on December 31, 2023.

## 2 OUR ORGANISATIONAL STRUCTURE

HUGO BOSS is a leading company in the premium fashion segment of the apparel market. Headquartered in Metzingen (Germany), the Company employs around 22,000 employees generating annual sales of about EUR 4.2 billion in the financial year 2023. The HUGO BOSS Group is made up of 64 consolidated subsidiaries located in Europe, the Americas, and Asia/Pacific that bear responsibility for their local business activities. This includes 41 subsidiaries that are organized as distribution companies as well as five production companies.

HUGO BOSS, a global fashion and lifestyle company positioned in the premium segment, is one of the leaders in offering high-quality women's and men's apparel. The Company pursues a portfolio strategy, currently consisting of two strong brands – BOSS and HUGO. While both brands are clearly distinguished by their individual attributes, they share the same high standards in terms of quality, innovation, and sustainability.

HUGO BOSS Canada is the local sales and distribution company and operates a double-digit number of stores and outlets. In total, more than 450 employees were employed in this company in 2023

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<sup>1</sup> Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff.

(HUGO BOSS Group ca. 19.000). HUGO BOSS does not have any own production in Canada so the goods, especially textile products, are imported directly to Canada from the USA, the EU, Turkiye and other countries.

## **OUR SUPPLY CHAIN**

The textile supply chain is typically defined by complex processes, which largely take place outside the confines of the Company. HUGO BOSS works together with a stable network of experienced and specialized suppliers in order to guarantee processing quality and optimum availability of its products. HUGO BOSS is in active supply relationships with several types of suppliers. These include contract manufacturing and merchandise, fabric and trimmings suppliers and other suppliers, that relate to the textile supply chain.

In terms of value, 17% of the total sourcing and production volume in 2023 was produced at our own production facilities. At the same time, 83% comprises products sourced from independent contract suppliers or sourced as merchandise. HUGO BOSS attaches great importance to a regionally balanced strategic sourcing mix in order to minimize risks such as local or regional capacity shortfalls as far as possible. In 2023, 52% of our merchandise was sourced in EMEA. With a share of 26% of our global sourcing and production volume, Turkey not only accounts for about half of our European sourcing activity, but also represents by far for the largest sourcing market for HUGO BOSS. Asia represents 46% of our global sourcing and production volume. Further information on our sourcing activities can be found in our [Annual Report](#) and our [Supplier Factsheet](#).

HUGO BOSS Canada receives finished goods delivered directly from other group companies, and does not enter into separate agreements with suppliers. The risk outlook for HUGO BOSS Canada is therefore the same as for the Group's supply chain in general. The risk analysis carried out by HUGO BOSS is thus directly transferable to the Canadian operations.

## **3 POLICIES CONCERNING TO SLAVERY & HUMAN TRAFFICKING**

Being compliant with local laws, recognized social standards and the ILO core conventions is essential for respecting human rights of our own employees and those of our partners. The following HUGO BOSS codes and guidelines set the baseline to interact with our employees and define decent working conditions:

- [HUGO BOSS Code of Conduct](#);
- [HUGO BOSS Supplier Code of Conduct](#);
- [HUGO BOSS Statement Human Rights](#);
- [HUGO BOSS Human Rights Policy](#);
- [HUGO BOSS Health & Safety Commitment](#);
- [HUGO BOSS Anti-Discrimination and Anti-Harassment Commitment](#);
- [HUGO BOSS Anti-Discrimination and Anti-Harassment Policy](#);
- [HUGO BOSS Child Labor Policy](#);

- [HUGO BOSS Whistleblowing Policy](#);
- Other Commitments: On the HUGO BOSS [Group's website](#), HUGO BOSS is publishing further activities and commitments on current human rights and social issues.

Cooperation with our partners is based on respect for and compliance with business ethics, human rights, and decent working conditions and social standards. These are anchored in the Supplier Code of Conduct and are part of our contractual agreements.

Respect for human rights in global supply chains is a continuous and gradual process and requires a long-term commitment. We aim to achieve jointly with our partners continuous improvement in the field of human rights.

## 4 OUR DUE DILIGENCE PROCEDURE

The identification of human rights adverse impacts and risks within our own business areas (including HUGO BOSS Canada) and supply chains is for HUGO BOSS the foundation to build an effective and appropriate risk management on. HUGO BOSS aims to prevent human rights risks, minimize them or end violations as far as possible by deriving preventive measures and remedial actions from the risk analysis.

The human rights risk analysis assesses human rights-related impacts on those potentially affected by the HUGO BOSS business activities (e.g., our own employees, employees of partners). The risk classification of our own business areas and partners is based on three pillars. HUGO BOSS uses recognized indices for the risk analysis of (1) countries of origin and (2) industries and also sends out (3) self-assessments in order to derive further partner-specific risks.

## 5 RISK OF MODERN SLAVERY PRACTICES

Work has to be humane, safe, and fair and undertaken on a voluntary basis. These are the foundations of the HUGO BOSS Supplier Code of Conduct, which the Company, including HUGO BOSS Canada and its suppliers pledge to follow. They define a minimum standard for suppliers located in countries where local laws have weaker provisions and are a prerequisite for collaboration with HUGO BOSS.

But still HUGO BOSS is aware of the risks of child labor, modern slavery and human trafficking in global supply chains. Child labor, modern slavery and human trafficking are not only dangers or an immediate threat for workers and children in specific countries, it's a global risk for the security and freedom of humans around the world.

HUGO BOSS, including HUGO BOSS Canada has not disclosed any actual negative impact or material risk of negative impacts on human rights or decent working conditions in our own business areas or supply chain. In general, HUGO BOSS assumes a constant significant risk in the areas of child labor, forced labor, working hours and remuneration due to well-known industry risks. Accordingly, these risks are permanently prioritized as part of the analysis - regardless of the annual results. Further information on how we are safeguarding this risk can be found in our [Sustainability Report](#).

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. Therefore, we participate in multi-stakeholder initiatives that help us to evaluate and address the risk of child and forced labor in our industry and supply chains. HUGO BOSS joined the Fair Labor Association (FLA) in 2014 to promote and protect employee rights and to advance improvements to working conditions. In 2015, the Company became a member of the German Partnership for Sustainable Textiles (Textilbündnis). 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. Following its initiation in Bangladesh, HUGO BOSS has also joined the Pakistan Accord in 2023.

## **6 INFORMATION ABOUT PREVENTIVE MEASURES & REMEDIAL ACTIONS**

Based on those systematic insights of the risk analysis HUGO BOSS develops specific measures to prevent and remedy human rights adverse impacts, risks or violations. We rely on a good mixture of various specific measures to address findings and continuously implement them in business processes of relevant departments.

In our direct sphere of influence at our partners, HUGO BOSS systematically focuses on identifying actual human rights adverse impacts and violations and consequently on minimizing or ending them jointly with our partners. Additionally, HUGO BOSS has established contractually binding standards for partners. Sharing knowledge to improve working conditions is key for us to prevent human rights risks.

If a case of forced labor or child labor becomes known, it must be remedied immediately and measures must be taken to prevent a recurrence. In addition, HUGO BOSS expects appropriate compensation for those affected and their families. HUGO BOSS is committed to reviewing the implementation of the measures on an ongoing basis. Should there be any difficulties in implementing the measures, HUGO BOSS is available to advise its partners. If the partner is unwilling to do so, HUGO BOSS reserves the right to terminate the business relationship as a last resort.

### **OUR WHISTLEBLOWING SYSTEM**

To identify hidden risks, HUGO BOSS has several complaints channels enabling anyone to report potential cases in their preferred way. The complaint channels are valid for all HUGO BOSS subsidiaries (including HUGO BOSS Canada), supplier and beyond. One can choose to contact the person responsible at HUGO BOSS directly, confidentially through the HUGO BOSS Speak Up Channel or via an independent external Ombudsperson (free international helpline and online complaints form). The channels are available in more than 50 languages:

[HUGO BOSS Speak Up Channel](#) or  
by scanning this QR code:



[Contact information for the  
HUGO BOSS Ombudsperson:](#)

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Employees of suppliers can use the same confidential channels. They learn of the existence of those complaints' channels through posters at the production sites, information cards handed out during on-site social compliance audits and information on the HUGO BOSS group's website. Further information on the reporting of complaints due to violations by the company and for the protection of all whistleblowers can be found in the HUGO BOSS Whistleblowing Policy.

## 7 OUR TRAININGS

All our employees undergo an annual compliance training also covering human rights topics. This training is mandatory and available to all employees. The training can be completed by passing a test. The same applies to our suppliers. Before we start a business relationship with a supplier, they must successfully complete an online training course on our social standards, including the topic of child labor, forced and modern slavery. Moreover we are having topic-specific training for our suppliers.

Furthermore, our internal and external audit staff consists of experienced and well-trained auditors.

## 8 EFFECTIVENESS REVIEW

HUGO BOSS (including HUGO BOSS Canada) conducts and evaluates internal and external audits and derives, if necessary, specific measures to ensure that child and forced labor is not taking place in its supply chains. The main indicator of effectiveness of HUGO BOSS' actions to address its modern slavery risks is the audit performance levels of its direct suppliers, especially in the field of social compliance (including measures against slavery and human trafficking, for details see HUGO BOSS Sustainability Report). HUGO BOSS evaluates and classifies the relevant suppliers on an ongoing basis. To be transparent and demonstrate progress in this field of action, HUGO BOSS reports the relevant figures in the Company's Annual Report.

As accredited member of the FLA, HUGO BOSS is monitored by this non-governmental organization regularly. This includes audits, which also concentrate on modern slavery and human trafficking at the

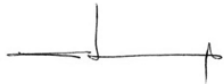
HUGO BOSS production sites and at all suppliers. Potential cases of child and forced labor are published.

Furthermore, on a yearly basis we check our policies and commitments and if necessary, update them. The same applies to our whistleblowing channels and trainings. Beyond that we continuously work on improving our measures taken to end risk and violations of all forms of child and forced labor. Regular dialogue with relevant stakeholders is also a means for us to evaluate the effectiveness of our measures.

## 9 APPROVAL OF THIS STATEMENT

This statement was approved and signed by the Managing Director of HUGO BOSS Canada, Inc. HUGO BOSS Canada, Inc. does not have any subsidiaries.

This statement for HUGO BOSS Canada, Inc. was also approved by the chairman of the managing board of HUGO BOSS AG as the parent entity on 31 May 2024.



**Daniel Grieder**  
HUGO BOSS AG  
CEO

Date: May 2024



**Endre Pech**  
HUGO BOSS Canada, Inc.  
Managing Director

Date: May 2024