

HUGO BOSS

BIODIVERSITY

STRATEGY



HUGO BOSS recognizes the importance of biodiversity as a foundation for healthy ecosystems and long-term environmental resilience.
This document outlines the Company approach to biodiversity and reflects its commitment to considering nature-related impacts within the business activities.

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INTRODUCTION

HUGO BOSS mainly uses natural raw materials such as cotton and wool in its products, which underlines the Company dependency on biodiversity. At the same time, our business activities, in particular raw material production and product manufacturing, may influence the environment. Consequently, we recognise biodiversity as a strategic priority for our business and are committed to protecting nature and reducing biodiversity-related impacts through responsible business practices across our value chain.

To assume this responsibility, we have taken a close look at our impact on biodiversity in an in-depth study conducted with the International Union for Conservation of Nature (IUCN)¹, which is outlined in more detail in this document. Based on this and on the mitigation hierarchy as a framework for action², we have set ambitious targets for the protection of biodiversity. Furthermore, this document includes a summary of the measures we are taking across key stages of the value chain to address the identified impacts and reach the set targets. To support this ambition, we collaborate with suppliers, industry initiatives, NGOs and other business partners to improve biodiversity outcomes across our value chain and support the achievement of our biodiversity-related targets. Examples include collaborations with IUCN, Canopy, ZDHC, regenerative agriculture partners, and other relevant stakeholders that support our biodiversity-related objectives. We also see the transition towards more circular approaches as one important way to help conserve resources and support long-term environmental protection.

¹ "Biodiversity risks and opportunities in the apparel sector" study in cooperation with IUCN (2016)

² [Biodiversity risks and opportunities in the apparel sector](#), IUCN (2016); [Biodiversity benchmark companion guide](#), Textile Exchange (2020)

BIODIVERSITY IMPACTS

To better understand the specific impacts and influences on biodiversity, we conducted a comprehensive study in cooperation with the International Union for Conservation of Nature (IUCN)¹ back in 2016. The study outlines in detail the impacts of the overall fashion industry on biodiversity. These impacts can generally be grouped as follows:

- **Habitat loss and degradation** (direct conversion, alteration, or fragmentation of natural habitats).
- **Overexploitation** (unsustainable harvesting of wild populations of animals, plants, or other organisms).
- **Pollution** (presence or introduction into the environment of a substance which has harmful or poisonous effects).
- **Climate change** (change of climate due to human activity leading to changes in ecosystem interactions, shifts and declines in species diversity).
- **Invasive alien species** (presence of plants, animals, or other organisms that are non-native to an ecosystem, which can disrupt local ecosystem integrity and function).

The detailed impacts and corresponding measures throughout the value chain are outlined later in this document. The analysis provides a solid basis to target the most important areas for protecting biodiversity in our business operations.

MITIGATION HIERARCHY

In developing a sustainability strategy for biodiversity, it is advisable to use the mitigation hierarchy as a framework for action². This calls for four steps:

- **Avoid:** We define impacts that can be avoided, and we prioritize them first (e.g. avoiding the sourcing of wild species that are globally threatened or avoiding deforestation and the conversion of natural ecosystems).
- **Minimize:** When impacts cannot be avoided, we adhere to best practices for minimizing harm to biodiversity with practices like regenerative or organic agriculture. They are built on reduced pesticide use, water stewardship, sustainable grazing and pollution control with low impacting production processes.
- **Restore/Remediate:** Beyond mitigation, we participate in programs and projects focused also on the restoration of degraded ecosystems (e.g. regenerative or in-conversion organic agriculture).
- **Transform:** Achieving long-term change requires accelerating progress across the industry through collective actions. This includes participating in industry initiatives such as the

UNFCCC Fashion Industry Charter for Climate Action, engaging directly with suppliers and farmers, and supporting more circular business models.

In general, these steps provide a guideline in the formulation of strategies and measures. However, it is important to add that the initiatives we support and engage in often cover various steps of the mitigation hierarchy.

RISK ASSESSMENT APPROACH

When assessing biodiversity-related risks, we conducted our analysis in line with the LEAP approach developed by the Taskforce on Nature-related Financial Disclosures (TNFD). The LEAP process (locate, evaluate, assess, and prepare) provides a structured framework based on the Continuous Improvement Process ('Plan, Do, Check, Act').

- **Locate:** This phase of the LEAP approach to identify where our activities interact with nature across the value chain. This step is essential for identifying priorities and defining targeted interventions to transform production systems. To support this process, we have conducted several analyses, including assessments with IUCN and the HUGO BOSS Natural Capital Evaluation³. In 2025, we conducted an additional biodiversity assessment using the Integrated Biodiversity Assessment Tool (IBAT), focusing on key stages of the value chain, such as the HUGO BOSS subsidiaries, warehouses, production sites, as well as manufacturing suppliers and farmers focusing on regenerative agriculture. Further information is available in the HUGO BOSS Climate- and Nature-related Disclosures on the [HUGO BOSS Group website](#).

The assessment indicates that biodiversity-related impacts are concentrated within the supply chain, with raw material sourcing and wet processing identified as the most relevant stages.

- **Evaluate:** In this phase we analyse our dependencies on nature and our impacts on environmental assets and ecosystem services across the value chain. Further information is available in the white papers on the HUGO BOSS Natural Capital Evaluation³.

Natural fibers, such as cotton and wool, sourced from areas exposed to climate-related risks, including heat, floods, or droughts, were found to be highly dependent on natural conditions, with potential impacts on their quality and availability. In addition, water-dependent processing, such as wet processes, show strong dependencies and impacts in most assessed areas.

- **Assess:** This phase focuses on evaluating the significance of nature-related risks and opportunities based on the dependencies and impacts identified in the previous steps.

³ The study can be found on the [HUGO BOSS Group website](#).

The assessment identifies that the most relevant nature-related risks and opportunities are associated with raw materials, natural fibers and wet processing. We address these topics through our sustainability strategy by applying the principles of avoid, minimize, restore and transform. This includes avoiding certain impacts, for example by reducing the use of virgin synthetic fibers such as polyester through close-loop recycled materials and by minimizing impacts on water in wet processing through collaboration with the Zero Discharge of Hazardous Chemicals initiative. In addition, we work to contribute to ecosystem resilience by aiming to source 100% main natural materials from preferred sources by 2030, with a focus on cotton and wool from regenerative agriculture programs, which are based on close collaboration with raw material producers.

Going forward, the materiality assessment of nature-related risks and opportunities may serve as a basis for further consideration within relevant climate- and nature-related risk management processes.

- **Prepare:** This phase focuses on integrating the results of the previous steps into the HUGO BOSS' Sustainability Strategy, including target-setting, reporting, and disclosure.

OUR COMMITMENTS ON BIODIVERSITY IMPACTS

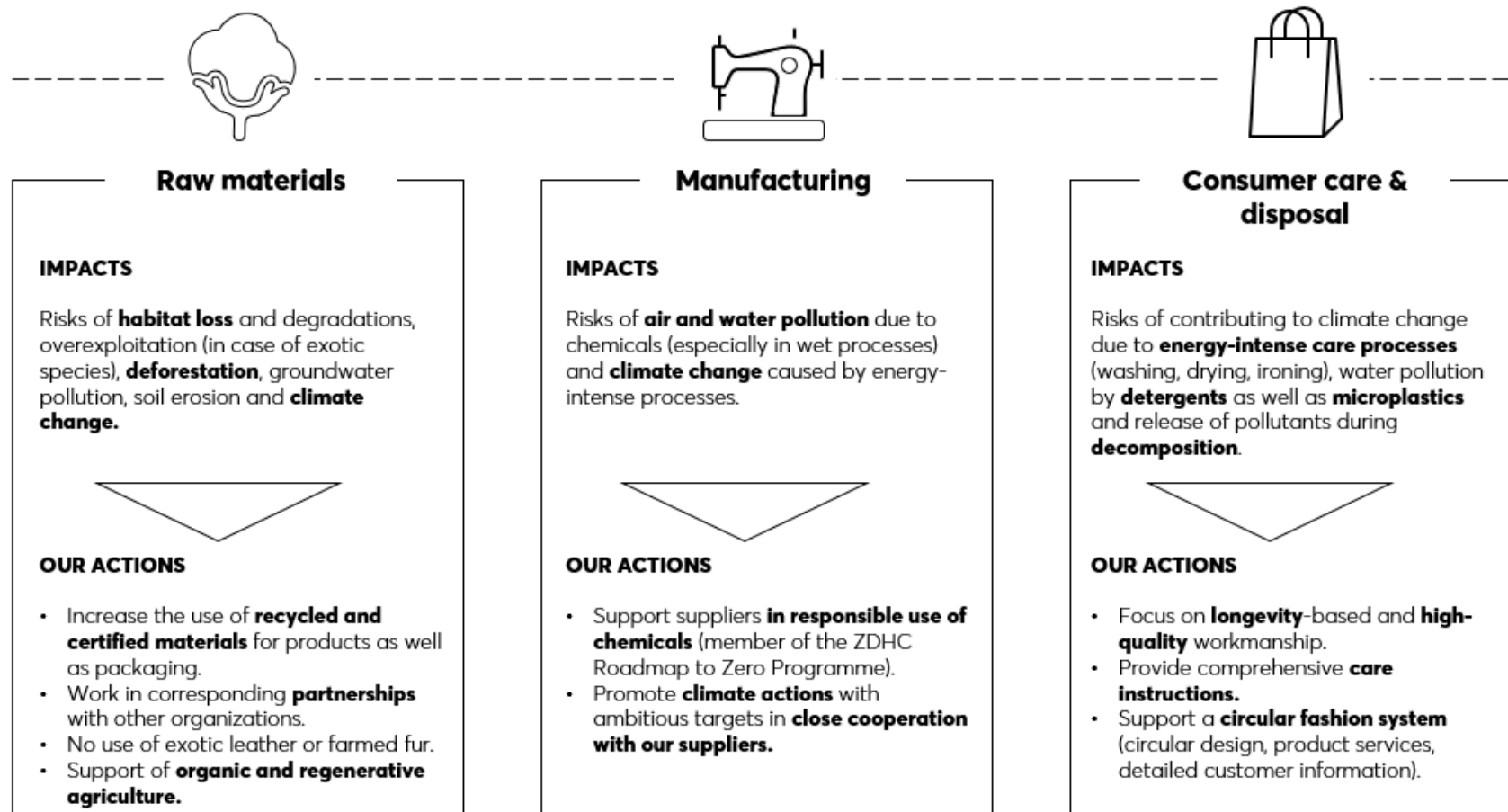
To support continuous progress in its contribution to biodiversity, HUGO BOSS has defined ambitious targets based on the mitigation hierarchy. These targets are linked to the biodiversity impacts described above and are implemented across the value chain.

Here below there is an overview of the most relevant HUGO BOSS targets for biodiversity. The overview of the targets and their current achievement status can be found on the [HUGO BOSS Group website](#).

Impact	Target	Year
Climate change	Net zero greenhouse gas emissions throughout the entire value chain (scope 1-3)	2050
	Reduction of greenhouse gas emissions (scope 1 and 2) by at least 50%, from 2024 base year	2030
	Reduction of greenhouse gas emissions (scope 3) by at least 50%, from 2024 base year	2030
Pollution	All tier 1 and tier 2 suppliers with wet processes produce in compliance with the ZDHC MRSL standards	2030
Habitat loss and degradation	100% main natural materials from preferred sources ⁴	2030
	100% polyester and polyamide from preferred sources ⁴	2030
	80% of our products designed for circularity. ⁴	2030
Overexploitation	Lyocell, modal, viscose from preferred sources. ⁴	ongoing

⁴ According to the HUGO BOSS Material Strategy, publicly available on the [HUGO BOSS Group website](#).

OVERVIEW: BIODIVERSITY IMPACTS AND ACTIONS THROUGHOUT THE HUGO BOSS VALUE CHAIN



OUR ACTIONS ACROSS THE VALUE CHAIN

The following section provides a detailed overview of how HUGO BOSS addresses the identified threats across key stages of the value chain. It presents specific measures aligned with the mitigation hierarchy, including actions to avoid, reduce, restore, remediate, and transform.

RAW MATERIALS

IMPACTS: The raw materials used by HUGO BOSS and their corresponding impacts on biodiversity, can be grouped in three categories: natural raw materials, man-made cellulosic fibers and packaging, and synthetic raw materials.

Natural raw materials generally require land for cultivation and farming. Where the agriculture practices can be intensive or unsustainable (e.g. through the heavy use of pesticides and fertilizers or monoculture systems) they may contribute to potential habitat loss and impair the ability of ecosystems to regenerate. Animal fibers and skins may also be associated with risks such as overexploitation, particularly in case of exotic species, as well as deforestation related to grazing land or land used for feed crop production. In addition, the cultivation and farming of natural raw materials may contribute to groundwater pollution and soil erosion.

Second, **man-made cellulosic fibers (MMCF)** and paper-based packaging may rely on wood as input material. If not sourced responsibly, this may be associated with the risk of deforestation and related biodiversity impacts.

Third, **synthetic raw materials** such as polyester are derived from non-renewable resources. Their extraction, transport, and processing may contribute to environmental impacts, including pollution, methane emissions, and high energy consumption, which can in turn contribute to climate change. In addition, the release of microplastics may have adverse effects on the environment.

OUR ACTIONS: We are committed to continuously increasing the use of materials with a lower environmental impact, where feasible, as part of our effort to minimize our impact on the environment. Our requirements in this regard are clearly outlined in the specific [commitments and policies](#) (e.g. Animal Welfare Policy, Material Strategy, Sustainable Packaging Guideline) and the corresponding targets are publicly available on the [HUGO BOSS Group website](#).

With regard to **natural raw materials**, we focus particularly on cotton, as this is our most used material. We engage in initiatives with partners such as Raddis Cotton and Zentera among others, that promote regenerative agricultural practices aiming to make a positive contribution to soil quality (restoring degraded ecosystems), water and land management. With regards to animal materials, we refrain from using exotic leather or farmed fur to avoid contributing to the overexploitation of vulnerable species.

To help avoid sourcing from ancient and endangered forests, we apply specific requirements to our **man-made cellulosic fibers (MMCF)**. We work with the non-profit organization Canopy and source these materials from suppliers assessed by Canopy. We also seek to source from suppliers that use alternative raw materials, such as recycled cellulose, in line with Canopy's Next Gen Solutions Providers.

With regard to **synthetic raw materials**, we aim to increase the use of textile to textile recycled inputs and, therewith, reduce reliance on fossil-based resources where feasible. In parallel, we evaluate alternative material options to reduce the overall use of synthetic materials, considering the potential impact associated with microplastic pollution.



MANUFACTURING

IMPACTS: The manufacturing of textile and clothing products involves the use of chemicals, some of which are harmful to the environment. This is particularly relevant to all types of wet processes such as tanning, bleaching, dyeing, washing or applying special treatments. In case of untreated discharge, these chemicals can cause air and water pollution. In addition, these processes are energy-intense and thus contribute to climate change.

OUR ACTIONS: HUGO BOSS is committed to responsible use of chemicals in the production processes in order to minimize the impact on the environment and society, to promote clean water and ensure the safety of workers. To this end, we are part of the ZDHC Roadmap to Zero Programme, where we work closely with our suppliers on eliminating or reducing harmful chemicals and improving wastewater management. Every supplier must accept and comply with the ZDHC Manufacturing Restricted Substances List which sets maximum thresholds of toxic substances allowed in formulations used in textile production. We consider it our responsibility to enable our partners in this transition by providing comprehensive as well as targeted training.

Furthermore, climate action is a priority in our sustainability management. As signatory of the UNFCCC Fashion Industry Charter for Climate Action, we are committed to the vision of creating a net zero fashion industry and limiting global warming to a 1.5° temperature increase. This corresponds to a reduction of greenhouse gas emissions of 50% by 2030, from 2024 base year. Achieving this target requires close collaboration with our partners across the supply chain. Therefore, working with suppliers to reduce the carbon footprint across the supply chain is a key priority for HUGO BOSS. This includes measures related to raw materials selection, including materials from regenerative agriculture, the use of renewable energies, and the implementation of more energy-efficient processes. To support this work, HUGO BOSS joined Cascale, a collaborative platform aimed at strengthening industry partnerships. Building on this initiative, we have adopted the Cascale-developed Higg Facility Environmental Module (Higg FEM) 4.0 on the Worldly platform, one of the most widely used sustainability measurement tools in the apparel and footwear industry. This enables accurate capture and management of greenhouse gas emissions in the supply chain and provides a comprehensive view of its environmental performance.



CONSUMER CARE AND DISPOSAL

IMPACTS: The care of garments can require significant energy use, which may contribute to climate change, depending on the energy source used, such as renewable or non-renewable energy. The overall impact is also influenced by the frequency and temperature of washing, as well as consumers' drying and ironing habits. Furthermore, detergents and microplastics released during washing may enter waterways and contribute to pollution, with potential negative effects on freshwater

ecosystems. Where clothes are disposed of in landfills, pollutants may also be released into the environment during decomposition.

OUR ACTIONS: HUGO BOSS designs and manufactures its products with a focus on quality and durability, supporting long-term use. Through comprehensive care instructions, we enable our customers to maintain their products properly and extend their lifetime. Moreover, we are committed to supporting a circular fashion system that aims to keep products in use for longer enabling the conservation of resources. This includes circular design principles, such as design for recycling, as well as product-related services, including repair, and detailed customer information. In this way, we aim to reduce textile waste and the corresponding environmental impact.

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