



SUSTAINABILITY REPORT 2023

HUGO BOSS

SUSTAINABILITY AT A GLANCE

Targets and 2023 Achievements

HUGO BOSS regards sustainability as an important element of its "CLAIM 5" growth strategy and thus as an integral part of its business activities. Therefore, we believe that being "Sustainable Throughout" is essential for ensuring long-term growth and business success. Our **new sustainability strategy** "For A Bold & Better Future," introduced in 2023, aims at making a vital contribution to creating a planet free of waste and pollution. This strategy is based on **five key pillars** and their corresponding targets, aiming to initiate disruptive change towards more sustainability within the fashion industry. The pillars are built on a **strong environment, social, and governance (ESG) foundation**, that is deeply embedded in our Company and guides us in all of our business activities. In 2023, we already achieved first successes by focusing on effective initiatives and measures.

1 INCREASE CIRCULARITY

80% circular apparel products by 2030*



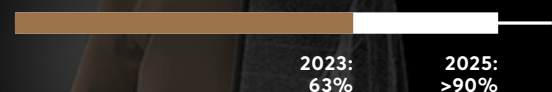
- ✓ First Circular styles for BOSS and HUGO successfully launched in 2023
- ✓ Introduction of internal Circularity training and workshops for design, product development, and sourcing teams
- ✓ Piloting of circular business models such as second-hand marketplaces and repair and rewear services

> Circularity

* Measured by production volume, number of apparel products.

2 DRIVE DIGITIZATION & DATA ANALYTICS

>90% digitally developed products by 2025

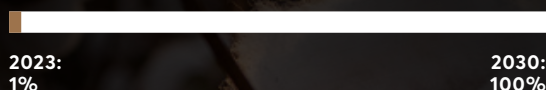


- ✓ Further progress in the evolution of immersive 3D simulations and the expansion of digital development to additional product groups
- ✓ First achievements in developing our digital TWIN, a smart and tech-driven business operations platform, such as increasing transparency in our global procurement processes
- ✓ First 3D User Summit organized at our headquarters to raise awareness among employees

> Key Sustainability Initiatives

3 LEVERAGE NATURE POSITIVE MATERIALS

100% natural materials from regenerative agriculture or closed-loop recycling by 2030

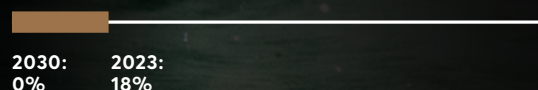


- ✓ First BOSS products made of regenerative Raddis cotton launched in 2023
- ✓ 750 acres of land in India converted into regenerative cotton farming together with Raddis
- ✓ Establishment of new partnerships in the area of regenerative agriculture

> Biodiversity and Ecosystems

4 FIGHT MICROPLASTICS

0% polyester and polyamide* by 2030



- ✓ Successful launch of first BOSS polo shirts made of almost 90% circular, closed-loop cellulose yarn HeiQ AeonIQ
- ✓ First BOSS outerwear styles launched based on 100% AeonIQ yarn for Fall/Winter 2023
- ✓ Intensive research and try-outs for alternative materials to synthetic fibers

> Circularity

* In fabrics and linings; achieving this ambitious target depends, to a large extent, on the widespread availability of alternative raw materials.

5 PUSH ZERO EMISSIONS

-50% CO₂ emissions (Scope 1-3) by 2030 (base year 2019)

- ✓ As part of our decarbonization roadmap, we carried out a greenhouse gas assessment to identify further measures to reduce emissions, with a specific focus on the upstream value chain
- ✓ Consistent reduction in air freight, which in 2023 led to a 22% reduction in inbound CO₂ emissions for transportation compared to 2022
- ✓ We commissioned new photovoltaic systems at four own production sites, while we also continued investing in LED lighting

> Climate Change

TOTAL CO₂ EMISSIONS IN 2023

-1%

compared to 2022

+42%

compared to 2019

CONTENTS

2	SUSTAINABILITY AT A GLANCE
5	FOREWORD
7	REPORTING PROFILE
8	COMPANY PROFILE
10	DRIVING SUSTAINABLE CHANGE
11	Our Approach to Sustainability
17	Key Sustainability Initiatives
19	ENVIRONMENT
42	SOCIAL
63	GOVERNANCE
74	APPENDIX
75	Materiality Assessment
77	ESG Targets & Achievements
79	Sustainability Data
92	ESG Ratings & Rankings
94	GRI Content Index
103	Independent Auditor's Report on a Limited Assurance Engagement
106	List of Abbreviations
108	Contacts & Legal Notice



OUR DIGITAL SUSTAINABILITY REPORT

Highlights of our sustainability report are also published as an online version.
sustainabilityreport-2023.hugoboss.com

FOREWORD



Daniel Grieder, Chief Executive Officer

Dear readers,

In 2023, HUGO BOSS experienced another year of remarkable success. The consistent execution of our "CLAIM 5" strategy led to significant accomplishments in all business areas and further strengthened the relevance of our two brands BOSS and HUGO. Our strong commitment to sustainability is firmly anchored in "CLAIM 5" and an integral part of all our strategic initiatives. Our clear intention is to make a positive contribution to the environment and the society.

As a leading global premium fashion and lifestyle company, we are conscious of our corporate responsibility. To take our sustainability ambitions to a new level, in 2023 we introduced our new sustainability strategy "For A Bold & Better Future." As such, we are actively addressing our industry's biggest challenges: increasing circularity, driving digitization & data analytics, leveraging nature-positive materials, fighting microplastics, and pushing towards zero emissions. Through various initiatives and important measures along these five pillars, we aim to contribute to a planet free of waste and pollution.

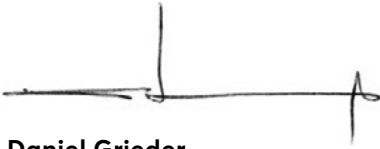
Climate change poses one of the major challenges of our time, and we are dedicated to tackling it head-on. We have set ourselves the ambitious goal of reducing our emissions along the entire value chain by at least 50% by 2030 and achieve "net zero" by 2050. We are fully convinced that sustainability and innovation must work hand in hand, and I am excited that in 2023, under our BOSS brand, we have successfully launched first products made from HeiQ AeonIQ, the world's first circular yarn. Examples like this demonstrate our commitment to sustainability and showcase our strong progress we are making on our way there.

The outstanding motivation of our global HUGO BOSS team is key for the implementation of our numerous sustainability initiatives. To attract and retain top talent, we not only continue to foster a diverse and inclusive corporate culture but also offer a best-in-class workspace for our teams. We also expect the highest standards from all parties involved in our global supply chains: safeguarding human rights is and remains a top priority for HUGO BOSS globally. We are working closely with our suppliers to ensure that they comply with these standards and to continuously improve the social and environmental impact of the activities in our supply chains.

At HUGO BOSS, we are strongly convinced that sustainability is not a contradiction to our ambition of driving sustainable and profitable growth. Instead, we consider it to be an indispensable addition creating further opportunities. Our Company's backbone remains our resilient, diverse, and highly motivated workforce. I would like to thank all employees for their exceptional commitment and dedication to our Company and its two brands, BOSS and HUGO. Likewise, I would also like to thank our dedicated stakeholders, representing a reliable partner in achieving our ambitious sustainability goals and working with us to meet the challenges of our time. Together, we will lead HUGO BOSS into a successful and more sustainable future.

Thank you for your ongoing support!

Sincerely yours,



Daniel Grieder
Chief Executive Officer

REPORTING PROFILE

This annual Sustainability Report, published by HUGO BOSS on April 26, 2024, is primarily aimed at business partners, institutional and retail investors, customers, employees, and non-governmental organizations as well as other stakeholders from the social advocacy, policy, business, and academic communities. The report provides comprehensive information on our Company's sustainability activities and targets and was prepared in accordance with the 2021 Global Reporting Initiative (GRI) standards. Its contents and their relative priority reflect the findings of our revised materiality analysis from 2022, which identified the Company's actual and potential positive and negative impacts on the economy, the environment, and people along its value chain. We reviewed the analysis in 2023 to ensure that it remained relevant and up to date. The reporting period is the 2023 fiscal year, with the reporting date being December 31, 2023. The report also includes significant subsequent activities until the editorial deadline on March 31, 2024. It was reviewed and approved by the Managing Board of HUGO BOSS and is available in German and English.

Quantitative information relates to the entire HUGO BOSS Group. Wherever possible, key performance indicators (KPIs) were calculated using actual data. Where this was not possible, KPIs were drawn from the subsidiaries listed below and extrapolated to the Group as a whole. These subsidiaries employed 89% of our total workforce at year-end 2023. The most commonly extrapolated KPIs were those relating to environmental protection and occupational safety.

EMEA (Europe, Middle East, Africa)	Americas	Asia/Pacific
HUGO BOSS AG	HUGO BOSS Canada, Inc.	HUGO BOSS Australia Pty. Ltd.
HUGO BOSS (Schweiz) AG	HUGO BOSS Fashions, Inc.	HUGO BOSS China Retail Co. Ltd.
HUGO BOSS Benelux B.V. y CIA, SC	HUGO BOSS México S.A. de C.V.	HUGO BOSS Guangdong Trading Co. Ltd.
HUGO BOSS France SAS	HUGO BOSS Retail, Inc.	HUGO BOSS Hong Kong Ltd.
HUGO BOSS International Markets AG		HUGO BOSS Japan K.K.
HUGO BOSS Ireland Ltd.		Lotus (Shenzhen) Commerce Ltd.
HUGO BOSS Italia S.p.A.		HUGO BOSS (Macau) Company Ltd.
HUGO BOSS Portugal & Companhia		
HUGO BOSS Shoes & Accessories Italia S.p.A.		
HUGO BOSS Shoes & Accessories Poland Sp. z o.o.		
HUGO BOSS Textile Industry Ltd.		
HUGO BOSS Ticino S.A.		
HUGO BOSS UK Ltd.		

The sections and the information of the report marked  or  as well as those shown in grey font were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft for limited assurance engagement on the basis of the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Data audited to the same standards in 2022 is marked  and/or highlighted in camel font.

COMPANY PROFILE

HUGO BOSS, headquartered in Metzingen (Germany), is a leading **global fashion and lifestyle company** in the premium segment, offering a comprehensive range of high-quality women's and men's apparel, shoes, and accessories. The Company pursues a portfolio strategy, with the HUGO BOSS platform currently consisting of two globally renowned brands – **BOSS** and **HUGO**. Both brands are clearly distinguished by individual characteristics. At the same time, they share equally high standards in terms of quality, innovation, and sustainability, while ensuring that consumers are perfectly dressed 24/7 and for every occasion. Our **2025 growth strategy "CLAIM 5"** is closely linked to our vision of being the leading premium tech-driven fashion platform worldwide and our ambition of becoming one of the top 100 global brands.

HUGO BOSS AT A GLANCE

**4.2**

Sales (EUR billion)

**~22,000**Employees¹**131**

Countries

¹ The reported figure relates to headcounts as of December 31, 2023. The figure published in the Annual Report (around 19,000), however, is based on a full-time equivalent (FTE) calculation.

Key to the successful execution of "CLAIM 5" is the passion and commitment of our **around 22,000 employees** worldwide (2022: around 20,000). In fiscal year 2023, HUGO BOSS generated **record sales** of EUR 4.2 billion (2022: EUR 3.7 billion), thus surpassing the EUR 4 billion threshold for the first time in the Company's history.

The product offering of BOSS and HUGO is distributed across a total of **131 countries** (2022: 132 countries). Our distribution activities are split into **three sales regions**. EMEA, which includes Europe, the Middle East, and Africa, represents by far the largest region in terms of sales with a share of 61% in 2023 (2022: 63%). The Americas and Asia/Pacific account for 23% and 14% of Group sales (2022: 22% and 13%), respectively, while the remaining 2% are generated within our licensing business (2022: 3%).

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**.

> [Workers in the Value Chain](#)

Further information on the business activities and Group structure of HUGO BOSS can be found in the Annual Report 2023. > [Annual Report 2023, Group Profile](#)

Our sustainability strategy aims at making a vital contribution to a planet free of waste and pollution. At the same time, we aim at maintaining the high quality and durability of our products, while ensuring that they are produced with social and environmental responsibility at all times. Our **ambitious sustainability targets** thus represent an integral part of our business and are firmly anchored in our "CLAIM 5" strategy. Our **new sustainability strategy**, which was developed in 2023, and the underlying five strategic pillars form the basis of this report and are explained in detail in the corresponding chapter. > [Our Approach to Sustainability](#)

DRIVING SUSTAINABLE CHANGE

11 OUR APPROACH TO SUSTAINABILITY

- 11** Sustainability Strategy
- 13** Organizational Structure and Responsibilities
- 13** Own Operations
- 14** Risk Management
- 14** Sustainable Supply Chain
- 16** ESG Ratings and Rankings

17 KEY SUSTAINABILITY INITIATIVES

- 17** Alternative Materials
- 17** Digital TWIN
- 18** Regenerative Farming
- 18** Diversity, Equity, and Inclusion

Our approach to sustainability

HUGO BOSS recognizes the importance of its diverse sustainability initiatives throughout its value chain. These initiatives are not only a crucial corporate responsibility but are also essential for inspiring customers and strengthening our position as a leading global premium fashion platform. We are fully committed to **protecting the environment, meeting social and societal expectations, and practicing responsible corporate governance** as our business model continues to evolve.

Our **extensive range of environmental, social, and governance (ESG) activities** aim to generate added value for our Company, employees, shareholders, customers, business partners, and society as a whole. By prioritizing sustainability, we ensure the long-term success of HUGO BOSS.

Sustainability is an integral part of our Company's "CLAIM 5" strategy and is deeply ingrained in our daily business activities. We firmly believe in being **"Sustainable Throughout"** and actively incorporate sustainable practices in all aspects of our operations.

Sustainability strategy

HUGO BOSS is committed to protecting the planet and ensuring a viable future for tomorrow's generations. We want to make a meaningful difference. Our vision for sustainability is **a planet free of waste and pollution**. This vision is reflected in the five key pillars of our new sustainability strategy, "For A Bold & Better Future," which came to life in 2023.

SUSTAINABILITY STRATEGY



INCREASE CIRCULARITY

Target: 80% circular apparel products by 2030¹

Our brands' Circular styles are made with renewable or recycled materials, are recyclable, and are designed for longevity.

DRIVE DIGITIZATION & DATA ANALYTICS

Target: >90% digitally developed products by 2025

We increasingly develop our products digitally, making use of smart data to avoid waste and reduce emissions.

LEVERAGE NATURE POSITIVE MATERIALS

Target: 100% natural materials from regenerative agriculture or closed-loop recycling by 2030

Leveraging materials from regenerative agriculture will enable us to use fewer chemicals, improve soil health, safeguard water quality, and protect biodiversity.

FIGHT MICROPLASTICS

0% polyester and polyamide² by 2030

We aim to phase out polyester and polyamide by embracing innovative alternatives.

PUSH ZERO EMISSIONS

Target: -50% CO₂ emissions by 2030 (base year 2019)

We work systematically to continuously reduce our own emissions while helping our suppliers on their decarbonization journey.

Our Sustainability Strategy and its five key pillars are built on a **strong ESG foundation** that is deeply embedded in our Company and guides us in all our business activities. We actively participate in numerous initiatives aimed at creating a greener planet while promoting social and governance cohesion. In addition to measures aimed to **protect the environment, animals and ecosystems**, we consider sustainable production processes to be crucial. Consequently, HUGO BOSS attaches great importance to the **safety and well-being of its own employees and equally to those in the value chain**. This includes, above all, compliance with international human and labor rights as well as fair wage practices. At the same time, HUGO BOSS is convinced that **good and responsible corporate governance** is a key factor for long-term business success. To strengthen internal behavioral guidelines, HUGO BOSS has outlined principles of conduct in its Code of Conduct and Group policies. These ensure the legality of all employee activities, covering areas such as competition law, conflicts of interest, data protection, fair working conditions, and anti-corruption. Employees are regularly educated on these regulations. > [Corporate Governance](#)

¹ Measured by production volume, number of apparel products.

² In fabrics and linings; achieving this ambitious target depends, to a large extent, on the widespread availability of alternative raw materials.

Organizational structure and responsibilities

At HUGO BOSS, sustainability is firmly anchored in its "CLAIM 5" strategy. The overall responsibility for the sustainable development of the Group lies with the **Managing Board**. Strategic responsibility is assigned to the Group Strategy and Corporate Development division, which 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 divisions report to the Chief Financial Officer (CFO)/ Chief Operations Officer (COO). He also assumes responsibility for the central **Sustainability Committee**, which consists of representatives of the main business areas involved in sustainability topics and drives relevant decision-making processes in the area of sustainability. It oversees the implementation of our sustainability strategy and serves as a dialog forum for current developments and best practices. The committee dealt with a variety of issues in 2023, including climate action, sustainable materials, circularity, sustainability reporting, and regulatory requirements.

We also engage extensively **with our stakeholders**, who provide important input for our sustainability strategy and efforts. We strive to meet their expectations whenever possible, to dialog openly with them, and to work with them to identify and implement mutually acceptable solutions. One key event in 2023 was our annual **Stakeholder Dialog**, which we hosted at our Group headquarters in Metzingen (Germany). Stakeholder engagement is essential for our business and is also an opportunity to add value for HUGO BOSS and society.

Own operations

HUGO BOSS is committed to **actively managing climate, environmental, and energy issues in its own operations** and to making more sustainable business decisions. We aim to reduce the environmental impact of our business activities, including our offices, production facilities, retail stores, and logistics hubs. As part of our comprehensive environmental management, we strive to continuously improve efficiency.

> Environmental Approach

At HUGO BOSS, we understand that the passion and commitment of our employees are crucial to our long-term success. We value their contributions and prioritize their professional development. We also prioritize their health and well-being, creating a positive and inclusive work environment. By investing in our employees, we aim to attract and retain top talent, driving our Company's long-term success. As an international company, **diversity, equity, and inclusion (DE&I)** is a fundamental element of our corporate culture. At HUGO BOSS, all employees are guaranteed a discrimination-free working environment with equal opportunities, fair pay, and an inclusive work culture. > **Own Workforce**

Risk management

Good corporate governance entails responsible risk management as a fundamental component. Our comprehensive and transparent **risk management system** plays a crucial role. It identifies, evaluates, documents, and, if necessary, counteracts risks. The Managing Board, which has **overall responsibility** for the system's effectiveness, has tasked the internal **Risk Management and Internal Controls team** with implementing and continually developing it. In addition, the Supervisory Board's Audit Committee addresses risk management and selected issues on a regular basis.

Our risk management encompasses financial as well as non-financial risks, such as those related to **environmental, social, and governance issues**. For each risk, we conduct a **scenario analysis** for the medium, best, and worst case. The analysis is both outside-in (a risk's financial or other impact on HUGO BOSS) and inside-out (our business activities' impact on a particular issue, such as climate change or diversity). Risks whose financial impact is quantifiable are aggregated on Group level and subjected to a stress test using a Monte Carlo simulation to determine the Company's overall risk-bearing capability. We comprehensively report on our risk management approach and all risks material to HUGO BOSS in the **Report on Risks and Opportunities**, which is part of our Annual Report. > [Annual Report 2023, Risk Report](#)

Potential risks arising from the conducted and yearly updated materiality analysis are an essential part of HUGO BOSS' risk management. Our assessment focuses in particular on **risks associated with climate change and human rights**. In addition, HUGO BOSS publishes a report on the physical and transitional risks caused by climate change, following the guidance of the **Task Force on Climate Related Financial Disclosures (TCFD)** framework. > group.hugoboss.com

Sustainable supply chain

As a leading premium fashion and lifestyle company, HUGO BOSS has international operations and a complex global supply chain. We therefore consider **sustainable production processes** to be essential. These processes range from **raw materials production** and **materials processing and finishing** to the **assembly of the final product**. The environmental impacts of these process stages vary, while particularly those of raw material production and wet processes like dyeing or tanning are substantial. Risks to human rights, employee rights, as well as occupational health and safety are generally possible in all stages. These environmental and social impacts are in most cases beyond our direct management control. Consequently, HUGO BOSS works closely with its supply chain partners. These partners have direct control over the relevant processes, and the Company endeavors to have the greatest possible positive impact. Going forward, we are committed to achieving greater **transparency in upstream value-adding stages**, with our important Digital TWIN initiative set to greatly contribute to this goal.

SUPPLY CHAIN STEPS AT HUGO BOSS



HUGO BOSS also requires its partners to integrate sustainability aspects into their own supply chains. Our systematic supply chain management includes assessing suppliers' sustainability performance. For this purpose, we classify our direct suppliers as **finished goods suppliers** or **fabric and trimmings suppliers**. Finished goods suppliers refer to our own production facilities, our contract manufacturing partners, and merchandise producers. Fabric and trimmings suppliers provide us and our manufacturing partners with shell fabrics, yarns, buttons, and other materials.

The responsible procurement of HUGO BOSS is supported by the framework of our **HUGO BOSS Supplier Code of Conduct**, which defines the handling of significant social and environmental issues and forms the basis for business collaboration along our entire supply chain. The Code is binding and is publicly available on our corporate website. Each supplier must formally recognize the Code, with recognition being documented in our systems. The Code is available in 30 languages, thereby covering a large majority of our procurement markets. We also provide a simplified one-page version in 30 languages, which suppliers can display in their production facilities. It contains a QR code giving suppliers' employees easy and direct access to our Company's complaint mechanisms. > [Business Conduct](#)

In addition, the Supplier Code of Conduct requires suppliers to embrace continuous improvement in areas including human rights, labor standards, energy consumption, greenhouse gas emissions, chemical management, and wastewater. It also states that **HUGO BOSS does not tolerate any form of corruption or unethical behavior**. In countries where the national statutory requirements fall short in this regard, the Code sets a minimum standard. The section entitled "Workers in the value chain" describes in detail how we promote safe, fair work conditions in our upstream value chain.

HUGO BOSS has also adopted numerous other, more specific policies that are relevant to supply chain management. Our **Environmental Policy** defines standards and requirements for issues such as energy and water consumption, greenhouse gas emissions, and waste management, while our **Chemicals Management Policy** regulates the handling of chemicals in production processes. > [Chemicals and Substances of Concern](#)

Supply Chain Sustainability Program

To systematically address sustainability risks posed by its suppliers, HUGO BOSS has implemented a **Supply Chain Sustainability (SCS) Program**. This Program currently applies to all suppliers from which we directly purchase finished goods or fabric and trimmings. In the medium term, we intend to extend it to all our direct suppliers as well as to selected fabric and trimmings suppliers who provide materials not to us but to our finished goods suppliers.

Our **SCS Program consists of three modules**, all of which are aligned with the provisions of our Supplier Code of Conduct: social compliance management, environmental management, and governance. The **social compliance management module** aims at creating a binding framework for fair working conditions and human rights in our supply chain. This includes for example the prohibition of child and forced labor, adherence to fair-pay principles, and the right to freedom of association. The **environmental management module** mainly focuses on measures to limit climate change, protect water and soil, and prevent air pollution. The **governance module** provides tools that enable our suppliers to take greater responsibility for their supply chain in line with our Supplier Code of Conduct, while reducing their own environmental and social supply chain risks. Suppliers within the SCS Program are categorized based on their production processes, their business volume, and country-specific risks. The Program enables us to better manage process- and country-specific sustainability risks.

ESG ratings and rankings

Our strong commitment to sustainability is regularly acknowledged and rewarded by various well-known **ESG ratings and rankings**. This reinforces our dedication to high transparency, responsible business practices, and our ongoing efforts to have a positive impact on the environment and society. These assessments serve as important performance indicators and guide us in identifying areas for improvement. Due to our continuous efforts in the area of sustainability and our ongoing high level of transparency, HUGO BOSS has been included in the renowned **Dow Jones Sustainability Index (DJSI) World** for the seventh consecutive time. This benchmark also serves as a performance indicator for the **long-term incentive (LTI)** for the Managing Board and senior executives in the first two levels below the Managing Board. > [Annual Report 2023, Compensation Report](#)

In 2023, we received further external recognition by being awarded the **Golden Planet Award** for our active implementation of important sustainability measures. In addition, HUGO BOSS received the **ESG Transparency Award**, honoring our transparent and comprehensive reporting on sustainability matters. > [ESG Ratings and Rankings](#)

Key Sustainability Initiatives



Alternative materials

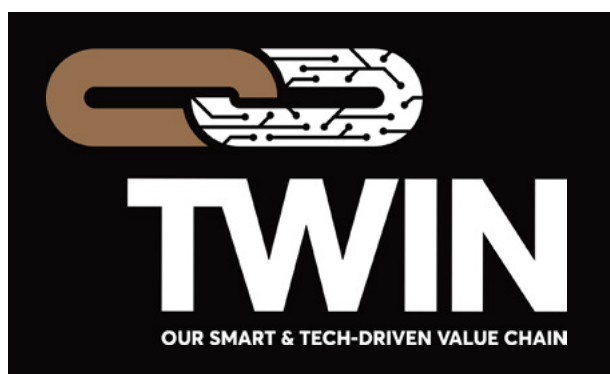
At HUGO BOSS, we prioritize innovative materials that not only meet our high quality standards but also contribute to reducing our environmental impact. To drive our sustainability ambitions to fight microplastics and push zero emissions, HUGO BOSS joined forces with Swiss innovator HeiQ.

Together, we develop AeonIQ, a yarn made from regenerative cellulose that can replace polyester and polyamide. In 2023, our BOSS brand featured its first two polo shirts using AeonIQ yarn. In addition, the BOSS Fall/Winter 2023 Fashion Show in Milan showcased three outerwear styles from the brand's THE CHANGE initiative.

> [Circular Economy](#)

Digital TWIN

With our important Digital TWIN initiative, we are establishing a smart, tech-driven business operations platform aimed at making our value chain even more transparent and efficient. Our TWIN will leverage the potential of data to take our business operations to the next level, including strongly improving end-to-end traceability. It will enable us to better understand our products' impact, helping us to reduce CO₂ emissions and minimize waste. Our TWIN is a key initiative of our strategic pillar "Organize for Growth," set to greatly contribute to our Company's future success by supporting growth and profitability.



> [Annual Report 2023, HELLO Digital](#)



Regenerative farming

We recognize that HUGO BOSS is highly connected to functioning ecosystems, from the materials used for our products to the impact we have on the environment. Going forward, we therefore want to leverage the immense potential of regenerative farming by putting strong emphasis on sourcing materials that not only reduce the fashion industry's environmental footprint but also contribute to biodiversity preservation.

We acknowledge this responsibility and, as one aspect, collaborate with Raddis, an NGO dedicated to regenerative farming. In 2023, we launched the BOSS x Raddis capsule. This features timeless styles, from T-shirts to tracksuit bottoms, in neutral hues crafted entirely from Raddis cotton grown in southern India.

[> Biodiversity and Ecosystems](#)

Diversity, equity, and inclusion

At HUGO BOSS, we firmly believe that the passion and dedication of our global teams are vital for the long-term success of our Company. A strong commitment to empowering people and teams is therefore firmly anchored in our "CLAIM 5" growth strategy. As an international company, diversity, equity, and inclusion (DE&I) are fundamental elements of our corporate culture. We recognize that embracing diversity enhances our creativity, strengthens our resilience, and fosters innovation.

Our commitment to DE&I is embodied in our vibrant MIX & MATCH initiative, embracing the combination of unique talents in our teams. To foster DE&I, we brought to life several initiatives, such as "Open Doors For Women" in Izmir (Turkey) or taking part in various activities for pride month.

[> Annual Report 2023, HELLO Teams](#)



ENVIRONMENT

21
CLIMATE CHANGE

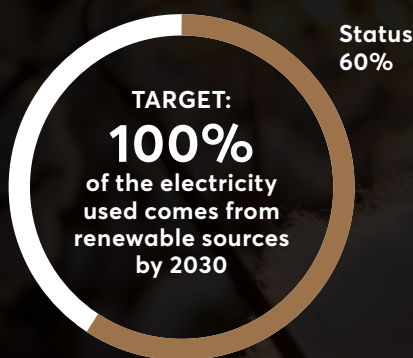
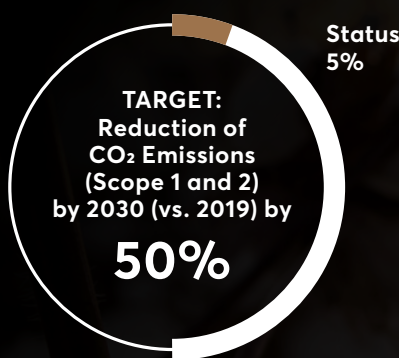
26
POLLUTION

28
WATER

30
BIODIVERSITY AND
ECOSYSTEMS

32
CIRCULAR ECONOMY

DECARBONIZATION

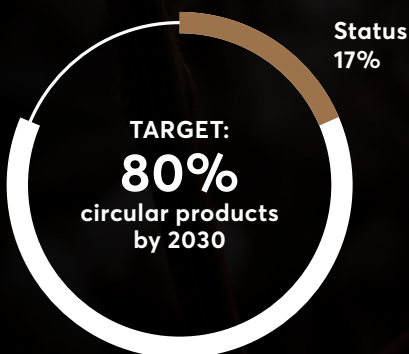


TOTAL SCOPE 3
EMISSIONS

1,057,703 t

in 2023
(2022: 1,063,612 t)

CIRCULARITY



RESPONSIBLE STYLES



Environmental approach

HUGO BOSS takes a **systematic approach to climate, environmental, and energy issues** in order to reconcile economic and environmental interests and thus fulfill its corporate responsibility. We aim to progressively reduce the environmental impacts of our business activities, including our supply chain, and have set ambitious targets we continuously pursue. Our **comprehensive environmental management** encompasses our offices, production facilities, retail stores (their planning, construction, and operation), and logistics and enables us to continually improve efficiency.

HUGO BOSS has established an **Environmental Policy** for its own activities and its value chain. This policy, which is available on our corporate website, sets out our standards for various environmental issues, such as energy and water use, greenhouse gas emissions, and waste management. These requirements apply to product development, transport, and logistics, the planning and operation of our retail stores, as well as our supply chain. In addition, our **Logistics Guideline** provides more detailed information on our requirements for transportation services and sets environmental standards to promote the progressive reduction of carbon emissions. The guideline also addresses social issues, such as safeguarding human rights in logistics processes. > group.hugoboss.com

Environmental protection for our own operations and supply chain is a key priority for the Managing Board of HUGO BOSS. The **Chief Financial Officer/Chief Operating Officer (CFO/COO)** has the main responsibility for both issues. The environmental management team at our headquarters in Metzingen (Germany), which reports to the CFO/COO, is responsible for direct environmental protection at the Company's own sites. It works with facility managers at our subsidiaries to coordinate environmental and energy projects Group-wide, based on calculations of economic efficiency. The Sustainability Committee and other panels periodically inform the Managing Board and senior management about the Company's progress toward environmental and climate targets. The role of the central Risk Management department is to assess and evaluate the risks linked to environmental and climate factors. > [Annual Report 2023, Risk Report](#)

HUGO BOSS maintains **environmental and energy management systems** that are certified in accordance with **ISO 14001** and **ISO 50001**. These systems are recertified at regular intervals by independent certifiers. The three production facilities in Izmir (Turkey), Morrovalle (Italy), and Radom (Poland) are responsible for ensuring that their environmental management systems comply with the ISO 14001 requirements. The respective environmental management team in Metzingen is responsible for the energy management systems at the European sites, which are certified in accordance with ISO 50001, together with the energy management managers at the respective companies. As part of the management systems, clear targets are defined for **environmental protection and energy efficiency** as well as action plans for implementation. We identify improvement potential primarily in two ways: by collecting and analyzing environmental data on a regular basis and by conducting energy and environmental audits at our facilities by our certified internal auditors.

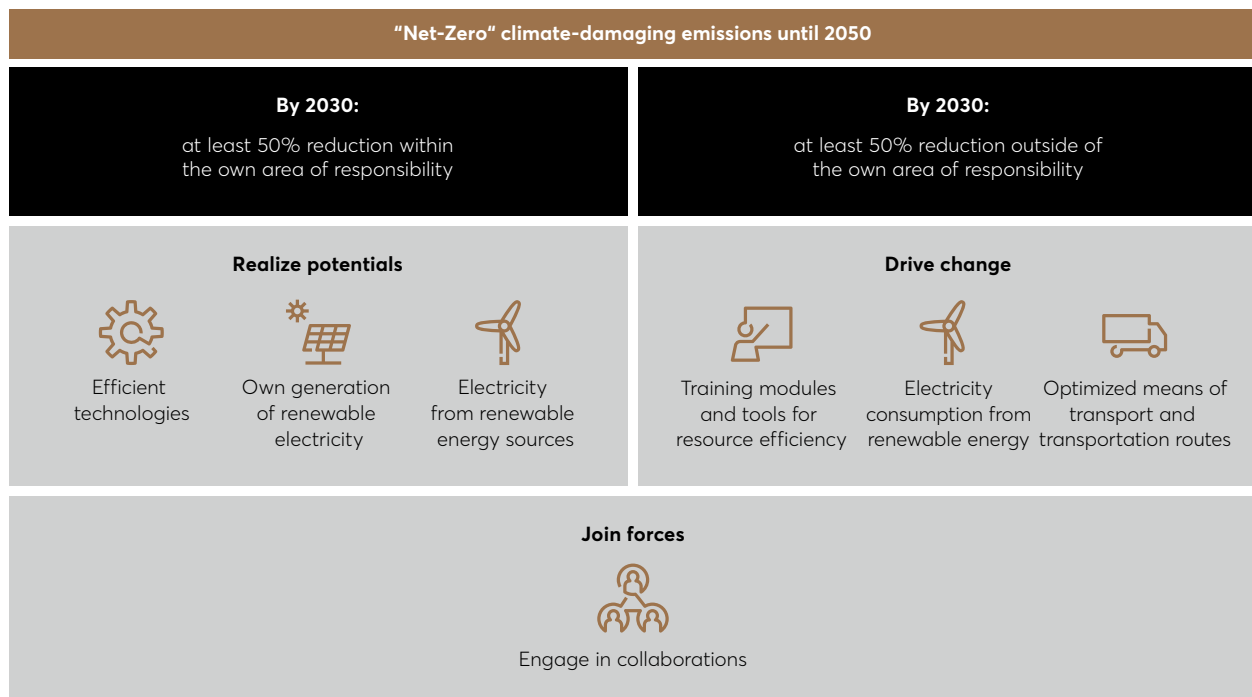
HUGO BOSS recognizes that the procurement and self-generation of energy, along with the **energy efficiency** of buildings, play a crucial role in its environmental and climate performance. As a result, the Company prioritizes obtaining **energy from renewable sources** whenever feasible and strives to consistently enhance the energy efficiency of its facilities. In both the construction of new locations and the renovation of existing ones, HUGO BOSS consistently incorporates energy supply systems and energy-efficient technologies that help decrease carbon emissions. When modernizing our retail stores, we also assess whether updating

the existing technical equipment could improve energy efficiency. HUGO BOSS generally seeks to obtain **sustainability certifications for all its newly built business properties**. In 2023, we opened our own daycare center at our headquarters in Metzingen (Germany). The German Sustainable Building Council (DGNB, Deutsche Gesellschaft für Nachhaltiges Bauen e.V.) awarded HUGO BOSS a Platinum certificate for the daycare center for its sustainable implementation. > group.hugoboss.com

Climate change

"Push zero emissions" is one of HUGO BOSS' key sustainability pillars. Consequently, climate action is a top priority for us. In 2018, HUGO BOSS signed the **Fashion Industry Charter for Climate Action** under the auspices of the **United Nations Framework Convention on Climate Change (UNFCCC)**. The charter obliges signatories to achieve **net-zero emissions by 2050**. This covers both our emissions from our own sources and those from our value chain, which are Scopes 1, 2, and 3 as defined by the Greenhouse Gas Protocol. Consequently, we have set targets to reduce **all three scopes** of emissions by **at least 50%** by 2030 relative to a 2019 baseline. These interim targets accord with the charter's updated requirements to limit global warming to a maximum of 1.5° Celsius. The charter requires HUGO BOSS and the other signatories to submit an emission-reduction plan to the UNFCCC. Our plan describes the specific steps we intend to take by 2030 to achieve our climate targets. > [Appendix, Selected Environmental Data](#)

FOCUS OF CLIMATE ACTIONS AT HUGO BOSS



Scope 1 and 2 emissions consist of direct emissions within our control. They result mainly from the consumption of primary energy by company-owned vehicles and the operation of our facilities. Manufacturing processes account for the largest share of our electricity use. We intend to **reduce our Scope 1 and 2 emissions** by switching from fossil fuels to renewables, sourcing more certified green electricity, and enhancing the energy efficiency of our buildings and processes.

Scope 3 emissions are those occurring beyond our direct control. They arise mainly from upstream activities like raw material production, manufacturing processes, and transportation. Scope 3 emissions account for roughly 97% of the emissions attributable to HUGO BOSS' business activities. Achieving meaningful reductions in this area is therefore essential for us to achieve our overall emission reduction target. We strive to do so by working closely with our suppliers to enable them to decarbonize their operations. Our focus is set on suppliers with energy-intensive processes, such as dyeing, coating, steaming, ironing, and the use of hot water. As part of its involvement in the **UNFCCC**, HUGO BOSS has collaborated with other apparel companies to design a **roadmap for a climate-neutral fashion industry**. The roadmap describes practicable steps suppliers can take to reduce their carbon footprint. Examples include optimizing transport routes, reducing the use of air freight, using more renewable energy in manufacturing processes, making these processes more energy-efficient, and promoting regenerative farming. The utilization of innovative alternative yarns can have a significant impact by substituting fossil-based synthetic fibers such as polyester. This substitution helps promote sustainability and reduce reliance on non-renewable resources. > **Emissions**

SCOPE 3 EMISSIONS AS A PROPORTION OF TOTAL EMISSIONS

IN 2023

97%



Our efforts to "push zero emissions" also encompass education. An important example is **Climate Action Training for the Fashion Industry**, a free online training module developed jointly by HUGO BOSS, other fashion companies, the Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ), and the UN Fashion Industry Charter for Climate Action. The module's purpose is to raise the industry's awareness of its impact on the climate, its responsibility to reduce GHG emissions, and appropriate measures to do so. The training module, released in 2021, is meanwhile available in eight languages.

Emissions

In 2023, HUGO BOSS' business activities resulted in a total of 1,088,067 t of carbon emissions across **Scope 1, 2, and 3**. Despite our strong business performance, resulting in robust sales growth in fiscal year 2023, the year-on-year total emissions decreased by 1%.

TOTAL SCOPE 1, 2, AND 3 EMISSIONS¹ (IN T CO₂)

	2023	2022	2021	Base year: 2019
Scope 1 emissions	✓ 11,184	✓ 11,101	10,337	12,123
Scope 2 emissions	✓ 19,180	✓ 18,820	16,754	19,941
Scope 3 emissions	1,057,703	1,063,612	683,272	731,575
Total emissions	1,088,067	1,093,533	710,363	763,639

¹ Greenhouse gas emissions are calculated based on the GHG Protocol. Due to improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.

SCOPE 1 AND 2 EMISSIONS¹ (IN T CO₂)

	2023	2022	2021	Base year: 2019
Scope 1	✓ 11,184	✓ 11,101	10,337	12,123
Company vehicles	3,915	3,068	2,590	3,094
Direct energy consumption	7,269	8,033	7,747	9,029
Total Scope 1	11,184	11,101	10,337	12,123
Scope 2 (market-based) ²				
Indirect energy consumption	19,180	18,820	16,754	19,941
Total Scope 2	19,180	18,820	16,754	19,941
Total Scope 1 + 2	30,364	29,921	27,091	32,064

¹ Greenhouse gas emissions are calculated based on the GHG Protocol. For Scope 2 emissions, we generally apply the market-based approach. We use supplier-specific emission factors for the certified green electricity we procure and country-specific factors for all other electricity. Emissions values are not comparable between NfS and SR due to better data availability and consequent adjustments. Due to improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.

² Scope 2 emissions: indirect emissions from the generation of purchased energy. Location-based: 38,848 t in 2023 (2022: 38,793 t).

In 2023 HUGO BOSS recorded 30,364 t of **Scope 1 and 2 emissions** ✓. This represents a 5% reduction relative to our 2019 base year. This development mainly reflects a reduction in Group-wide energy consumption as well as an increase in the share of green electricity compared to the base year. As stated above, our target is to reduce our Scope 1 and 2 emissions by at least 50% relative to 2019.

REDUCTION OF GHG EMISSIONS (SCOPE 1 AND 2)¹ (IN T CO₂)

	2023	2022	2021	2020	Base year: 2019
Total Scope 1 and 2 emissions	✓ 30,364	✓ 29,921	27,091	27,496	32,064
Change as compared to base year 2019 (in %)	-5	-7	-16	-14	

¹ Further guidance on the method of calculating emissions is provided in the table above. Due to improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.

HUGO BOSS reported 1,057,703 t of **Scope 3 emissions** in 2023. While this represents a 1% decrease compared to the prior year (2022: 1,063,612 t), it reflects an increase of 45% compared to the base year (2019: 731,575 t). The latter primarily reflects the strong business performance of HUGO BOSS since the introduction of "CLAIM 5," as the large majority of our CO₂ emissions are generated in the cultivation and production of textile fibers and during energy-intensive processing stages.

SCOPE 3 EMISSIONS (IN T CO₂e)

Scope 3 ¹	2023	2022	2021	Base year: 2019
3.1 Purchased goods and services	940,320	931,590	594,274	645,516
3.3 Fuel- and energy-related activities	✓ 8,185	7,555	7,585	8,138
3.4 Upstream transportation and distribution ²	✓ 67,878	86,698	50,933	38,868
3.5 Waste generated	✓ 2,439	1,972	2,759	708
3.6 Business travel	✓ 7,042	✓ 4,092	1,170	7,012
3.7 Employee commuting	✓ 5,026	4,594	7,698	9,387
3.8 Upstream leased assets	✓ 3,306	3,821	3,996	5,809
3.12 End-of-life treatment of sold products	23,508	23,290	14,857	16,138
Total Scope 3	1,057,703	1,063,612	683,272	731,575

- 1** Scope 3 emissions calculation is based on both supplier-based and average-data methods. For "purchased goods and services," emissions are calculated as follows: Raw material production emissions (Tier 4 and 3 Suppliers) include those from the conversion of raw materials into yarns. Manufacturing emissions (Tier 2 and 1 Suppliers) encompass processes converting yarns into fabrics and finished goods. "Fuel- and energy-related activities" relate to emissions from the production of purchased fuels and energy not covered in Scope 1 or 2. "Upstream transportation and distribution" emissions are calculated using primary data per each shipping mode to our warehouses and from the warehouses to our retail stores and our wholesale partners. "Waste generated in operations" comprises waste generated at HUGO BOSS, disposed by third-party providers. "Business travel" emissions are derived from flight data based on comprehensive tracking, while "employee commuting" emissions are estimated using average-data methods and national statistics. "Upstream leased assets" emissions include emissions of leased retail spaces. Emissions in connection with "end-of-life treatment of sold products" are calculated using the IMPACT 2022 + LCIA method, as primary data is not available. Emission values are not comparable between NFS and SR due to better data availability and consequent adjustments. Due to improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.
- 2** Combined data for both upstream transportation and distribution. Compared to the previous year, the emissions reported under 3.4 Upstream transportation and distribution are now reported independently and include the emissions reported in 2022 under 3.9 Downstream transportation and distribution.

HUGO BOSS aims to progressively reduce its **transport-related GHG emissions** (Scope 3.4) by avoiding air freight as much as possible and by increasing its use of lower-emission means of transport. Together with our logistics partners, we are also exploring alternative fuels such as biofuels. As a result of these efforts, our transport-related GHG emissions in 2023 decreased by 22% compared to the previous year, bringing us closer to achieving our target of a 50% reduction by 2030.

Upstream transport and distribution represent the second-largest component of the Company's Scope 3 emissions. Reducing these emissions is therefore an important priority. Together with our service providers, we therefore focus on adopting efficient and thus **climate-friendlier logistics and supply-chain practices**. We also work closely with our partners to analyze and optimize all transport flows. Periodic logistics reporting provides those responsible at HUGO BOSS with a transparent view of the Company's current transport flows and the associated carbon emissions. This facilitates the strategic planning of transport processes and, consequently, emission reductions.

Our **Logistics Guideline**, which is part of our Environmental Policy, serves as a compass for the planning and execution of our transportation processes. We strive to use high-quality logistics services and climate-friendly shipping methods as much as possible. These include intermodal transportation, such as combining sea freight with air freight and rail with trucking.

HUGO BOSS works to align its **regional sourcing activities** closer with its sales markets. This will involve further increasing the share of our sourcing activities in EMEA in the years ahead, which we expect will tangibly reduce our transport-related emissions. In 2023, 52% of global sourcing volumes were sourced in the EMEA region, representing a noticeable increase compared to last year (2022: 46%). > **Annual Report 2023, Sourcing and Production**

Energy

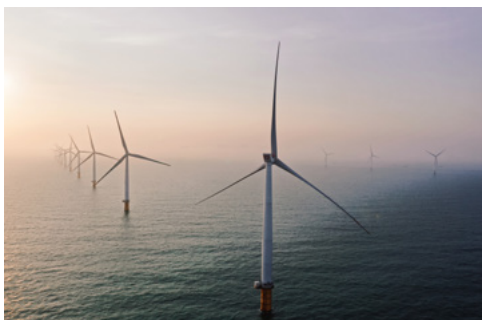
Effective energy management and efficiency play a crucial role in achieving emission reduction targets. By optimizing energy usage and implementing efficient practices, HUGO BOSS can significantly decrease its carbon footprint and contribute to a more sustainable future.

Our energy management aims to systematically reduce energy consumption throughout our company and primarily its direct business operations. For this purpose, the consumption data of the technical systems at our own sites are constantly monitored, while the energy consumption in our retail stores is reported on a quarterly basis. This enables us to swiftly identify deviations as well as potential for improvement. If the need for action arises, the **central environmental management team** initiates effective measures to reduce consumption together with the relevant facility managers.

Our approach to the **self-generation of renewable energy** generally focuses on the installation of solar panels on new buildings and, to the extent possible, also on existing ones. In 2023, we installed a total of four new solar systems at our own production facilities in Izmir (Turkey), Morrovalle (Italy), Radom (Poland), and Coldrerio (Switzerland). Our own daycare center at our headquarters in Metzingen (Germany) is powered by a photovoltaic thermal system with a heat pump. HUGO BOSS therefore operated a total of **ten solar systems** in 2023, generating 3,151 MWh of green electricity, 67% more than in 2022 (1,892 MWh).

By increasing our **procurement of renewable electricity**, we actively work towards reducing our carbon footprint. Our headquarters in Metzingen (Germany) were powered by 100% certified green electricity in 2023. HUGO BOSS offices and production facilities in another 16 countries also used green electricity in 2023. A total of 60%, corresponding to 57,086 MWh of our consumed electricity in 2023, was renewable. HUGO BOSS' target is to switch to **100% renewable electricity by 2030**. In 2023, the total energy consumption of HUGO BOSS amounted to 145,781 MWh.

60%
**RENEWABLE
ELECTRICITY
CONSUMPTION**
IN 2023



Energy consumption in 2023 increased slightly year-on-year, mainly because of the Company's robust business growth that resulted in higher production volumes at our own production sites. Consumption in relation to the area of company buildings (kWh/m²) declined by 4% in 2023. HUGO BOSS aims to **reduce its direct and indirect energy consumption** in relation to area by 20% by 2030 relative to a 2019 baseline.

ENERGY CONSUMPTION BY ENERGY SOURCE¹ (MWH)

	✓ 2023	✓ 2022	2021
Company vehicles²	13,428	12,004	10,272
Direct energy consumption			
Heating oil	972	1,397	1,745
Liquefied petroleum gas (LPG)	33	23	20
Natural gas	33,009	36,157	34,367
Solar	3,151	1,892	941
Total direct energy consumption	37,165	39,469	37,073
Indirect energy consumption			
Certified green electricity	53,934	51,014	46,102
Electricity	38,661	36,805	33,076
Other energy sources (e.g. district heating)	2,593	2,463	2,217
Total indirect energy consumption	95,188	90,282	81,395
Total energy consumption	145,781	141,755	128,740

1 Energy data for retail is generally based on data queries at retail stores and outlets. 53% of the retail stores and outlets that are included in the data collection were able to report energy consumption with respect to natural gas. 85% of these retail stores and outlets reported data on electricity, while 48% 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 As the energy values for company vehicles were included for the first time in this reporting year, comparability with the previous year's tables is only possible to a limited extent.

HUGO BOSS implemented several **energy-efficiency projects** in 2023, such as installing LED bulbs at our production facilities in several countries and at our Group headquarters. Together, these measures conserve 655 MWh of electricity per year.

A key instrument for reducing energy consumption at HUGO BOSS' own locations is the so-called **GREENBUDGET**: Every year, all HUGO BOSS subsidiaries can submit projects to the GREENBUDGET Committee. Projects are prioritized on the basis of economic and environmental aspects. Once approved, the subsidiaries can contribute their designated budget directly toward implementing the respective project.





Pollution

Chemicals and substances of concern

Chemicals are mainly used in our industry to produce fabrics, leather, and trimmings as well as to wash and dye materials. The discharge of these chemicals into wastewater can affect local and downstream water quality, while their leakage onto the ground could have an adverse impact on soil and groundwater. Our suppliers are required to handle chemicals responsibly and thus **prevent harm to the environment**. We also help them reduce their use of hazardous substances and convert to non-hazardous options. An important aspect of this is conducting **effective chemicals management** along our supply chain. Already in 2017, HUGO BOSS joined the **Zero Discharge of Hazardous Chemicals (ZDHC) initiative**. The ZDHC system

makes it possible to conduct standardized assessments of suppliers' chemicals management. To better monitor chemical management in our supply chain, we adopted the ZDHC "Roadmap to Zero" framework. HUGO BOSS promotes industry-wide interaction and cooperation with producers and experts to avoid the use of hazardous chemicals both in the apparel value chain and in products. We are active in the **Apparel and Footwear International RSL Management (AFIRM) Group** and use their management and analysis tools to assess our value chain.

In 2023, HUGO BOSS once again achieved the status "Aspirational Level" in the ZDHC "Brands to Zero" program. This distinction is conferred to companies that have committed to the highest level of chemical management in their value chain. The ZDHC **Manufacturing Restricted Substances List (MRSL)** defines upper **limits for critical process chemicals** and forms an essential part of HUGO BOSS' contracts with its suppliers. It obliges all suppliers, including our own production facilities, to verify their chemical inventory in conformity with the ZDHC MRSL and to avoid or limit the use of hazardous substances. Furthermore, all suppliers that HUGO BOSS has a direct contractual relationship with agree to require their upstream suppliers to also comply with the ZDHC MRSL.

HUGO BOSS has committed to ensuring that all suppliers using wet processes produce in accordance with the ZDHC MRSL by 2030. Of the suppliers' wet-process production facilities whose chemical inventory we reviewed in 2023, 27% met our criteria (2022: 24%  ). All **strategic finished goods suppliers** that use wet processes are expected to do so already by 2025. The share of production facilities of strategic suppliers using wet processes according with the ZDHC MRSL increased to 44% (2022: 35%  ). We review and evaluate suppliers' chemical inventory reports using criteria developed in-house.

Within the ZDHC Framework, we also reinforce suppliers' awareness of these issues, help and train them to establish their own chemical management processes, including giving them access to the **ZDHC database**. The latter contains comprehensive information on alternative substances that are ecologically and economically reasonable and whose characteristics in applications are comparable with those of conventional substances.

HUGO BOSS urges its suppliers to safeguard the **health and safety** of all people involved in their production processes. This applies in particular to the responsible use of chemicals. All of this likewise helps protect the health and safety of customers who wear and use our products. This includes requiring suppliers to countersign our **Restricted Substances List (RSL)**, which is updated on a regular basis, and to consistently comply with our restrictions on the chemicals contained in products and packaging. Our RSL adopts the AFIRM's recommendations for substances, thresholds, and test methods. Our **Chemical Management Policy** defines our principles for responsible chemical management. This policy can be accessed on our corporate website. > [Restricted Substances List](#) > [Chemical Management Policy](#)

HUGO BOSS takes the potential environmental impacts of chemicals in products very seriously. Already in 2018, we therefore decided to **eliminate the use of PFAs in production processes**. Meanwhile, the ban is an integral part of our RSL, which is mandatory for all suppliers to comply with. We are committed to excluding additional harmful substances and materials in the future.

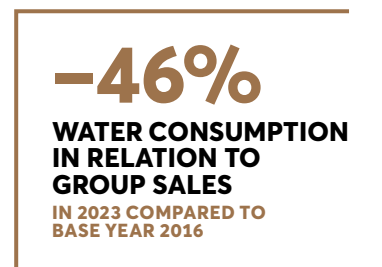
HUGO BOSS commissions accredited institutes to conduct **extensive pollutant tests** to verify compliance with its specifications. The aim is to prevent the manufacture and shipment of products that do not comply with market standards. If a test finds abnormalities, an escalation process is initiated involving all relevant specialist departments, including, in serious cases, reporting to the Managing Board. In 2023, 3,466 materials were tested (2022: 3,472 ✓); of these, 0.7% were deemed non-compliant and therefore not distributed (2022: 0.5% ✓) ✓.

Water

HUGO BOSS is committed to identifying and implementing measures to **responsibly manage water and wastewater** within its direct area of responsibility. Our primary focus is on reducing water consumption at our own sites, where we can make the most significant improvements.

Group-wide **water consumption** slightly increased by 1% in 2023. As in previous years, most of the water consumed at our facilities was used for sanitary systems. The increase is mainly due to the further global expansion of our workforce in 2023.

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 2023, this value was 36.4 m³ per EUR million sales and therefore 46% 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 robust increase in Group sales in 2023 contributed to this development.



We also manage our water consumption with regard to the **local availability of drinking water** and strive even harder to reduce our consumption in **water-stressed regions**. Our production facilities in such regions consumed 94,143 m³ of water in 2023 (2022: 102,442 m³).

WATER CONSUMPTION BY REGION¹ (IN M³)

	✓ 2023	✓ 2022	2021
EMEA	160,297	161,281	138,191
Americas	23,828	21,928	19,039
Asia/Pacific	14,603	13,115	18,740
Total	198,728	196,324	175,970

¹ Water consumption data for retail is generally based on data queries at retail stores and outlets. For water consumption, data is available for 13% 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 was taken from 2013 and a value of 0.22 m³/m² for the apparel retail sector was established.

Groundwater tanks lessen water stress by reducing the amount of **water drawn from outside sources**. Already in 2017, we installed such tanks at our production facility in Izmir (Turkey). In 2023, they provided 26,636 m³ of water for the irrigation of green areas and for the facility's sanitary installations, which is equal to around 33% of its total water consumption. The remaining freshwater comes from external sources.

Wastewater

Own operations

HUGO BOSS discharged a total of 152,365 m³ of wastewater in 2023, almost entirely into **municipal wastewater systems**. This represents an increase of 9% compared to the prior year. Water from the sanitary installations and staff cafeteria at our production facility in Morrovalle, Italy, is purified and discharged into a ditch. This method has been approved by regulators and is verified by means of annual tests. The quality of the water discharged from our production facilities not only must comply with applicable laws and regulations but also must satisfy the requirements of ISO 14001 certification.

WASTEWATER DISCHARGE BY SOURCE¹ (IN M³)

	✓ 2023	✓ 2022	2021
Surface water	1,333	1,220	1,035
Municipal wastewater disposal	151,032	138,045	129,618
Total	152,365	139,265	130,653

¹ For all retail stores and outlets within this scope, it is assumed that water consumed is equal to wastewater discharged.

Supply chain

In our supply chain, particularly in wet processes like tanning, washing, and dyeing, we recognize that wastewater management is crucial due to its significant environmental impact. HUGO BOSS' suppliers, whose wet processes produce industrial wastewater, must meet the requirements of the Company's Supply Chain Sustainability (SCS) Program, including a functioning **wastewater management system**. [> Supply Chain Sustainability \(SCS\) Program: Environmental Module](#)

As part of the ZDHC initiative, HUGO BOSS works with its suppliers to continually increase the **transparency of wastewater data**. Suppliers can have their wastewater tested by ZDHC-certified laboratories and make the results available to other companies on the ZDHC database. By 2030, HUGO BOSS aims to ensure that all its suppliers using wet processes produce in conformity with the specifications of the ZDHC MRSL and provide the results of wastewater tests conducted according to the ZDHC Wastewater guidelines. All strategic finished goods suppliers that use wet processes are



expected to achieve this goal by 2025. Of suppliers' wet-process production facilities whose wastewater tests were reviewed in 2023, 26% met our requirements (2022: 23% ✓). The share for the production facilities of strategic finished goods suppliers was 33% (2022: 24% ✓ ✓).

In our value chain, we identified water-related risks posed by the leather industry. Some leather makers might use chemicals improperly or do not dispose of wastewater appropriately during tanning processes. These practices could put nearby water resources and biodiversity at risk. To minimize these risks, HUGO BOSS has set a target of sourcing 100% of its leather from tanneries certified according to the **Leather Working Group (LWG)** or comparable standards by 2025. This share was 92% at year-end 2023 (2022: 86%).

Biodiversity and ecosystems

Biodiversity strategy

HUGO BOSS is committed to **protecting biodiversity** as a fundamental prerequisite for intact ecosystems. Our products are largely made from natural raw materials like cotton and wool, which underlines our dependency on biodiversity. At the same time, our business activities, in particular the production of raw materials and the manufacture of our products, have an impact on ecosystems, which is why HUGO BOSS has made biodiversity a priority in sustainability management. Consequently, "leverage nature positive materials" as well as "fight microplastics" are two of our five key sustainability pillars. > group.hugoboss.com

Biodiversity impacts

To conduct an in-depth study of the fashion industry's impact on biodiversity, we collaborated with the International Union for Conservation of Nature (IUCN). The study identified five main impacts on biodiversity: 1) **Habitat loss and degradation**, which consists of the direct conversion, alteration, or fragmentation of natural habitats. 2) **Overexploitation**, referring to the harvesting of plants, wild animals, or other organisms in ways that are unsustainable. 3) **Pollution**, involving introduction of a substance with harmful or toxic effects into the environment. 4) **Climate change** resulting from human activity and leading to changes in ecosystem interactions as well as shifts and declines in species diversity. 5) **Invasive species**, meaning plants, animals, or other organisms that are not native to an ecosystem and can disrupt its integrity and function.

Based on the study's findings, we set ambitious **targets for protecting biodiversity**, using the mitigation hierarchy. We also put in place actions at each step of our value chain to address the impacts identified in the study, enabling us to make progress toward our targets. HUGO BOSS is aware that this is a complex issue that cannot be resolved by a single company. We therefore work closely with our suppliers and non-governmental organizations worldwide.

BIODIVERSITY IMPACTS AND CORRESPONDING ACTIONS THROUGHOUT OUR VALUE CHAIN



Regenerative agriculture

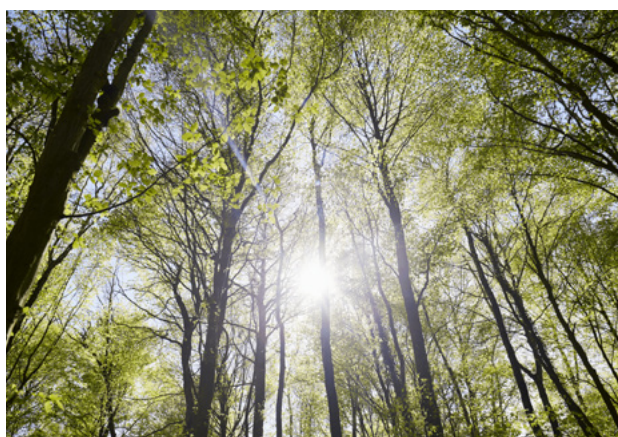
Many raw materials used to manufacture garments – such as cotton, wool, and leather – are agricultural products. Yet conventional and intensive agriculture has a negative impact on soil and groundwater quality, biodiversity, and global climate. In line with our key sustainability pillar **“leverage nature positive materials,”** we are committed to ensuring that the agricultural products that we and our supply chain procure have the least possible environmental impact or can regenerate nature. We believe that **regenerative agriculture is a powerful lever** to fulfill our commitment.



Regenerative agriculture implies applying best practices to minimize water depletion, to eliminate synthetic substances in favor of natural resistance and fertilizers, and thus to be **more sustainable than conventional agriculture**. The objective is not just to stop land degradation and deforestation, but also to enhance soil quality, foster biodiversity, and bolster climate resilience.

HUGO BOSS collaborates with Raddis, a non-governmental organization based in India that is dedicated to regenerative agriculture and the empowerment of women farmers. For its Spring/Summer 2023 collection, BOSS launched a capsule collection including T-shirts, sweatshirts, and tracksuits made entirely from Raddis cotton. While we plan to continue our partnership with Raddis in 2024, we intend to establish other such partnerships and encourage our suppliers to do so as well. > group.hugoboss.com

Forest conservation



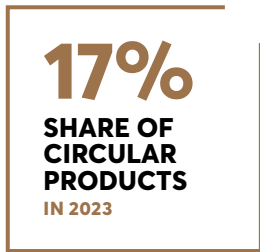
Forests are of great importance to people, animals, plants, and the environment generally, as they help preserve water, the climate, and biodiversity. They are also an **important source of raw materials**. Our packaging, for example, consists mostly of paper, and our apparel contains fibers such as viscose, modal, and lyocell that are derived from wood. HUGO BOSS supports the Canopy Planet Foundation, a non-profit organization dedicated to preserving ancient and endangered forests, to enable it to carry out its important mission. More generally, we help combat deforestation by **sourcing wood-based materials** as sustainably as possible and by **using recycled**

materials and sustainable alternative solutions whenever possible. HUGO BOSS' **Commitment to Protect Forests** through our paper, packaging, and fabrics choices describes the Company's targets and measures to promote forest conservation. > group.hugoboss.com

Circular economy

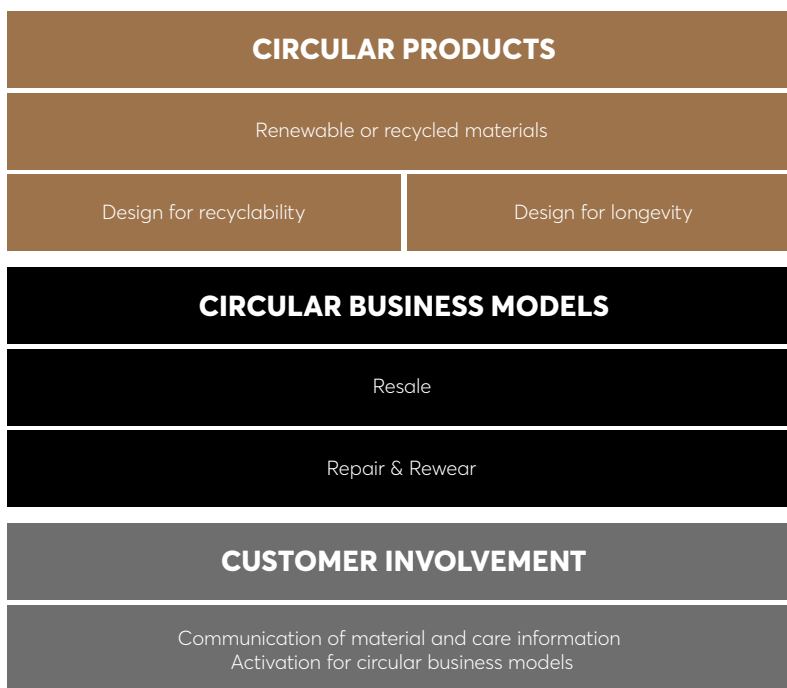
Circularity

With regard to our product assortment, we attach great importance to premium quality and long-lasting design. We intend to further extend the longevity of our products, close material cycles, and use more high-quality recycled and renewable materials, fully in line the key sustainability pillar "increase circularity." In doing so, we aim to **conserve resources**. HUGO BOSS therefore began to expand its product recycling potential and to introduce circular business models such as repair and resale in selected markets. HUGO BOSS aims for **80% of its apparel products to become circular** (measured by production volume, number of apparel products) by 2030. Starting in 2022, we have started to develop and manufacture parts of our BOSS and HUGO collections directly on the basis of the Circular Product Policy. The proportion of circular products in both brands' collections grew to a total of 17% in 2023 ✓. We aim to significantly increase this share in the coming years.



Supported by circular.fashion, an agency specialized in digital solutions for circular economy, we provide circular-design training to employees in our Design, Product Development, and Business Operations departments. In 2023, we added a mandatory eLearning module on circularity to our HUGO BOSS University training database. Together with circular.fashion, HUGO BOSS also developed a **Circular Product Policy** based on existing and expanded industry standards, which includes important criteria to ensure circularity at the stage of design and development. Its key elements are published on our corporate website. > group.hugoboss.com

BUILDING BLOCKS OF HUGO BOSS' CIRCULARITY STRATEGY



Circular products

Circular products at HUGO BOSS must meet three criteria: **using renewable or recycled raw materials, being long-lasting, and being recyclable**. In early 2023 we launched our first products that meet all three criteria. In 2024 we intend to expand our offerings of circular apparel.

Circular business models

In addition to developing and manufacturing circular products, HUGO BOSS is also putting a strong focus on establishing **circular business models**. In this context, already today we offer a **Repair & Rewear service** in selected own stores in Germany in order to extend the lifetime of products that have previously been sold. In addition, we are operating the **online resale platform "Pre-Loved"** in France, where customers can return and purchase used BOSS and HUGO products.

Customer involvement

Our customers play a crucial role in extending the longevity of our products through gentle cleaning and care. We support them in taking proper care of their BOSS and HUGO products by offering material guides in our online store. These guides contain **information on quality, wearing comfort, product care, and sustainability**. Since 2023, the importance of proper care with regard to environmental protection has been stated on all HUGO BOSS standard care labels. Certain laundry items and accessories as well as core merchandise produced before this changeover do not have such labeling.



More sustainable materials and products

HUGO BOSS is committed to progressively enlarging the proportion of **Responsible Styles** in its collections. According to our Responsible Product Policy, Responsible Styles are required to have at least **60% more sustainable raw materials** and adhere to stringent environmental and social standards during production processes. Our BOSS capsule collection for Spring/Summer 2023 made entirely from Raddis cotton, which is described in the "Regenerative Agriculture" section, is an example of a Responsible Style. Another example is products of BOSS' Spring/Summer 2023 collection jointly developed with Zetaterra, which were made using natural dyeing processes that conserve energy.

HUGO BOSS aims for its **Responsible Styles to account for more than 60% of its product range by 2025**. This figure reached 40% in 2023, which represents an increase compared to the previous year (2022: 35%).

40%**SHARE OF
RESPONSIBLE
STYLES IN THE
PRODUCT
RANGE****IN 2023**

CHARACTERISTICS OF RESPONSIBLE STYLES



In addition, HUGO BOSS has an established process for **reusing leftover materials** from past collections for new product developments. Beyond that, we are testing the use of leftover materials in non-fashion products such as clothes hangers made from textile fibers, reducing textile waste and conserving resources.

Responsible materials

HUGO BOSS products always consist of materials that meet its **stringent quality criteria**. These criteria encompass social and environmental aspects. Our key sustainability pillars "leverage nature positive materials," "fight microplastics," and "push zero emissions" are of particular relevance in this regard. Also in 2023, cotton was by far the most used material in our products, accounting for 53% of the total composition (2022: 59%).

MATERIALS USED

	2023		2022	
	Metric tons	In % of total	Metric tons	In % of total
Cotton	✓ 13,267	✓ 53	✓ 15,261	✓ 59
Synthetic fibers	5,550	22	4,663	18
Wool	2,084	8	1,924	7
Man-made cellulose fibers	1,165	5	886	3
Leather	1,108	4	1,142	4
Rubber	801	3	962	4
Polyurethane	467	2	448	2
Polyvinyl chloride	144	1	280	1
Linen	168	1	155	1
Other	208	1	162	1
Total	24,962	100	25,883	100

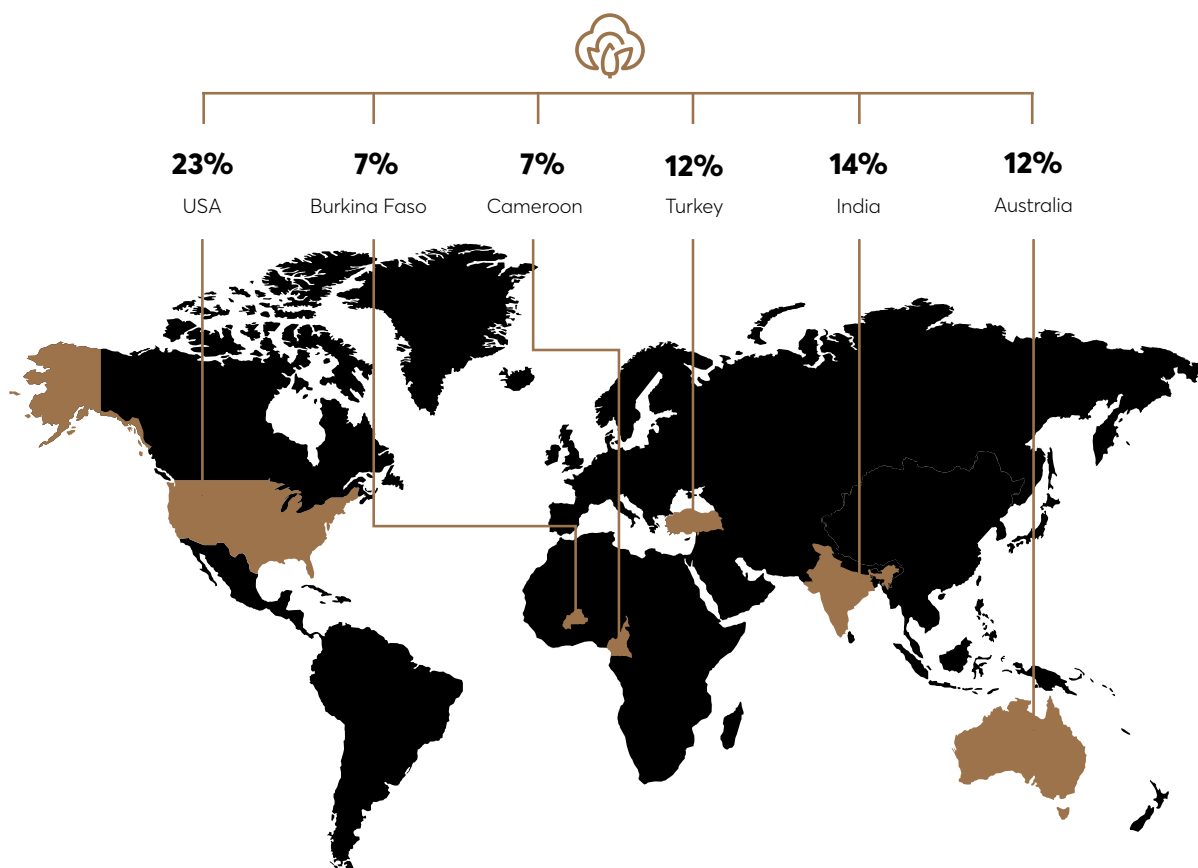
Plant-based fibers

Plant-based fibers such as cotton, linen, and hemp are recognized for their lower environmental impact and reduced carbon footprint when compared to synthetic fibers like polyester and polyamide. Moreover, although resources are consumed to produce and process plant-based fibers, these fibers are derived from **renewable raw materials**, not from finite fossil fuels, whose extraction and processing are both energy- and carbon-intensive. Consequently, the use of plant-based fibers, especially those that are grown regeneratively, is central to HUGO BOSS' commitment to sustainable products.

HUGO BOSS aims to progressively limit the environmental impacts of cotton cultivation and has therefore set dedicated targets for **cotton procurement**. In line with our Cotton & Other Plant-Based Fiber Commitment we aim for **100% of our purchased cotton to come from more sustainable sources by 2025**. In 2023, cotton from more sustainable sources accounted for 98% of our total cotton purchases (2022: 93% ✓), thus putting us very close to our 2025 target ✓. > **Biodiversity and Ecosystems**

HUGO BOSS sources cotton from various countries, the two largest being the USA and India. > **Appendix, Selected Environmental Data**

TOP FIVE COTTON CULTIVATION COUNTRIES IN 2023¹



¹ 25% other cultivation countries.

Innovative cellulosic fibers

Cellulosic fibers like lyocell, modal, and viscose are renewable raw materials obtained from cellulosic pulp and are produced in industrial processes. The production of cellulose and its conversion into fibers must be carried out in a manner that **minimizes environmental impacts**, considering both the energy- and chemical-intensive nature of the process. For this reason, HUGO BOSS entered into a partnership with the non-profit environmental organization Canopy. Since then, HUGO BOSS has exclusively worked with viscose suppliers, who according to the organization do not offer materials from old and endangered forests to the market and also meet the Company's requirements for chemical management. Moreover, HUGO BOSS uses the more sustainable Tencel Refibra fibers from Lenzing, fibers obtained from cellulose according to the Canopy Style commitments, and leftover cotton fabric using an innovative closed-loop system.

Synthetic fibers

Synthetic fibers have adverse impacts across their lifecycle. They are derived mainly from finite fossil raw materials, whose extraction is harmful for nearby ecosystems and water resources. In addition, they are often produced in energy- and chemical-intensive processes. At the same time, the washing of synthetic garments results in the release of **microplastics** that are almost completely non-biodegradable, bind to environmental toxins and dangerous microorganisms, and notably exacerbate water pollution.



In keeping with its key sustainability pillars "leverage nature positive materials" and "fight microplastics," HUGO BOSS intends to systematically reduce its use of non-renewable synthetic fibers while also limiting their environmental impact. In this context, **by 2030 we aim to eliminate polyester and polyamide, including in fiber blends, from all our fabrics¹**. Our **strategic partnership with HeiQ AeoniQ**, which we entered into in 2022, will help us get there. As part of this partnership, we jointly develop and produce the innovative filament yarn AeoniQ, whose properties resembles those of polyester and polyamide fibers, while being derived from renewable cellulose. This makes it a sustainable, recyclable alternative to

synthetic fibers. In 2023, BOSS successfully launched its first two polo shirts made of almost 90% AeoniQ, while also showcasing three respective outerwear styles at its Fall/Winter 2023 fashion event in Milan. Going forward, we will continue to grow this partnership by gradually increasing the use of AeoniQ yarn in our brands' collections.

More sustainable packaging

Packaging is used at various stages of the Company's value chain. **Transport packaging** (cardboard boxes, protective garment covers) protects products during transit, distribution, and storage and helps to bundle transport and order units. **Product packaging** (shoeboxes, polybags, hangtags) facilitates optimal individual handling during storage and presentation in retail stores and communicates product information to customers. Finally, **service packaging** (carrier bags, gift wrap) is used for special applications and **eCommerce packaging** (shipping boxes) for deliveries to end consumers.

The Company's product packaging is made primarily from paper and plastic. We no longer use metals and only use a small number of natural materials such as cotton. In 2023, 85% of our product packaging was made of **renewable materials** (2022: 86%).

85%

**PRODUCT
PACKAGING
MADE OF
RENEWABLE
MATERIALS**
IN 2023

¹ In fabrics and linings; achieving this ambitious target depends, to a large extent, on the widespread availability of alternative raw materials.

HUGO BOSS almost exclusively uses **certified paper packaging and cardboard**. We use recycled material whenever possible, as is the case with carrier bags and shoeboxes. We have systematically eliminated laminated paper to improve our packaging's recyclability. By 2025, our target is that 100% of the packaging paper comes from sustainably managed forestry and other controlled sources or is made from recycled material. In 2023, our transportation, product, and sales paper packaging was 93% certified (2022: 90%) and 70% came from recycled material (2022: 69%). All newly sourced cardboard boxes intended for shipment from our central distribution centers in Germany are certified. On average, they consisted of 77% recycled material in 2023 (2022: 77%). HUGO BOSS also encourages its suppliers to use sustainably sourced cardboard boxes.

In 2021, HUGO BOSS signed Canopy Planet Foundation's **Pack4Good initiative**. This commits us to ensure that our packaging does not contain materials from ancient, endangered, or cleared forests. In 2023, HUGO BOSS signed a letter of support with Canopy expressing its interest in purchasing next-generation packaging products made of agricultural waste.

HUGO BOSS used a total of 1,804 t of **plastic packaging** in 2023 (2022: 1,548 t). In 2023, 48% of our plastic packaging was made of recycled or other sustainably sourced materials (2022: 47%). For example, the polybags and garment covers used for transport packaging were made of 39% recycled material (2022: 38%). In 2021, we launched a pilot project to pack individual products in FSC-certified paper bags instead of polybags (HUGO BOSS' FSC license number is FSC N002527). Almost four million paper bags were used in 2023.

In addition, HUGO BOSS aims to increase the proportion of **reused materials** in its packaging. In 2023, 1,003 t of cardboard boxes were reused for shipping finished goods from our central distribution centers in Germany (2022: 1,294 t). This accounted for 47% of all goods shipped (2022: 49%). Similarly, we continued to reuse used clothes hangers from our retail stores in Germany and Austria or recycle them into new hangers.

HUGO BOSS' **systematic optimization of packaging** to conserve resources and protect the environment goes beyond individual materials. In 2023, for example, we improved our paper bags' material properties and quality, thus extending their lifetime. We also fine-tune the configuration of packaging to minimize wasted space and thus use less packaging per unit shipped. Finally, we strive continually to optimize our use of transportation packaging such as garment covers to further conserve materials.

Supply Chain Sustainability (SCS) program: environmental management module


Our Supply Chain Sustainability (SCS) program's **environmental management module** sets general environmental requirements as well as specific requirements for **chemicals, wastewater, and climate-impact management**. Some requirements vary depending on which processes a supplier uses and how much business they do with HUGO BOSS. The most stringent requirements apply to suppliers whose production processes have the biggest environmental and climate impacts, mainly those that use wet processes, such as dyeing, washing, bleaching, and tanning.

General environmental requirements

The operations and supply chains of HUGO BOSS' suppliers must comply with **comprehensive environmental requirements**. These include having in place environmental and energy management systems, embedding responsibility for environmental issues in their organization, operating a monitoring system for their environmental impacts, and setting targets to mitigate them. In addition, the principles of the **HUGO BOSS Environmental Policy** apply to all of its suppliers.

Suppliers that use certain environmentally impactful processes need to have **environmental audits** to verify that their performance meets HUGO BOSS' general environmental requirements. These audits cover issues such as energy and pollutants.

ISSUES COVERED BY ENVIRONMENTAL AUDITS

 <p>Issues covered by environmental audits</p>	Energy
	GHG emissions
	Pollutants
	Waste, water, & wastewater

For some suppliers, the audits also assess the degree to which a supplier has embedded these topics in its organization, for example by having in place an environmental management system. The audits are conducted by independent auditors and are repeated at regular intervals. Alternatively, since 2021, HUGO BOSS has given suppliers the option of submitting **audit certificates obtained from third parties**. If our review of the audit indicates that it meets our requirements, the supplier is deemed to have been successfully audited and does not require reverification. This option supports our goal of making supplier management even more efficient.

By 2025, HUGO BOSS aims to ensure that all suppliers with high environmental impacts can present a **valid environmental audit** with a score of "satisfactory" or better. In 2023, 43 environmental audits were carried out at suppliers (2022: 54); we also accepted five third-party audit certificates (2022: 8). At year-end 2023, 66% of suppliers with high environmental impacts met the environmental requirements defined by HUGO BOSS (2022: 45%). If an environmental audit identifies shortcomings, we work with the supplier to devise a **corrective action plan**. As with social audits, HUGO BOSS monitors the plan's implementation and supports the supplier's implementation process by offering training courses, digital training documents, and documentation templates.

In 2023, **environmental audits** identified eight violations classified as "insufficient" or "risky" (2022: 15). We requested the suppliers involved to take appropriate corrective action and monitored its implementation.

Waste

HUGO BOSS recognizes the importance of addressing waste management and reduction in all aspects of our operations. In line with our key sustainability pillar "increase circularity," HUGO BOSS aims to **reduce waste** and therefore continually **optimize related processes**. Consequently, we have in place an environmental management system certified to ISO 14001 at three of our five production sites that generate significantly more waste than the others. Waste that cannot be avoided is collected separately to ensure that it is recycled or sent for professional processing or disposal. Various types of waste, such as packaging, paper, cardboard, food waste, and other waste, were collected separately in 2023. This waste also includes production waste in the form of textile or leather scraps.

HUGO BOSS generated a total of 8,916 t of waste in 2023 (2022: 8,161 t ✓), a year-on-year increase of 9% ✓. This 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. Compared to the Company's growth, however, the increase is proportionally lower, which in turn reflects the fact that the measures we have taken are showing results. These and all other figures in this section refer to our **own operations only**, not to our supply chain.

GENERATED WASTE BY DISPOSAL TYPE AND WASTE TYPE¹ (IN T)

	Non-hazardous waste					Hazardous waste ²				
	✓ 2023	✓ 2022	2021	2019	✓ 2023	✓ 2022	2021	2019		
Recycling	4,988	4,865	3,650	4,264	72	13	16	18		
Reuse	7	5	7	16	0	0	0	0		
Disposal (landfill)	1,849	1,569	855	848	28	26	17	30		
Incineration	128	90	113	114	4	5	10	7		
Unknown ³	1,841	1,587	1,239	1,799	0	0	0	1		
Total	8,813	8,116	5,864	7,041	104	45	43	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 This figure relates to the waste generated in our own retail stores (e.g. paper and cardboard, plastics).

HUGO BOSS has set itself the goal of reducing the volume of domestic waste per employee by 10% by 2025 relative to 2018. Each employee generated an average of 73.4 kg of waste in 2023, which is 9% below the 2018 figure. 65% of the waste generated at HUGO BOSS facilities, corresponding to 5,056 t, is sent for **recycling**. All other waste is disposed in compliance with local regulations, in part with the support of certified waste disposal companies.

In addition, HUGO BOSS works continually to further reduce waste in connection with product and transport packaging, for example by **saving packaging materials and applying reusable solutions**. The "More Sustainable Packaging" section of this chapter provides more detailed information.

SOCIAL

45
OUR WORKFORCE

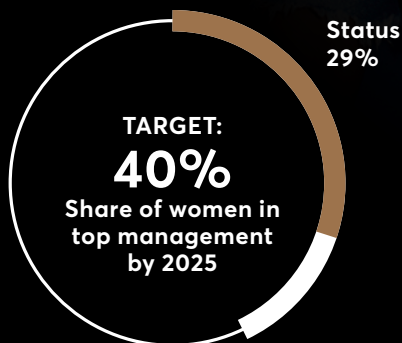
52
WORKERS IN THE VALUE CHAIN

61
AFFECTED COMMUNITIES

EMPLOYEE SATISFACTION

77%
(78% in 2022)

DIVERSITY, EQUITY, AND INCLUSION



62%
(52% in 2022)

OF GOODS FROM OUR FINISHED GOODS SUPPLIERS ACHIEVED THE HIGHEST SCORE ("GOOD") IN THE SOCIAL COMPLIANCE PERFORMANCE ASSESSMENT

Social approach

The global apparel market is constantly evolving: Customers are becoming more demanding, and technological advances increasingly shape how we do business. Societies – and their demographic makeup – are changing as well. Our Company's "CLAIM 5" strategy enables us to actively tackle and successfully respond to this shifting landscape. At HUGO BOSS, we firmly believe that the passion and dedication of our employees are vital for the successful execution of "CLAIM 5." A strong commitment to empowering people and teams is therefore firmly anchored in "CLAIM 5," guided by our HUGO BOSS values **entrepreneurial spirit, personal ownership, team mentality, simplicity & quality, and youthful spirit**. Our aim is to empower our employees to make responsible decisions and proactively shape change. This, in turn, will make HUGO BOSS an even more attractive place to work, which is essential to attract new talent and retain skilled staff.

We continually strive to create a work environment that is **safe, inclusive, motivating, and appreciative**, while fostering an atmosphere of trust and belonging within our teams. We also offer a wide range of **development programs and training courses** enabling all employees to constantly enhance their knowledge, learn new skills, and grow. We are committed to helping our employees achieve a **healthy work-life balance**. We recognize that maintaining this balance is crucial to their overall well-being and can significantly improve their performance, satisfaction, and loyalty to the Company.

Research shows that **diverse, inclusive teams** solve problems better and more creatively and that their members tend to be more satisfied employees. **Diversity, equity, and inclusion (DE&I)** are therefore particularly important topics at HUGO BOSS. From an organizational perspective, the importance of DE&I is firmly anchored in the Global Employee Experience department as part of Global Human Resources, with the Global DE&I team dedicated to further raising awareness of DE&I throughout the Company and also externally. In addition, our production facilities in Izmir (Turkey) and Ticino (Switzerland) both have a dedicated DE&I staff person. > [Diversity, Equity, and Inclusion](#)

Maintaining a high level of employee satisfaction is a priority at HUGO BOSS. To measure employee engagement on a regular basis, HUGO BOSS conducts an annual **employee survey** in cooperation with Great Place to Work (GPTW) Germany. In this context, in 2023, overall satisfaction amounted to 77% (2022: 78% 🟡🟢). The result of the GPTW survey also serves as a performance indicator for the **long-term incentive (LTI)** for the Managing Board and senior executives in the first two levels below the Managing Board. The Company has set itself the goal of maintaining a strong level of at least 75% of overall satisfaction also in the years to come.

77%
**EMPLOYEE
SATISFACTION**
IN 2023



HUGO BOSS is likewise committed to **respecting human rights, fair labor practices, freedom of association, and gender equality, and not tolerating discrimination** in its own operations and **throughout its value chain**. The section "Workers in the Value Chain" describes our actions in this regard in detail. It also refers to the sections of other chapters that address related aspects of corporate governance and compliance in our supply chain. These include our human rights risk analyses, our "Speak Up Channel," and our Sustainable Supply Chain Program.

The **Global Human Resources (HR) department** is responsible for the ongoing review and development of Group-wide HR management, with the Senior Vice President of Global Human Resources reporting to the Chief Executive Officer (CEO). The Global HR department works closely with other central departments and with our subsidiaries' HR departments and managers.

Responsibility for **occupational health and safety (OHS)** at HUGO BOSS is decentralized, with Group headquarters, our subsidiaries, and our retail points of sale all having been assigned clear responsibilities. Those responsible at our subsidiaries report to their local management and to relevant departments at Group headquarters on a regular basis and, if needed, on an ad hoc basis. The Managing Board regularly discusses OHS topics in its meetings. HUGO BOSS regularly updates its **Health & Safety Commitment**, which establishes binding OHS processes Company-wide. We have enhanced the important topic of OHS most recently by further improving OHS management, setting quantitative OHS targets, and extending our OHS system to encompass contractor employees who work on our behalf.

HUGO BOSS has in place centralized as well as decentralized policies for HR management, with the HUGO BOSS **Code of Conduct** being the central element. It establishes a uniform and binding framework for legal and ethical conduct that governs employees' interactions with each other as well as with customers, suppliers, and service providers. In addition, the HUGO BOSS **Anti-discrimination and Harassment Policy** underscores the Company's zero tolerance of unacceptable behavior in the workplace. The **Human Rights Policy** and the **Supplier Code of Conduct** are of fundamental importance as well. The Human Rights Policy contains binding rules that require all employees to respect human rights and safeguard humane working conditions, including in their interactions with our suppliers and other stakeholders. 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's own production sites.

The international subsidiaries of HUGO BOSS structure their HR management by means of additional, **decentralized policies**. This enables them to adapt to their particular situation and comply with national law.

Own workforce

Our employees are crucial to the long-term success of HUGO BOSS. At the end of fiscal year 2023, on a headcount basis, the Company employed a total of 21,899 **employees worldwide** (2022: 19,770 ✓). The increase of 2,129 employees compared to the prior year is in line with our strategic pillar "Organize for Growth," aimed at ensuring the successful execution of "CLAIM 5." It primarily reflects the further strengthening of our global retail business, key headquarters functions such as Omnichannel and IT, as well as our production and logistics teams.

In order to meet the Company's high demand for employees, 7,242 new employees were hired in 2023 (2022: 8,060 ✓). In addition to the new hires, there were also some departures as well as internal transfers and takeovers (e.g. from an internship to a permanent position) in 2023. At a level of 19%, the **voluntary termination rate** (based on total headcounts) remained on the prior-year level (2022: 19% ✓). We also measure our voluntary termination rate separately for our retail business and corporate functions. This enables us to better identify measures to improve **employee retention**. The rate in our retail business was 30% in 2023 (2022: 32%), with that in corporate functions amounting to 10% (2022: 9% ✓). Our objective remains to further reduce both rates in the coming years.

We conduct **exit interviews** with employees who have decided to leave HUGO BOSS in order to better understand the reasons for their departure. Their feedback is collected and analyzed for the purpose of adjusting our practices with the aim of further improving employee retention and reducing voluntary termination.

At year-end 2023, HUGO BOSS had 191 employees under **temporary arrangements** with personnel-leasing firms, working primarily at our own logistics facilities and retail stores during peak periods.

In 2023, 84% of our global employees were covered by **collective bargaining agreements** with trade unions or operational employee agreements (2022: 88%).

Our commitment to DE&I is also reflected in our workforce. At year-end 2023, people from more than 145 different countries were working for HUGO BOSS. Hence, our **nationality mix** was broadly unchanged from the prior year. The **average age** of our global workforce was 36 years, and thus unchanged compared to the prior year (2022: 36 years).

The appendix contains additional KPIs on our workforce profile. > [Appendix, Selected Social Data](#)

Diversity, equity, and inclusion

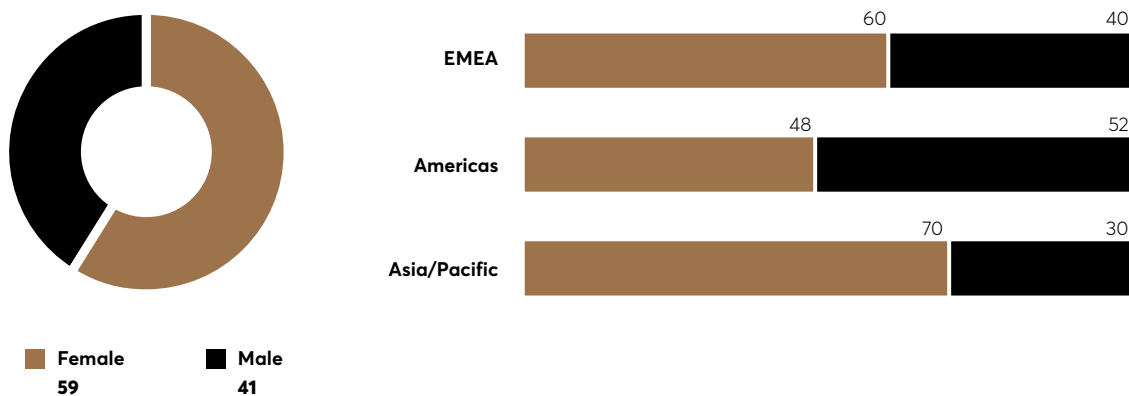
Bringing together diverse individuals and combining their different talents and strengths enables us to maximize our creativity, sensibility, and success. Each unique person enriches our work environment and business. **Diversity, equity, and inclusion (DE&I)** are therefore integral to our **corporate culture**.

This commitment goes back many years. HUGO BOSS signed the Charter of Diversity already in 2008, thereby pledging to provide all employees with a discrimination-free work environment that ensures equal opportunity. The Company is likewise committed to gender equality. All Group companies worldwide have endorsed the **United Nations' Women's Empowerment Principles**.

With a share of 59%, also in 2023 women accounted for the majority of our workforce. They held 50% of positions across all management levels in 2023 (2022: 50% ✓) and made up 42% of the Supervisory Board of HUGO BOSS (2022: 42% ✓). The Managing Board has set the target of achieving a **proportion of women** of at least 40% at the first management level below the Managing Board (i.e. "top management") and at least 50% at the second management level by 2025. As of December 31, 2023, the proportion of women at the first management level below the Managing Board was 29%, while it was 44% at the second management level below the Managing Board ✓. Both proportions were hence broadly in line with the prior-year level (December 31, 2022: 28% and 46%, respectively ✓). To help reach these targets, the Managing Board established a Diversity Committee to review our process of potential candidates for top management positions as well as to ensure gender-balanced candidate shortlists in the recruitment process. To further strengthen our gender-diverse leadership, we created the SHE BOSS program, a management initiative for our talented female leaders. A key differentiator of this program is that direct reporting managers are actively involved in the learning journey to help build the necessary support systems and networks. > **Appendix, Selected Social Data**



EMPLOYEES BY GENDER AND REGION (IN %)



To foster diversity within the Company, in addition to the organizational anchoring of this important topic in the **Global Employee Experience department**, HUGO BOSS has established an internal **Diversity Task Force**. Consisting of 30 employees from various sites and functions, it plays a key role in promoting DE&I at HUGO BOSS. In order to intensify diversity awareness and highlight its value throughout the Company, it has established several working streams for this purpose, such as the gender stream and LGBTQIA+ stream. In addition, employees have taken the initiative to form communities based on shared characteristics, interests, or life experiences. Examples of these **"CREWs,"** which stands for "creating a really equitable world," include the Wonder Women CREW and the BE YOU CREW. The purpose is to create a safe space to share ideas and experiences, provide mutual support, and inspire each other.

In 2023, HUGO BOSS defined a comprehensive **DE&I Ambition** based on five key pillars: Our People, Our Company, Our Consumers, Our Business partners, and Our Community. We also launched an initiative called MIX & MATCH to inspire and empower our people and to encourage a corporate culture in which differences are celebrated and inclusivity thrives. After its launch at our headquarters in Metzingen (Germany), MIX & MATCH was extended to four additional locations in 2023: Ticino (Switzerland), Izmir (Turkey), Northern Hub (London, United Kingdom), and Western Hub (Paris, France).



HUGO BOSS' commitment to DE&I includes providing relevant training, such as **training on how overcoming bias** promotes business success. The Managing Board and top management completed the program already in 2022, while middle management and their respective teams did so in 2023. As a result, more than 350 employees gained valuable DE&I knowledge and skills. We intend to provide unconscious bias training to all remaining employees in 2024, either in-person or online. In addition, the program has been integrated into our existing learning offerings, ensuring that employees can access it as part of their ongoing development.

Age is another important aspect of diversity. To better understand the needs and beliefs of Millennials and Gen Z – two key target groups for our brands BOSS and HUGO – in 2023 we established a **NextGen Board** consisting of six employees, all of whom are under the age of 30. The Board meets on a quarterly basis to serve as a generational sounding board and to provide advice on important Gen-Z-related business decisions. In addition, the Managing Board and senior management occasionally consult the NextGen Board on generational issues.

Our corporate website provides more information about DE&I and equal opportunity at HUGO BOSS.

> group.hugoboss.com

Work-life balance

To increase our attractiveness as an employer, we also support our employees in combining professional and private life. A **variety of flexible working models**, such as individual part-time arrangements, trust-based working hours, or working from home, are designed to further increase their motivation and commitment. Working models such as job sharing and co-leadership complete the offering. The majority of our employees already benefit from flexible working hours and possible part-time arrangements. For example, employees in our own production facility in Izmir (Turkey) are also able to reduce accrued overtime hours or take advantage of other part-time arrangements. **Working from home** is available to almost all administrative staff at HUGO BOSS. In particular, we offer administrative employees in Germany the **hybrid work concept "Threedom of Work,"** which provides for three days of attendance at our headquarters in Metzingen, while employees are free to choose their place of work on the other two days. Similar models have also been established at selected international locations.

At HUGO BOSS, we are also committed to strengthening family friendliness as part of the Germany-wide cooperation **"Success Factor Family."** Already today, we are offering a broad variety of family-friendly options to our employees. For example, young families at the Metzingen site have access to places at the local day care center and **holiday care** programs. In addition, we opened our own **day care center** at our headquarters in Metzingen in early 2023, offering space for around 50 toddlers. Employees in the USA and Canada have free access to an **Employee Assistance Program (EAP)**, which offers independent advice on matters such as childcare and caring for family members. In addition, most of our employees in the USA have the choice of spending part of their gross personal income for external care and support services through **flexible spending accounts (FSAs)**.

The employer attractiveness of HUGO BOSS was again recognized several times in 2023. In the **"Working in Fashion 2023"** study conducted by the German industry magazine TextilWirtschaft, HUGO BOSS again secured a strong third place. As part of this, we took first place in the category "future potential of the company" and second place in the categories "salary levels," "opportunities for promotion and training," and "attractive products." In addition, we maintained our strong midfield position among the **Top 50 Diversity Leaders** in 2023 – based on an independent Europe-wide ranking by Statista and the Financial Times. In the global study **"World's Best Employers 2023"** by Forbes and Statista, HUGO BOSS improved its ranking significantly and for the first time made it into the top 200 globally. > [Annual Report 2023, Employees and Teams](#)

Vocational training and employee development

HUGO BOSS offers its employees a wide range of individual development opportunities. Structured HR development programs for professionals and managers are to enable the promotion of employees according to their competencies, expand their knowledge, and strengthen their skills. HUGO BOSS offers subject-related training as well as training in social skills. The aim is to promote a **performance-oriented corporate culture** that is also inclusive, appreciative, and collaborative. In addition, HUGO BOSS offers a variety of training programs to school leavers, students, and young professionals. > [Annual Report 2023, Employees and Teams](#)

In addition to the existing **Employee Development Program (EDP)**, **Leadership Development Program (LDP)**, and **High Potential Program (HIPOSS)**, we launched the **Experienced Leaders Collection (ELC)** in 2023. The ELC provides experienced leaders with a comprehensive learning and training collection, supporting a common understanding of leadership at HUGO BOSS. Our employees also have access to a broad selection of face-to-face and guided online live training modules as well as e-learning courses on social, professional, and management skills via the Group-wide **"HUGO BOSS University"** and **"HUGO BOSS eLIBRARY"** platforms. At our own production and logistics sites, face-to-face training sessions and workplace briefings form an integral part of the induction process for industrial staff.

The annual "**Performance & Development Dialog**" (PDD) provides process and system support in creating individual development opportunities. An online tool collects data relating to performance assessment, potential evaluation, and development planning of our employees and is designed to ensure the greatest possible objectivity, also through the display of multi-dimensional feedback. The aim of the PDD is to increase transparency, particularly with regard to possible **cross-divisional and international development paths** within the Group, to get the best out of employees, and to retain talent at the Company for as long as possible. In addition to preparing and conducting the annual performance review, the tool also provides support in conducting mid-year reviews and collecting other structured feedback from managers and colleagues.

At HUGO BOSS, we believe in making learning more appealing and in motivating our employees to keep developing. Learning from and with each other is a fundamental part of our culture. That's why we offer various platforms and initiatives that promote lifelong learning in an engaging way. For instance, HUGO BOSS provides a diverse range of development training through the Group-wide **HUGO BOSS University** platform, an internal training platform for enhancing employees' professional, social, and leadership skills. In-person training is also being increasingly digitized, enabling participants to access it at their convenience and providing greater flexibility. In addition, the free **HUGO BOSS eLIBRARY** grants all employees 24/7 access to a wide selection of eBooks, audio books, and various virtual training modules. To make learning even more effective and accessible, we have been offering a one-hour training format called **Tiny Training Thursday** on currently relevant topics since 2023. These measures demonstrate our commitment to continuous growth and development and underscore our dedication to being a forward-thinking and learning organization.

HUGO BOSS held 5,826 **on-site training sessions** throughout the Company in 2023 (2022: 3,686). Employees completed an average of 12 hours of training in 2023. Total average expenditure on training per full-time equivalent (FTE) amounted to around EUR 250 in 2023.

5,826
**ON-SITE TRAINING
SESSIONS**
IN 2023

HUGO BOSS supports **students and apprentices** by working closely with a number of universities worldwide and with other vocational training institutions. This enables us to offer work-study programs to university students pursuing a wide range of degrees as well as various industrial, technical, and commercial apprenticeships. This is one of the ways in which HUGO BOSS is responding to the growing shortage of specialists.

Fair pay

At HUGO BOSS, we recognize that fair pay is crucial not only for our employees' financial security but also for fostering a culture of equity, motivation, and productivity within our organization. In its Human Rights Policy, HUGO BOSS pledges to pay at least the statutory minimum wage or a cross-industry reasonable wage that is sufficient to cover the cost of living. We are convinced that fair working conditions include **transparent and performance-related compensation**. HUGO BOSS therefore aims to further increase the fairness and competitiveness of its compensation structure and to ensure that its employees worldwide receive fair compensation in line with market conditions. All positions worldwide are evaluated on the basis of standardized criteria. This assessment makes it possible to classify compensation in line with market-based salary ranges, independent of gender or other diversity aspects. In 2023, the HUGO BOSS Managing Board

further strengthened its commitment to fair pay by signing a global **Fair Pay Commitment**, which was made available to all employees on the Company-wide intranet. Overall, we regard fair remuneration as a key factor to further increase both employee satisfaction and our attractiveness as an employer.

Our **compensation system** includes fixed and variable salary components, bonuses above the collective bargaining scale, non-cash compensation, and other benefits. It complies with industry and collective bargaining agreements and incorporates national and regional benchmarks. At HUGO BOSS AG, there are also works agreements that govern compensation components such as the employee performance bonus. In addition to their basic salary, non-tariff employees receive a 13th monthly salary installment and a short-term incentive (STI) linked to annual Company targets. The compensation scheme at the two levels below the Managing Board also includes a long-term incentive program (LTI) that extends over several years and matches the targets of the Managing Board.

HUGO BOSS also makes an important contribution to its employees' **company pension**. The scope and conditions differ by country. In Germany, for example, HUGO BOSS offers the same company pension to all categories of employees. We also have programs for employees in Germany who are planning to retire. These include a partial retirement program under which employees continue to enjoy company benefits such as cost-free access to the fitness studio and cafeteria at Group headquarters.

In order to offer our employees an additional benefit, HUGO BOSS successfully launched its **employee share investment program (SHIP)** in 2023. This gives employees across more than 20 countries the opportunity to acquire a certain number of HUGO BOSS shares at regular intervals and at favorable conditions, and thus participate directly in the Company's success. The program was very well received by our employees in its first year, resulting in an overall participation rate of around 20%, with the rate at HUGO BOSS AG even exceeding 40%. HUGO BOSS aims to expand the SHIP to additional Company locations going forward, thus increasing the number of eligible employees.

HUGO BOSS employees also receive other benefits, including health insurance, accident and incapacity-to-work insurance, maternity leave, parental leave, and financial support for certain training outside HUGO BOSS.

> [Annual Report 2023, Employees and Teams](#)

Occupational health and safety

Preventing occupational accidents and safeguarding employees' health are top priorities at HUGO BOSS. We run a **comprehensive occupational health and safety (OHS) program**. This is based on legal requirements and encompasses our employees as well as contractor employees who work on our behalf. In 2023, HUGO BOSS began establishing a **safety management system in accordance with ISO 45001**.

Occupational health

We also attach great importance to promoting the **health and performance** of our employees, including numerous activities to improve physical and mental health. Our operational health management consists of a wide range of offerings, including physical and mental fitness, nutrition, ergonomic workstation design, as well as movement breaks, massages, and individual advice for commercial employees. A **balanced nutritional concept** in our HUGO BOSS restaurants is intended to improve the personal well-being of our employees. In addition, HUGO BOSS provides on-site **sports facilities and fitness studios** at various sites, including in Germany, Switzerland, and Turkey. We also offer movement-based courses both in-person and online.

In 2023, HUGO BOSS held a two-week mental health event at its Group headquarters called **Feel Good Garden** featuring an organic design, natural materials, and various plants and herbs. The Feel Good Garden is a sustainable initiative by HUGO BOSS that aims to create green spaces that promote well-being and environmental conservation. It served as an inspiring space for employee workshops devoted to topics like sports, creativity, meditation, and mental health.

Operational health management at many HUGO BOSS locations is coordinated by employees designated for this purpose. In addition, **occupational medical care** is available at Group headquarters, at our site in Izmir (Turkey), and at certain locations outside Germany. Furthermore, HUGO BOSS offers employees at various locations the opportunity to have periodic health checks. > [Annual Report 2023, Employees and Teams](#)

HUGO BOSS employees had a total of 122,903 sick days in 2023 (2022: 145,275 ✓). The **sickness rate** thus decreased to a level of 2.7% (2022: 3.8% ✓). This rate represents the number of days absent due to illness in proportion to the planned working days, based on the weighted average of FTEs in the reporting year. As in the previous year, HUGO BOSS had no reported cases of occupational diseases and therefore no fatalities in 2023 ✓.

Occupational safety

At HUGO BOSS, we prioritize occupational safety as it is vital for the well-being and protection of our employees, ensuring a safe and secure working environment that fosters productivity and employee satisfaction. The **Health and Safety Committee**, which meets on a quarterly basis, plays a key role in occupational safety at HUGO BOSS, in particular for the headquarters in Metzingen. It is composed of the works council, company doctors, safety officers, and members of the central OHS team, with the former two being authorized to make relevant decisions. The Committee discusses occupational safety issues, shares technical information, formulates safety targets, and defines preventive measures. HUGO BOSS also uses a range of OHS instruments to ensure the occupational safety of all employees, including contractors. For example, we conduct periodic **health and safety inspections** involving occupational safety specialists, company doctors, management, the works council and, if necessary, external experts. In addition, the OHS team and company doctors support all departments in preparing OHS-related **risk assessments**. Their purpose is to identify and evaluate potential hazards early and to take appropriate preventive measures.

HUGO BOSS has implemented an **OHS reporting system** that is mandatory for both employees and contractor employers. This system enables them to report hazards and conduct risk assessments, ensuring a proactive approach to OHS. The **Health & Safety Commitment** also encourages employees to behave responsibly regarding their own health and safety and others' and to report any abuses. If a risk or hazard is identified, technical, organizational, and personal **protective and preventive measures** are initiated, starting with the elimination of the hazard's source. Designated first-aid responders, safety officers, and fire protection assistants ensure that all reporting channels and basic conditions to avert hazards are observed and that processes run smoothly.

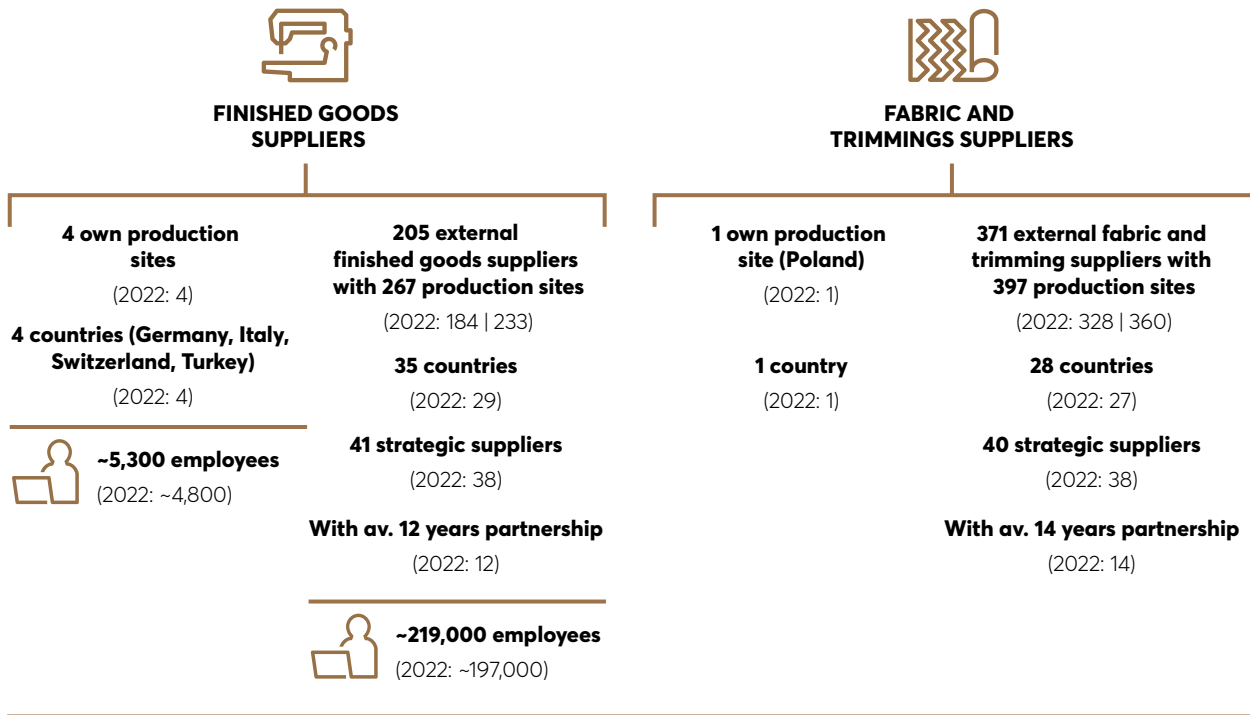
HUGO BOSS employees receive workplace safety training on a regular basis. Corporate and retail employees complete standardized **OHS eLearning modules**. In addition, all employees at production and logistics facilities must take part in **workplace-related training**. We held a number of safety workshops for employees in the middle management in 2023 to reinforce their awareness of OHS as well as an in-house introduction and refresher course for all safety officers. In addition, HUGO BOSS provides periodic training (initial training and refresher courses) to its fire protection assistants and first-aid responders. Employees receive OHS information through various channels, including the Group's intranet, eLearning sessions, and dedicated briefings. Contractor employees receive workplace-specific briefings as well as general instructions from their supervisors. They are also provided with site-specific safety information.

Despite our high safety standards, 316 accidents in which employees were involved occurred in 2023, resulting in at least one day's absence from work (2022: 229 ✓). This includes workplace accidents, commuting accidents and event accidents. Overall, this led to a total of 3,171 lost workdays (2022: 3,032) and thus an absentee rate of 0.1% (2022: 0.1%). The **Lost Time Injury Frequency Rate (LTIFR)** for our own employees was 6.8 in 2023 (2022: 6.1 ✓), which includes workplace and event accidents ✓. In 2023, two minor workplace accidents occurred at our contractors, resulting in a total of five days lost (2022: 0 ✓), giving an LTIFR of 5.9 ✓. HUGO BOSS strives to further reduce the number of workplace accidents also going forward. As in prior years, there were no fatalities at HUGO BOSS in 2023 ✓ ✓. > **Appendix, Selected Social Data**

Workers in the Value Chain

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 defines the term "finished goods suppliers" as its own production facilities, its partners in contract manufacturing and the manufacturers of merchandise. The Company purchases shell fabrics as well as buttons, yarns, and other materials for its own manufacturing and contract manufacturing from fabrics and trimmings suppliers.

HUGO BOSS SOURCING AND PRODUCTION ACTIVITIES



In fiscal year 2023, HUGO BOSS produced 17% of its total sourcing volume at its own facilities (2022: 14%). Our five **own production sites** are all located in Europe, with Izmir (Turkey) accounting for by far the greatest share. In 2023, 83% of the global sourcing volume was sourced from **external contract suppliers** or procured as **merchandise** (2022: 86%). Partner operations are mainly located in Asia and Europe.

Employees at HUGO BOSS production facilities and of its suppliers are important stakeholders. We work with our suppliers, NGOs, and experts to develop strategies aimed at continually monitoring and, where possible, enhancing their well-being. Taking into account all the workers within our finished goods suppliers (in our own production sites and in the external suppliers), this includes **around 225,000 workers**.

225,000
WORKERS AT OUR FINISHED GOODS SUPPLIERS
IN 2023

The Chief Financial Officer (CFO)/Chief Operating Officer (COO) of HUGO BOSS is responsible for overseeing how HUGO BOSS manages **environmental, social, and human rights challenges in its supply chain**. The central Brand Management, Creative Management and Business Operations departments interact directly with our suppliers and are responsible for ensuring they comply with our standards. As part of Business Operations, the Sustainable Supply Chain Management department defines Company-wide standards and uniform supplier management processes. Managers in the aforementioned departments consult one another on an ongoing basis to ensure that our processes remain fit for purpose. The results are reported to the Managing Board on a regular basis.

Supply chain risks and compliance with due diligence process

HUGO BOSS is aware that its international sourcing activities involve sustainability risks in addition to commercial and financial risks. It cannot be guaranteed that suppliers will comply with HUGO BOSS' specific legal or locally applicable requirements, for example with regard to human rights, labor or environmental standards. As a result, HUGO BOSS has special due diligence obligations along the supply chain. In order to meet these obligations, the Company carries out a clearly defined **due diligence process** as part of its risk management. HUGO BOSS distinguishes between risks arising from its own operations, risks arising along the supply chain, and environmental and social risks.

In addition, the Company develops country scorecards to **assess and manage country-specific social and environmental risks** in its supply chain. The human rights conditions in these countries are also assessed. Countries where the scorecards indicate a very high human rights risk are excluded as sourcing markets for the Company.

As part of our **due diligence process**, we identified the social risks in our supply chain as shown in the chart below.

SOCIAL RISKS IDENTIFIED IN THE SUPPLY CHAIN

 <p>Social risks identified in the supply chain</p>	<p>Social compliance management Risks due to lack of management commitment or support (e.g. transparency of documents)</p>
	<p>Working time Exceeding permitted working hours, inconsistencies in working time data, excessive number of consecutive working days</p>
	<p>Compensation and benefits Inconsistencies and intransparency in payment system or underpayment</p>

The "German Supply Chain Act" chapter in this report provides more detailed information on the measures taken by HUGO BOSS to identify, monitor, and counteract social risks in the supply chain. > **German Supply Chain Act**

Responsibility in the value chain

The sourcing strategy of HUGO BOSS is based on long-term, mutually **trusting relationships** with our suppliers, ensuring that our products always meet high quality and sustainability standards and are available on time at the points of sale. To support our suppliers, we offer a **Supplier Financing Program**, enabling HUGO BOSS suppliers to settle their financial receivables more quickly and ensure their solvency in the future.



To maintain an efficient supplier relationship, we perform a semi-annual **strategic supplier assessment** to determine the ideal distribution of order volume among suppliers. The assessment's criteria include **cost, quality, and delivery reliability** as well as **sustainability**. Suppliers with a good supplier assessment receive preferred treatment. In addition, HUGO BOSS works closely with its suppliers, particularly its strategic supply chain partners, to help them improve quality, efficiency, and other parameters. For instance, we offer training programs aimed at assisting strategic partners in enhancing the digital skills of their workforce.

Supplier selection

HUGO BOSS chooses its partners carefully. A prerequisite for a business relationship is agreement to our **Supplier Code of Conduct** and completion of an annual self-assessment evaluating ESG topics. Furthermore, suppliers must complete an online ESG training course and submit any compliance certificates they have obtained. HUGO BOSS checks this information carefully before **drafting a contract with a potential supplier**. We then verify our suppliers' social compliance on an ongoing basis and, if necessary, stipulate a corrective action plan (CAP).

HUGO BOSS has a **stable network of suppliers** in different regions of the world. This enables us to minimize supply bottlenecks and other procurement risks. When selecting suppliers, we analyze and consider their corresponding country risks. Other selection criteria include quality, price structure, and ESG compliance as well as a supplier's ability to demonstrate relevant certificates.

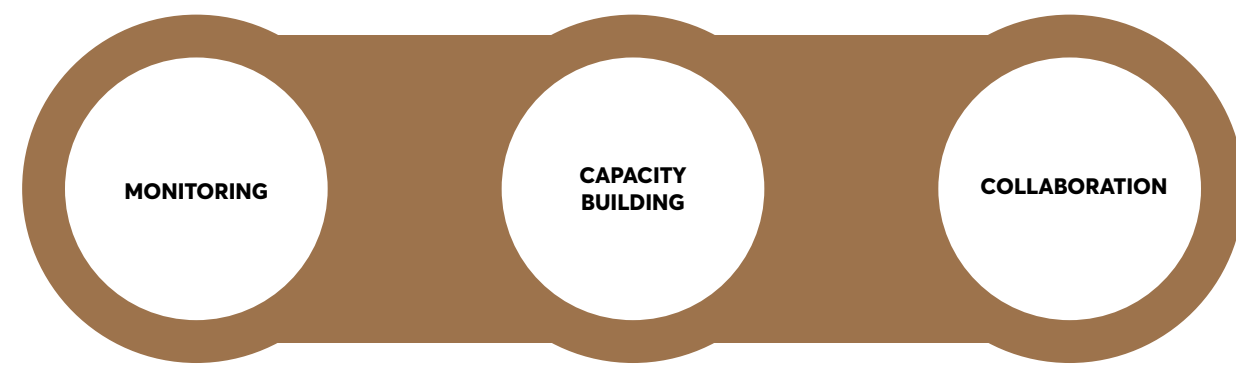
Our approach to terminating a business relationship is documented in a **Factsheet on Responsible Exit**. We only terminate a relationship in justified cases and with sufficient warning. For example, we reduce our order volume gradually to give suppliers time to acquire new customers so that they continue to utilize their full capacity and thus ensure their employees' job security. > group.hugoboss.com

A factsheet containing key information on the Company's supply chain management as well as lists of its finished goods, fabrics, and trimmings suppliers can be found on our corporate website. We also post our supplier data on the Open Supply Hub platform, which promotes greater transparency in the apparel and textile industry. > group.hugoboss.com

Supply Chain Sustainability (SCS) Program: social compliance management module

The "Supply Chain Sustainability Program" section of the "Our Approach" chapter provides an introduction to our Supply Chain Sustainability (SCS) Program and its three modules: Social Compliance, Environmental Management, and Governance. The purpose of the **Social Compliance Management module** is to determine the extent to which our suppliers meet our Supplier Code of Conduct's standards. This module consists of three action fields: monitoring, capacity building, and collaboration. > [Our Approach to Sustainability](#)

ACTION FIELDS OF THE SOCIAL COMPLIANCE MANAGEMENT MODULE



Monitoring

In order to assess the social compliance performance of its finished goods and fabrics and trimmings suppliers, we use three methods: We conduct social audits, we ask our suppliers to fill out self-assessments, and we accept selected certificates of external social compliance standards. In 2023, 87% of our finished goods suppliers were covered by a valid **social compliance performance assessment** (2022: 90% ✓) ✓. A performance assessment is valid if a (follow-up) assessment was carried out during the calendar years 2021 to 2023.

By 2025, HUGO BOSS aims to achieve **two sourcing targets**: First, to source all of its goods from finished goods suppliers (including its own production facilities) with the two highest attainable social compliance performance levels ("**good**" or "**satisfactory**") verified by an audit, self-assessment, or certificate of an external social compliance standard. This figure was 86% in 2023 (2022: 97% ✓) ✓. The decrease compared to the prior year is caused by a comparably lower share of social audits at finished goods suppliers and a higher share of newly implemented self-assessments partially showing lower performance results. The figure is based on a total of 116 social compliance performance assessments at 113 finished goods suppliers (including our

own production facilities) ✓. Our second sourcing target is to source 80% of our goods from finished goods suppliers (including own production facilities) with the highest attainable social compliance performance level ("**good**"), verified by an audit, self-assessment, or certificate of an external social compliance standard. This figure was 62% in 2023 and thus above the prior-year level (52% in 2022). It is based on the same number of performance assessments as mentioned above. > [Appendix, Selected Social Data](#)

THE SOCIAL COMPLIANCE MANAGEMENT MODULE IN FIGURES

	✓ 2023	✓ 2022
Total number of suppliers	576	512
Number of finished goods suppliers	205	184
Number of fabrics and trimmings suppliers	371	328
Total verified suppliers	374	253
Verified finished goods suppliers	113	121
By social audit	55	87
By self-assessment	56	18
By certificate of external standard	2	0
Verified fabrics and trimmings suppliers	261	132
By social audit	10	12
By self-assessment	251	120
By certificate of external standard	0	0

In 2023, the **number of social audits** decreased for finished goods as well as for fabrics and trimmings suppliers. When selecting the finished goods and raw materials suppliers for the audits, we apply a **risk-based approach**. This means that suppliers with higher risks are audited more frequently. Independent auditors conducted 62% of the finished goods audits in 2023 (2022: 82%), our own auditors the remaining 38% (2022: 18%). Unannounced audits cover 3% of all audits. The audits investigate topics related to human rights, including child and forced labor, discrimination, occupational health and safety (OHS), excessive working hours, and employee representation. Suppliers' employees are also interviewed by auditors as part of the auditing process. Interviewees are provided with the contact information of our "**Speak Up Channel**" in advance, in case they are subject to retaliation or harassment as a result of participating in the interview. They also have the opportunity to report suspicions or grievances to the Fair Labor Association (FLA). Following the audit, the audited suppliers receive a detailed result report.

If an audit reveals **minor breaches** of the HUGO BOSS Supplier Code of Conduct, we subsequently develop a **corrective action plan (CAP)** together with the supplier. The CAP's implementation is monitored and then verified by follow-up audits. If the improvements are insufficient or the supplier is dilatory or uncooperative, HUGO BOSS may, after conducting several reviews and as a last resort, terminate its relationship with the supplier. Audits of finished goods suppliers in 2023 led to a total of 53 CAPs (2022: 85).

During the audits in 2023, we discovered additional and more severe breaches of the Supplier Code of Conduct. Specifically, we detected eight **violations** out of the 55 audits conducted. The respective suppliers are either re-audited or the supplier relationship is terminated. The violations related in particular to excessive working hours as well as to inadequate management of social compliance. Two other cases concerned compensation and benefits. The implementation of the resulting CAP will be checked in a follow-up audit. The audits indicated **no cases (including subcontractors) of severe violations**, such as child or forced labor, of which HUGO BOSS has zero tolerance. HUGO BOSS also prescribes CAPs for less serious matters that are not shown in the table in the appendix. > [Appendix, Selected Social Data](#)

Besides audits, HUGO BOSS also uses annual **self-assessments** to monitor compliance with its social standards and human rights for finished goods as well as fabrics and trimmings suppliers ✓. All potential new finished goods and fabrics and trimmings suppliers were checked by a self-assessment in 2023 ✓. Nine showed irregularities, which is why HUGO BOSS did not enter into a business relationship with them. This approach helps us make progress towards our target of **fully integrating** all fabrics and trimmings suppliers into the Social Compliance Management module by 2025, reaching 70% in 2023 (2022: 33%).

Our corporate website provides more information on how we identify human rights risks, monitor human rights compliance, and resolve human rights violations. > group.hugoboss.com

Capacity building

HUGO BOSS provides all its suppliers with **training** that introduces them to its Supplier Code of Conduct. This training was updated in 2023. In addition, we have procured access to a third-party learning platform consisting of a large number of training modules on topics such as working hours and fair labor practices. We piloted the platform in-house in 2023 and plan to make it available to our suppliers in the course of 2024. This makes it possible to assign specific training modules to a supplier as part of its corrective action plans. Moreover, HUGO BOSS contributes to training for workers via its membership of the International Accord, which implements training for workers on OHS as part of the corrective action plans in Bangladesh and Pakistan.

Employees of HUGO BOSS whose jobs make compliance particularly relevant, such as those who work in procurement, receive **training on the HUGO BOSS Supplier Code of Conduct and Social Compliance Management** module on a regular basis. This familiarizes them with the requirements placed on suppliers so that they can, for example, support a supplier in implementing its CAP.

Collaboration

HUGO BOSS recognizes that there is a limit to what a single company, regardless of its commitment, can achieve. Systematic change in the textile value chain requires collaboration with industry peers. That is why, already in 2015, we joined the **German Partnership for Sustainable Textiles (Bündnis für nachhaltige Textilien)**. In addition, HUGO BOSS has 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. We also committed to the International Accord's new Pakistan Accord in 2023.

The Company's Social Compliance Management module was accredited by the **Fair Labor Association** (FLA), a multi-stakeholder initiative, already in 2018. The FLA also verifies compliance with its standards by means of independent audits. HUGO BOSS uses the audits' findings in its supply chain management.

HUGO BOSS has engaged in a variety of **initiatives to promote meaningful change** in sourcing countries, including important topics such as gender empowerment and gender equality. One of the completed projects, which took place in 2023 in Tamil Nadu (India), involved a number of training programs aimed at raising awareness of women working in the local textile industry. Moreover, HUGO BOSS partnered with Phulki, an NGO in Bangladesh, to establish a women's café in 2022. This café offers daily training sessions on women's empowerment, grievance mechanisms, and OHS. Additionally, it serves as a platform for women to voice their opinions and provide feedback to Phulki for ongoing enhancements.

More generally, HUGO BOSS continually shares information with its suppliers in various formats in order to raise their awareness of relevant sustainability aspects. We regularly host a **Supplier Summit**, an annual event that brings together our key suppliers from around the world. It serves as a platform for open dialog, collaboration, and sharing of best practices to drive sustainability, innovation, and ethical standards in our supply chain. The summit plays a pivotal role in strengthening our partnerships and ensuring the highest quality standards throughout our global operations.

Supply Chain Sustainability (SCS) Program: governance module

By 2025, HUGO BOSS aims to procure all goods from a transparent and responsible supply chain. To achieve this goal, we implemented the Governance module of the SCS Program, which serves as our mechanism for progress. It consists of several requirements that enable our finished goods and fabrics and trimmings suppliers to take increasing **responsibility for their own supply chains**. All suppliers are asked to have a risk management strategy and good corporate governance. Suppliers must also adopt strategies and policies, for instance on social and environmental issues, and have awareness of, gather information relating to, and provide transparency of their supply chain. In addition, we ask suppliers if they report on specific ESG topics according to recognized standards. All suppliers are also obligated to **communicate the standards of the HUGO BOSS Supplier Code of Conduct to their own suppliers** and to verify compliance with the code's environmental and social standards in their own supply chain. In addition to this, suppliers with whom we engage in significant business are subject to more stringent requirements. We started implementing the governance module in 2020 by verifying all of our strategic finished goods suppliers. By the end of 2023, 64% of our finished goods suppliers had submitted a governance self-assessment questionnaire (SAQ) (2022: 47%). In 2022, we extended the module to our fabrics and trimmings suppliers, with 74% of them having submitted an SAQ (2022: 27%) by the end of 2023. Where the SAQs indicated shortcomings, HUGO BOSS and the suppliers in question agreed to a CAP.

Fair working conditions in our supply chain

The "Corporate Governance" section of the "Governance" chapter provides details on our Human Rights Policy and Human Rights Statement and, more generally, on our unwavering commitment to **respect for human rights and fair working conditions** at our Company and in our supply chain. Our management approach is risk-based and prioritizes the most serious risks. These risks are different for HUGO BOSS and its suppliers. At our suppliers, we currently prioritize risks related to child labor, forced labor, working hours, and compensation. Below we describe how we promote fair compensation in our supply chain.

The Company respects the right of its employees to **be unionized** and holds regular meetings with union representatives. The Supplier Code of Conduct requires our suppliers to respect freedom of association, collective bargaining, and union activities at their operations. If necessary, we support our suppliers in dialoging with their various stakeholders or offer them training programs or consulting services.

Fair compensation

Fair compensation is a human right and is stipulated in our Supplier Code of Conduct and is therefore a prerequisite for a supplier to have a long-term relationship with the Company.

HUGO BOSS has played a key role in **setting standards for living wages across the textile supply chain**. In collaboration with the FLA and as part of an initiative initiated by the German Partnership for Sustainable Textiles, we actively promote political and economic conditions aimed at enhancing wage levels in targeted countries. In 2021, HUGO BOSS developed a strategy for living wages in its supply chain, ensuring that the wages employees receive from our suppliers **meet their basic needs** for food, water, housing, education, health care, mobility, and clothing for all household members. In addition, they should have enough disposable income to save money for unexpected events.

For this purpose, HUGO BOSS continually addresses the **compensation practices** of its suppliers with the aim of **bringing wages closer to the aforementioned living wage level**. We continued to collect wage data and analyze wage gaps at our suppliers in 2023. The living wage pilot program with selected suppliers, launched in 2022, was continued in 2023. It focuses on wages, benefits, working hours, and purchasing practices. Our corporate website provides details on our targets, specific actions, and compensation strategy along with an analysis of compensation in our supply chain and a case study of the above-mentioned pilot project.

> group.hugoboss.com

Responsible purchasing practices play a decisive role in improving the wages our suppliers pay. For HUGO BOSS, responsible purchasing, which is laid down in the Company's Purchasing Policy, encompasses mutually trusting relationships, long-term partnerships, a responsible exit strategy, collaborative planning and forecasting, respectful and continuous dialog with suppliers regarding the handling of orders, and associated payments. For this reason, employees in our Sourcing and Operations departments receive mandatory training on responsible procurement.



Affected communities

HUGO BOSS Foundation

HUGO BOSS has been active in corporate citizenship in areas such as education, equal opportunity, and emergency relief for many years. As part of our new sustainability strategy, in 2023 we realigned our approach to corporate citizenship to have an even greater positive impact. The focus is on **the HUGO BOSS Foundation** (HUGO BOSS Stiftung gGmbH), a **charitable foundation** that was established in 2022 and began operating on January 1, 2023. It is a wholly owned subsidiary of HUGO BOSS AG.

By means of the HUGO BOSS Foundation, the Company extends its charitable activities to new partners, particularly to **promote climate and environmental protection**. The focus will be on strategic initiatives, in other words local, regional, and global projects that play an essential role for the planet's overall health and stability and make a meaningful difference in areas such as leveraging nature-based materials, mitigating carbon emissions, conserving land and oceans, and providing emergency relief. Our aim is to help care for the planet and empower its people. The foundation is one of the ways HUGO BOSS supports the sustainable development of society, in which it is guided by the UN Sustainable Development Goals (SDGs), specifically climate action.

The foundation's main source of income is an initiative called **Every Purchase Counts**. Since 2023, HUGO BOSS has been donating EUR 0.05 for each product (excluding licensed products) sold to end customers worldwide. Every BOSS and HUGO customer therefore helps support the foundation's work. Additional funding comes from donations from business partners and voluntary employee donations.

Funding totaled approximately EUR 2.7 million in 2023. Two projects have already been selected, which were financed with a total of EUR 413 thousand: ProNatura Mexico, the country's largest environmental NGO, and immediate aid in Turkey to rebuild an earthquake-damaged vocational school. Further projects to be supported with the funding money are still being evaluated.

Our corporate website contains more information on the HUGO BOSS Foundation's activities, our goals, and our other corporate citizenship initiatives and programs. > group.hugoboss.com

Corporate volunteering

HUGO BOSS encourages its employees to volunteer by counting the time they spend volunteering in selected projects as working hours. In 2023, we launched a **corporate volunteering program** in Germany, resulting in 74 employees volunteering for a total of 545 hours in selected projects, such as biosphere protection with Listhof Reutlingen or support for those affected by the floods in the Ahr valley with Schwabenhilfe Augsburg.

545
**HOURS USED
FOR EMPLOYEE
VOLUNTEERING**
IN 2023

GOVERNANCE

64
BUSINESS CONDUCT

72
ANIMAL WELFARE

0 CASES
OF CORRUPTION
OR BRIBERY

MULESING-
FREE WOOL



0 CASES
OF LEGAL OR REGULATORY
VIOLATIONS RELATING TO
DATA PROTECTION

Business conduct

Corporate governance

HUGO BOSS attaches great importance to good and responsible corporate governance and considers it to be a key factor for the Company's long-term business success. We therefore conduct **corporate governance management** in accordance with international and national standards, such as the **German Corporate Governance Code (GCGC)**. HUGO BOSS publishes an annual Declaration of Compliance with the GCGC. The Company's Annual Report and the Compensation Report contain additional information about corporate governance, the Managing and Supervisory Boards' composition, and their members' duties and compensation. > [Annual Report 2023, Corporate Governance Statement](#)

HUGO BOSS has business activities in a variety of regions and jurisdictions. We take great care to ensure compliance with all respective laws and regulations. We also strive to bring our **value-based corporate culture** to life each day. Our culture forms the basis for collaboration and interaction with employees, business partners, shareholders, the general public, and other stakeholders.

The **Code of Conduct** is the foundation of HUGO BOSS' compliance efforts and embodies the basic values and behavior that the Company stands for. The Code, which has been translated into more than 14 languages and is publicly available on our corporate website, establishes a binding framework for the professional conduct of all employees. The Code governs employees' interactions with each other as well as with customers, suppliers, and service providers. Its rules cover a wide range of topics, including some of those listed in the graphic below.

TOPICS COVERED BY THE CODE OF CONDUCT

 <p>Topics covered by the Code of Conduct</p>	Avoidance of conflicts of interest
	Anti-trust law and anti-corruption
	Data protection
	Occupational health and safety
	Environmental and biodiversity protection
	Animal welfare

The Code expressly requires all HUGO BOSS employees to respect internationally recognized **human rights** and to ensure decent working conditions. The latter includes safeguarding physical safety as well as personal dignity. We do not tolerate any willful misconduct or deliberate violations of the Code. Employees receive a copy of the Code along with their employment contract. The Code was last revised in 2022 and includes a statement of our corporate values.

HUGO BOSS extends its high ethical, environmental, and labor standards to its value chain. All suppliers must sign or accept the HUGO BOSS **Supplier Code of Conduct** and agree to comply with its provisions. We monitor compliance through a variety of means, including on-site audits. > [Workers in the Value Chain](#)

Respect for human rights is a top priority at HUGO BOSS and is integral to our corporate culture. We have zero tolerance of violations, either at our own Company or in our supply chain. We have a **Human Rights Policy** in place, which sets standards for human rights, decent working conditions, and internationally recognized labor and social standards. These standards are binding for all HUGO BOSS employees and business partners. The policy is publicly available on our corporate website. In addition, in March 2023, HUGO BOSS issued a **Human Rights Statement** signed by the Managing Board. The statement, which likewise is published on our corporate website, articulates our commitment to respecting important international standards both for our own business and along our supply chain. Its purpose is to communicate our awareness of potential risks and delineate our responsibilities regarding human rights. We review the statement annually to ensure that it remains fit for purpose. It is currently available in five languages. > group.hugoboss.com

Compliance

HUGO BOSS expects all employees to conduct themselves in a legally impeccable manner in their day-to-day business activities. This includes avoiding corruption and anti-competitive behavior. For this purpose, the Company has a **compliance management system**, the core content of which is reflected, among other things, in the Code of Conduct. In addition, all employees must adhere to strict Company compliance policies.

Compliance is a key management task for the Managing Board and encompasses measures to ensure that the entire Company and all its employees comply fully with all applicable laws and regulations as well as company policies and codes. The Managing Board has tasked the central **Compliance department** with implementing the relevant requirements. The department is led by the **Compliance & Human Rights Officer**, who reports to the General Counsel. The latter also assumes the role of **Chief Compliance Officer**, and reports directly to the CFO/COO. The Compliance department supports the Managing Board in monitoring the effectiveness of our compliance management system. It also works closely with the compliance contacts in our subsidiaries to ensure the implementation and continuous optimization of the system. The Supervisory Board's Audit Committee is informed about these and other activities of the department on a regular basis.

The **German Act on Corporate Due Diligence Obligations in Supply Chains** ("Lieferkettensorgfaltspflichten-gesetz", LkSG) was a key focus for our Compliance department in 2023. Since 2023, HUGO BOSS has been required to meet certain human rights and environmental due diligence obligations in its own business operations and its supply chain.

Managers and employees alike are integral to our compliance culture. We therefore encourage open communication about compliance issues. All employees can consult their supervisor or a **compliance officer at subsidiary level or at Group headquarters** in matters regarding correct conduct and for support with compliance-related tasks. In addition, HUGO BOSS has an **eLearning program** that can be accessed by all employees across the Group. Its purpose is to reinforce awareness of our compliance rules. The program contains modules on anti-corruption, data security, animal welfare as well as human rights and related issues. Employees who have direct access to a computer must complete the program every 18 months. More than 2,169 employees successfully did so in 2023 (2022: 4,100). The decline compared to the prior year largely reflects the 18-month training interval, which leads to fluctuations between calendar years.

There is no place for discrimination at HUGO BOSS. **Anti-discrimination** is therefore a regular part of our compliance training. This includes an anti-discrimination eLearning module introduced in 2022. This module is reviewed annually and, if necessary, updated to reflect current business-specific requirements. By year-end 2023, 2,169 employees had completed the eLearning module.

Prevention of corruption, bribery, and anti-trust violations

Our commitment to ethical and lawful conduct includes **preventing corruption, bribery, and anti-trust violations**. Violations of laws and regulations can not only lead to the imposition of fines and other financial penalties. Like ethically dubious behavior, they can also damage the Company's reputation. All Group companies are therefore subject to periodic risk analyses and, where applicable, detailed audits. These analyses have indicated that the sourcing of production and non-production materials poses the greatest risk of corruption. Consequently, HUGO BOSS reviews the relevant areas for weaknesses on a regular and ad hoc basis.

If cases of suspected corruption, bribery or anti-trust violations arise, the Compliance & Human Rights Officer informs the Managing Board and the Supervisory Board's Audit Committee.

Already in 2020, the Danish Competition Authority identified an antitrust violation concerning an alleged disclosure of information with regard to prices and quantities of HUGO BOSS products 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 2021. In order to continue to safeguard all its rights, and in light of the close decision of the appeals board, HUGO BOSS is currently asserting its rights at the Danish Maritime and Commercial High Court. The written preliminary proceedings started in 2022 and the court heard experts to assess the facts in 2023. While an oral hearing is expected to take place in the first half of 2024, a final decision in this case is not expected before the end of 2024. No fine has been imposed so far.

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

Speak Up Channel

HUGO BOSS encourages its employees, those of its suppliers, as well as third parties to report suspected **compliance violations** or grievances. They can use our **online whistleblowing portal** or contact an external ombudsperson, in both cases confidentially and, if they wish, anonymously. Alternatively, HUGO BOSS employees can talk to their supervisor or contact a compliance officer at subsidiary level or at Group headquarters. We have a special whistleblower hotline for employees in the USA. The various channels for reporting suspected compliance violations and grievances can be found on our employee intranet and our corporate website. These sites also contain the **HUGO BOSS Whistleblowing Policy**, which describes the Company's grievance mechanisms in detail, including the steps that are initiated when a suspected compliance violation or grievance is reported. > group.hugoboss.com

In early 2024 we transformed our online whistleblowing portal by launching the HUGO BOSS **"Speak Up Channel."** Like our previous channel, it can be used by anyone who wants to report a suspected violation or a grievance: our employees, our suppliers' employees, customers, and anybody else. The channel is available in over **50 languages** and is accessible worldwide via a toll-free hotline. HUGO BOSS conducts a yearly or as-needed evaluation of the **efficiency** of its whistleblowing channel and ensures that its Whistleblowing Policy is current and suitable for its intended purpose. In this process we always consider suggestions from internal and external stakeholders. Interested parties can visit our corporate website for comprehensive information about grievance management. The Managing Board is regularly informed about compliance cases that are particularly relevant to the Group and that are defined in the Whistleblower Policy. There were three such cases in 2023 in which the Compliance department took action.

50
LANGUAGES
AVAILABLE
FOR SPEAK UP
CHANNEL

HUGO BOSS has no tolerance of discrimination. It therefore urges employees to use one of the aforementioned whistleblowing channels to report any instances. In 2023, HUGO BOSS received reports of 16 cases of discrimination (2022: 20 ✓). Of these, five incidents involved women and 11 involved men. As of year-end 2023, corrective actions had been initiated and completed in 13 of the cases, the remaining three have not yet been completed. ✓

HUGO BOSS is committed to living up to its environmental and social responsibilities along its **supply chain** as well. It therefore particularly encourages its suppliers' employees and third parties to report suspected violations of environmental laws, labor standards, and, in particular, human rights in the Company's supply chain. To do so, they can use any of the aforementioned mechanisms, including the "Speak Up Channel" and the external ombudsperson, confidentially and, if desired, anonymously. They may also report their suspicions or grievances to the Fair Labor Association. HUGO BOSS has in place a **structured, clearly defined process** to carefully check and process reports relating to suppliers. If a suspected violation is substantiated, HUGO BOSS works with the supplier to develop a **corrective action plan (CAP)** to remedy it.

> [Workers in the Value Chain](#)

SUPPLY CHAIN COMPLAINT CASES IN 2023

Country	Sector risk	Status
Bangladesh	Discrimination and harassment	In progress
Bangladesh	Discrimination and harassment	In progress
Australia	Working conditions	Closed
China	Payment/Statutory benefits	Closed
China	Working conditions	Closed
India	Discrimination	Closed
North Macedonia	Extra hours	Closed
Turkey	Extra hours	Closed
Vietnam	Unknown ¹	Closed

¹ No further feedback was received when asked about the case, so it was closed in due course.

Ethically correct payment of corporate taxes

HUGO BOSS' conception of corporate governance includes the ethically correct payment of corporate taxes. This is of fundamental importance for upholding our reputation in the eyes of our employees, customers, and other stakeholders. The Company's **comprehensive tax strategy** can be found on its corporate website.

> group.hugoboss.com

Data protection and information security

HUGO BOSS takes its duty of care in **handling personal data** very seriously. The Company has established an **internal data protection organization** to enable it to meet the stringent requirements of the EU General Data Protection Regulation and national data protection laws outside of the EU. The Managing Board of HUGO BOSS is committed to and undertakes to comply with all applicable data protection laws. Customer and employee data hold significant importance for us, but we also recognize the value of safeguarding the personal data of our business partners and shareholders. > **Annual Report 2023, Combined Non-Financial Statement, Social Matters**

Data privacy violations always represent a risk for the data subjects affected. Equally, they also represent a considerable compliance risk, which may have an adverse financial impact on HUGO BOSS, as well as potential reputational risks. Our data protection policy and other policies address these risks by providing clear guidance for the handling of personal data. In addition, we have established appropriate technical and organizational risk mitigation measures. The **Data Protection Policy** and the **privacy policies** for our own online store and customer loyalty program are available online. > group.hugoboss.com

HUGO BOSS attaches particular importance to **safeguarding all data subjects' rights**. For example, all people whose data we use are provided with clear data privacy information about the purpose and scope of data processing. HUGO BOSS is also committed to meeting data subjects' rights to information, rectification, erasure, objection, data portability, and restriction of processing in a timely manner.

HUGO BOSS reviews and processes complaints and potential data protection incidents in accordance with its **Data Breach Complaint Policy**. In 2023, as in the prior year, the Company was not aware of any regulatory violations relating to data protection, breaches of customer privacy, or losses of customer data identified by authorities or pending in courts ✓✓.

Amid an increasingly digital world, a reliable information security strategy becomes even more indispensable. HUGO BOSS therefore has in place an **information security and analysis system**, collecting and analyzing data in real time. This enables us to predict possible incidents, data losses, and attacks, and thus improve information security across the Group. In addition, HUGO BOSS has commissioned an external **Security Operation Center team** to monitor its IT systems at all times and thus ensure seamless system security. The Company had no outages due to **cyberattacks** in 2023. At the beginning of 2023 HUGO BOSS renewed its **ISO 27001** certification, setting out the criteria for establishing, implementing, maintaining, and continuously improving an information security management system. This certification validates that HUGO BOSS has implemented robust measures to protect the confidentiality, integrity, and availability of information assets, including customer and employee data.

Dialog-based Corporate Culture

Being a global company puts HUGO BOSS at the crossroads of a variety of evolving interests and opposing viewpoints. We therefore must constantly adapt our actions in order to harmonize business success with the interests of society and the environment and to **create added value for all stakeholders**. For this purpose, we engage in **systematic dialog** 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, including our corporate website, our Sustainability Report, relevant social media, and our annual Stakeholder Dialog event.

FORMATS AND APPROACHES FOR STAKEHOLDER COMMUNICATION

Customers	Customer service (via phone or email), customer surveys (including on sustainability issues), online store, customer newsletters and mailings, social media, direct contact at points of sale, customer events, fashion shows
Shareholders and financial community	Investor Days, analyst conferences, roadshows and conferences, conference calls, Annual Reports, quarterly reports, press releases, Annual Shareholders' Meetings, personal discussions
(Potential) employees	Intranet, employee newsletters and information emails, social media, sustainability events and dialog, employee surveys (for example on employee satisfaction), employee engagement through ideas platforms, cooperation with universities, training courses
Partners	Workshops, audits, Vendor Days, personal discussions, round tables, collaboration and cooperation on specific topics, training courses
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, memberships, collaboration on specific topics
Science and research	Annual Reports, company visits, consultation, dialog events, round tables, guest lectures, research projects, collaboration and cooperation on specific topics
Other stakeholders	Annual Reports, press releases, direct contact (emails, personal meetings, phone calls), round tables, cooperation on specific topics

In 2023, HUGO BOSS again used the findings of recent **Stakeholder Dialog events** to fine-tune its approach and thus further enhance stakeholder engagement. The aim is to ensure **continuous dialog** and greater stakeholder involvement and to reach an even wider variety of stakeholder groups. A key event in 2023 was our annual **Stakeholder Dialog**, which we hosted at our Group headquarters in Metzingen (Germany). We invited suppliers, peer companies, fashion industry experts as well as capital market participants to gain insights into our new sustainability strategy and to jointly discuss challenges and opportunities in the area of circularity.

Employees are essential to our dialog-based corporate culture. We use a series of **in-house dialog formats** to help our employees embrace sustainability even more strongly. The sustainability channel on our intranet, for example, provides regular information on current sustainability topics at HUGO BOSS. In addition, we offer employees numerous **training courses on sustainability**, some of which are mandatory. In 2023, HUGO BOSS also held a variety of **interactive dialog formats and events**, at which employees were able to actively engage with sustainability. One example was our **2023 Sustainability Day**, held at our Group headquarters. Several deep-dive sessions were held on our five strategic sustainability pillars, as well as a panel discussion with top management, including our CEO, in which all employees were able to participate virtually.

In 2023, HUGO BOSS made significant strides in enhancing employee awareness and knowledge of sustainability topics through increased training initiatives. A total of 41,812 hours (2022: 17,601) of training were dedicated to equipping our employees with the necessary skills and understanding to contribute to our sustainability goals. The topics included occupational health and safety, vocational training, employee development, compliance, IT security, and sustainability aspects of our products and our supply chain. This increased awareness has led to a greater emphasis on resource conservation, including efforts to save energy and water, as well as reduce waste. To support employees with sourcing responsibilities, the HUGO BOSS University provides specialized training on sustainable raw materials. This training covers various topics, including regenerative farming techniques and the utilization of mulesing-free wool and certified down. The aim is to enhance employees' knowledge and understanding of sustainable sourcing practices, enabling them to make informed decisions and contribute to the company's commitment to sustainability.

41,812
**HOURS OF TRAINING
DEDICATED TO
SUSTAINABILITY**
IN 2023

In 2023, HUGO BOSS started a pilot project with the XU School of Sustainability and ClimatePartner, titled **"Sustainability Masterclass."** In this two-month project, 30 employees built up knowledge on relevant climate protection topics through online learning formats and physical courses. The courses educated the participants on several climate topics, such as "ecological sustainability," "sustainability in business," and "climate strategies." After successful completion, some of the participants volunteered to act as **in-house sustainability ambassadors** at HUGO BOSS, working together to find ways to make our headquarters even more sustainable, with colleagues the awareness and knowledge they gained.

As in prior years, the **works meetings** at our locations in Metzingen (Germany), Coldrerio (Switzerland), and Izmir (Turkey) played an important role in promoting **dialog within the Company**. Moreover, we made it possible for our employees to share ideas directly with the Managing Board at in-house events such as townhall meetings or by means of the My HUGO BOSS employee app.

Our corporate website provides more information on our stakeholder engagement and on collaboration at HUGO BOSS. > group.hugoboss.com

Commitment to sustainability

HUGO BOSS is increasing its dedication to sustainability by **investing in Collateral Good Ventures Fashion I**, a venture capital fund focused on promoting sustainability in the fashion industry. This fund will use HUGO BOSS' contribution to support startups and companies developing innovative solutions in the area of sustainability, such as raw material upcycling, microfiber prevention, and repair and care solutions. HUGO BOSS will contribute around 10% of the fund's total target volume of EUR 100 million.



German Supply Chain Act

The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz; LkSG) took effect for HUGO BOSS on January 1, 2023. The act significantly expands German companies' obligations to **manage risks** in their supply chains. The **Managing Board of HUGO BOSS** has overall responsibility for ensuring that the Company complies with the act. Respecting human rights is a top priority for HUGO BOSS and an integral part of the core of our sustainability strategy. We also expect our partners and suppliers to observe internationally recognized human rights standards in relation to all business activities within their own area of influence. Beginning in 2024, HUGO BOSS must report its compliance with the German Supply Chain Act to the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle; BAFA) on an annual basis.

Appropriate and effective risk management, and thus HUGO BOSS' ability to comply fully with the German Supply Chain Act, is founded on the systematic identification of human rights and environmental risks at the Company and along its supply chain. For this purpose, we periodically conduct **human rights and environmental risk analyses**. The Compliance department has overall responsibility for these analyses, although a variety of other operational teams actually carry them out. The analyses assess how our business activities could potentially impact the human and labor rights of various people, such as our employees and our suppliers. Our approach is risk-based and prioritizes the most serious risks. The risks at our own Company differ from those at our suppliers. In the case of our suppliers, for example, we currently prioritize risks relating to appropriate wages, working hours, occupational safety, freedom of association, and anti-discrimination. The risk analysis yields a gross risk for each supplier. If necessary, a supplier may be asked to implement a **corrective action plan (CAP)** to address deficiencies. We then evaluate the implementation of the CAPs and assign a net risk to each supplier on this basis. We have already started to include our indirect suppliers in our risk analysis and are conducting on-site audits.

Political, social, and economic conditions evolve continually. We therefore conduct a human rights risk analysis at least once a year and **review the effectiveness** of our preventive measures and CAPs on an ongoing basis. We also review our Human Rights Statement and whistleblowing channels on an annual basis and, if necessary, adjust them. The same applies to our monitoring processes and communications.

The Human Rights Officer informs the **Managing Board** regularly, but at least twice a year, about the findings of the human rights risk analysis and the resulting risk management measures, including the CAPs. In the case of severe violations, the Managing Board is informed immediately. The Supervisory Board's Audit Committee is informed on a regular basis as well.

HUGO BOSS takes proactive measures to **prevent human rights violations and risks in its supply chain**. Before entering a business relationship, suppliers must sign and comply with the HUGO BOSS Supplier Code of Conduct. Compliance is periodically reviewed, and the type and manner of review are tailored to each supplier. To address risks in the upstream supply chain, suppliers are required to share the Code of Conduct with their own suppliers and monitor compliance. Suppliers undergo onboarding training and complete annual self-assessments to identify individual risks. Social audits are conducted by both internal and independent auditors to ensure compliance. > [Workers in the Value Chain](#)

For cases in which preventive measures do not suffice, HUGO BOSS has compiled **a catalog of remedial actions**. The final aim of these actions is to stop violations. We support suppliers in implementing them. If suppliers refuse or are slow to implement remedial actions, they may face sanctions or termination of the business relationship. No business relationships were terminated in 2023 because of a violation of the Supplier Code of Conduct. If a violation does occur, there are comprehensive complaint mechanisms in place which can be utilized, for instance our whistleblower channels.

In 2023, HUGO BOSS took steps to make its **procurement practices** even more responsible. The aim is to consider our and our suppliers' needs and to forge fair and mutually beneficial partnerships with them. We also continued to participate in sector-specific and cross-sector initiatives.

Animal Welfare

HUGO BOSS recognizes its **responsibility for animal welfare** and rejects animal experiments as well as inappropriate animal husbandry and rearing. It strictly adheres to globally recognized rules on animal welfare and the protection of biodiversity. The **HUGO BOSS Animal Welfare Policy** states the Company's commitment to the World Organization for Animal Health's Five Freedoms. In 2024, we will update the Policy and take into account the Five Domains Model. Overall, we engage in extensive dialog with animal welfare organizations such as FOUR PAWS and PETA to promote animal welfare across the value chain.

HUGO BOSS has **no farmed furs** in its collections and **does not use angora wool**. In addition, we use leather and fur from sheep, goats, cows, and buffalo that are exclusively by-products of the food industry. **No exotic types of leather** are used in our products. HUGO BOSS' Wool Commitment and Animal Welfare Policy establish guidelines to minimize the negative impact on animals during the wool production process. The policy includes requirements such as species-appropriate animal husbandry, gentle shearing of animals, and the avoidance of mulesing processes. We have made significant progress in ensuring the ethical sourcing of our wool products. Currently, **100% of our pure wool knit products** are exclusively made from



mulesing-free wool. This achievement is a result of our commitment to animal welfare and responsible sourcing practices. However, our goal is to extend this sourcing standard to **all our 100% wool products by 2030.** To further emphasize our commitment, we have signed a letter of intent with FOUR PAWS, highlighting our shared vision for mulesing-free sourcing. In 2023, 66% of our pure wool products contained mulesing-free wool (2022: 43%).

HUGO BOSS strives to increase the share of **wool sourced from traceable origins.** Such wool meets certified standards that uphold high animal welfare

requirements. One such standard is ZQRX, which is a regenerative standard. This certification guarantees that the wool is sourced from farmers who prioritize the well-being of the animals involved in the production process. Furthermore, we regularly purchase wool that is certified according to the Responsible Wool Standard (RWS), a globally recognized standard that prioritizes the well-being of sheep and the sustainability of their grazing areas. It establishes stringent guidelines for the management and treatment of sheep, promoting responsible farming practices, animal welfare, and environmental stewardship.

The use of **down** for quilted jackets and other garments often poses risks to animal welfare, which HUGO BOSS does not tolerate. Since 2016, the Company has therefore only used down that is produced neither by live plucking nor in connection with force-feeding. Since 2021, the down in all our products has been certified by the Downpass seal of approval.

More information about our Company's **commitment to animal welfare** can be found on our corporate website. > group.hugoboss.com

APPENDIX

75
MATERIALITY
ASSESSMENT

77
ESG TARGETS &
ACHIEVEMENTS

79
SUSTAINABILITY DATA

92
ESG RATINGS &
RANKINGS

94
GRI CONTENT INDEX

103
INDEPENDENT
AUDITOR'S REPORT ON
A LIMITED ASSURANCE
ENGAGEMENT

106
LIST OF ABBREVIATIONS

108
CONTACTS &
LEGAL NOTICE

MATERIALITY ASSESSMENT

HUGO BOSS regularly analyzes its **sustainability impacts** to determine those that are **material** and thus serve as the focus of its sustainability strategy and sustainability reporting. The materiality analysis was last fully updated in 2019 but is reviewed annually to ensure its relevance and validity for the current year. The review takes into account the standards of the Global Reporting Initiative (GRI) and the German Corporate Social Responsibility Implementation Act (CSR-RUG).

In 2022, we conducted a **detailed update of the assessment** to ensure that the topics relevant to HUGO BOSS were classified as material. The analysis was based on multiple sources, including our natural capital assessment, inquiries from external stakeholders (such as customers, NGOs, and investors), sustainability ratings, changes in the regulatory and legal landscape, scientific publications, and media coverage. Based on our extensive knowledge of the economic, environmental, and social impacts of HUGO BOSS, we evaluated this information for recurring impacts and subsequently broke them down by topic. We compared these findings with the previous year's sustainability topics and adjusted them where necessary. A group of internal experts then weighed up the relative importance of the impacts, discussed the results with the relevant departments, and compiled a list of topics. The HUGO BOSS Sustainability Committee reviewed this list and **approved the list of material sustainability issues**. The latter serves as a guideline for the development of our sustainability strategy and sustainability reporting and is an integral part of our sustainability communication to external stakeholders.

In 2023, we **reviewed our materiality analysis** in accordance with the 2021 GRI Standards and determined that it remains valid and updated. A group of internal experts reviewed the actual and potential positive and negative impacts of HUGO BOSS on the economy, the environment, and people along the value chain, as well as the relevance of the business. It confirmed that the Company's existing material issues **remain valid**.

HUGO BOSS' material issues in accordance with GRI and thus the focal points of this report are shown below in order of 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 promote 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





























The **Combined Non-Financial Statement** of the Annual Report 2023, which was verified by third-party assurance, provides comprehensive information on HUGO BOSS' material topics pursuant to **CSR-RUG**.
 > [Annual Report 2023, Combined Non-Financial Statement](#)

The results of the materiality analysis guide the **ongoing strategic development** of HUGO BOSS in terms of setting strategic goals for our fields of action and reporting on our progress in achieving them.

In fiscal year 2023, HUGO BOSS dealt intensively with the **Corporate Sustainability Reporting Directive (CSRD)** that will apply from fiscal year 2024 onwards. In this context, important steps were taken as part of a crossdivisional project to comply with the associated comprehensive future reporting requirements. In particular, HUGO BOSS is in the process of conducting a **double materiality assessment** intended to be finalized in early 2024. It aims to identify the environmental, social, and governance (ESG) topics that are material to HUGO BOSS, especially in connection with the **European Sustainability Reporting Standards (ESRS)** applicable from 2024 onwards. In its Sustainability Statement for fiscal year 2024, HUGO BOSS will report in detail on all topics assessed as material.

ESG TARGETS & ACHIEVEMENTS

As a company, we are deeply committed to creating a positive impact on the environment and society. In line with this commitment, we have established ambitious Environmental, Social, and Governance (ESG) targets. These targets serve as our guiding principles as we strive to contribute to the achievement of the Sustainable Development Goals (SDGs), addressing critical global challenges such as climate change, inequality, and responsible consumption. To ensure accountability and transparency, we regularly review our progress towards these targets, which is reflected in the status quo presented in the table below.

SDG	Target year	Target	Status quo 2023
ENVIRONMENT			
 	2050	"Net-zero" greenhouse gas emissions throughout the value chain (Scope 1–3)	/
			
 	2030	Reduction of CO ₂ emissions (Scope 1 and 2) by at least 50% compared to 2019	-5%
			
 	2030	Reduction of CO ₂ emissions (Scope 3) by at least 50% compared to 2019	Increase of 45%
			
 	2030	Reduction of energy consumption (direct and indirect) in relation to area (m ²) by 20% compared to 2018	-4%
			
 	2030	100% of the electricity used comes from renewable sources	60%
	2025	Reduction of own water consumption (external water supply) in relation to Group sales by 40% compared to the base year 2016	-46%
	2025	Reduction of waste volume (household waste) per employee by 10% compared with the base year 2018	-9%
 	2025	All suppliers with a high environmental impact comply with the environmental requirements defined by HUGO BOSS (measured by the result of their environmental audits). This means they:	66%
 		• 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.	
 	2030	All suppliers with wet processes produce in compliance with the ZDHC MRSL standards (measured by their wastewater tests and chemical inventory) Milestone by 2025: all strategic finished goods suppliers with wet processes	Wastewater tests: 26% of all production sites inspected (33% of strategic finished goods suppliers) comply with the specifications Chemical inventory: 27% of all inspected production sites (44% of strategic finished goods suppliers) meet the requirements
 			
			
	2030	80% of products meet the requirements for circular apparel products	17%

SDG	Target year	Target	Status quo 2023
	2025	At least 60% of the product range consists of Responsible Styles	40%
	2025	Use of 100% sustainably sourced cotton in accordance with the criteria of the HUGO BOSS Policy for Cotton and Other Plant Fibers	98%
	2025	100% of the leather used is to come from tanneries certified by the Leather Working Group or a similar standard	92%
	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)	This target will be redefined and is therefore not applicable anymore
	2025	Reduction of single-use plastic used in packaging by 10% (per item) compared with the base year 2019	Reduction by 4%
	2025	100% of plastic packaging is made of recycled or other sustainably sourced material	48%
	2025	Reduction of packaging paper by 5% (per item) compared with the base year 2019	Increase by 3%
	2025	100% of the packaging paper comes from sustainably managed forestry and/or is made from recycled material	93%
	2025	>80% of the packaging paper comes from recycled material	70%
SOCIAL			
	2025	Reduction of employee-related turnover (resignations) to: <8% in the Corporate area, <30% in the Retail area	10% in Corporate, 30% in Retail
	2025	75% of vacancies for the top two management levels to be filled with internal candidates	65%
	2025	Share of at least 40% women in the first management level below the Managing Board (top management)	29%
	2025	Share of at least 50% women in the second management level below the Managing Board (middle management)	44%
	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	350 employees were trained in 2023 and are therefore aware of this important topic
	2025	Reduction of occupational and industrial accidents by 10% at the headquarters in Metzingen (Germany) compared to the base year 2019	Increase of 7%
	2025	Reduction of the Lost Time Injury Frequency Rate (LTIFR) by 5% compared with the base year 2019	Increase of 8%
	2025	Sourcing of all goods from finished goods suppliers (including the Company's own production sites) with the two highest attainable social compliance performance levels ("good" or "satisfactory"), verified by an audit, self-assessment, or certificate of an external social compliance standard.	86%
	2025	Sourcing of 80% of the goods from finished goods suppliers (including their own production sites) with the highest attainable social compliance performance level ("good"), verified by an audit, self-assessment, or certificate of an external social compliance standard	62%
	2025	All finished goods suppliers have an appropriate control system (Governance Model) for their supply chain	64%
	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	74%
	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)	69%
GOVERNANCE			
	2030	Use of 100% mulesing-free wool in purely woolen products	66%

SUSTAINABILITY DATA



Selected environmental data

Climate change

E I 01 ENERGY CONSUMPTION BY REGION AND ENERGY SOURCE IN 2023¹ (IN MWH)

Direct energy consumption	EMEA	Americas	Asia/Pacific	Total
Heating oil	972	0	0	972
Liquefied petroleum gas (LPG)	27	0	6	33
Natural gas	28,959	4,050	0	33,009
Photovoltaic	3,151	0	0	3,151
Total direct energy consumption²	33,109	4,050	6	37,165
Indirect energy consumption				
Certified green electricity	53,934	0	0	53,934
Electricity	5,349	17,948	15,364	38,661
Other energy sources (e.g. district heating)	2,593	0	0	2,593
Total indirect energy consumption	61,876	17,948	15,364	95,188

1 Energy data for retail is generally based on data queries at retail stores and outlets. 53% of the retail stores and outlets that are included in the data collection were able to report energy consumption with respect to natural gas. 85% of these retail stores and outlets reported data on electricity while 48% 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 company vehicles.

E I 02 REDUCTION OF ENERGY CONSUMPTION PER M² AREA¹ (IN KWH/M²)

	2023	2022	2021	Base year: 2019 ²
Actual value	150.7	149.1	140.0	157.2
Change in actual value (in %)	-4	-5	-11	

1 Ratio of energy consumption to area. The percentage change for 2021 to 2023 refers to the base year 2019. Energy data for retail is generally based on data queries at retail stores and outlets. 53% of the retail stores and outlets that are included in the data collection were able to report energy consumption with respect to natural gas. 85% of these retail stores and outlets reported data on electricity while 48% 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. Exclusive fuel consumption of our company vehicles.

2 To achieve consistency in all environmental and social targets, the base year 2019 was set for this purpose.

E I 03 INDIRECT GREENHOUSE GAS EMISSIONS (LOCATION-BASED APPROACH)¹ (IN T OF CO₂)

	2023	2022	2021
Scope 2 Indirect energy consumption	38,848	38,793	34,791

1 Due to improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.

E I 04 CHANGE OF GREENHOUSE GAS EMISSIONS (SCOPE 3)¹ (IN T CO₂)

	2023	2022	2021	2019
Actual value	1,057,703	1,063,612	683,272	731,575
Change in actual value (in %)	+45	+45	-7	

¹ The percentage change for 2019–2022 refers to the base year 2019. Due to improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.

E I 05 ENVIRONMENTAL IMPACTS FROM TRANSPORTATION¹

		2023	2022	2021
Incoming flows of goods ²	Ton-kilometers (tkm)	346,862	346,520	193,166
	Greenhouse gas emissions (in t of CO ₂)	50,540	73,064	40,772
Outgoing flows of goods ³	Ton-kilometers (tkm)	63,871	38,500	29,288
	Greenhouse gas emissions (in t of CO ₂)	17,338	13,634	10,161

¹ The data provided only refers to the ton-kilometers and greenhouse gas emissions related to Scope 3.4 Upstream transportation.

² All flows of incoming goods to the logistics centers in Germany, USA, Canada, China, Hong Kong and UK, as well as the raw materials shipments from HUGO BOSS to its producers are taken into account.

³ All flows of outgoing goods from the HUGO BOSS distribution centers to its own retail stores, outlets and globally.

E I 06 GREENHOUSE GAS EMISSIONS FROM THE SUPPLY CHAIN (INCL. OWN PRODUCTION)¹ (IN T CO₂)

	2023	2022	2021 ²
Raw material production	132,046	123,455	80,630
Production processes	812,115	812,201	517,553
Of which own production	3,841	3,941	3,909
Total	944,161	935,656	598,183

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 "Purchased goods and services" category in the table DIRECT, INDIRECT AND OTHER GREENHOUSE GAS EMISSIONS.

² The percentage change for 2021–2023 has been adjusted retrospectively and is therefore not comparable to the figures from previous reports.

Water

E I 07 WATER CONSUMPTION BY SOURCE (IN M³)

	✓ 2023	✓ 2022	2021
Internally sourced	26,636	27,316	25,608
Externally sourced	172,092	169,008	150,362
Total	198,728	196,324	175,970

E I 08 REDUCTION OF WATER CONSUMPTION IN RATIO TO GROUP SALES (REPORTING SCOPE AND BASE YEAR 2016)¹ (IN M³/MILLION EUR SALES)

	✓ 2023	✓ 2022	2021	Base year: 2016
Actual value	36.4	41.4	52.6	66.9
Change in actual value (in %)	-46	-38	-21	

¹ Ratio of total water consumption to Group sales. The percentage change for 2021–2023 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 13% 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, Redevco, was taken from 2013 and a value of 0.22 m³/m² for the apparel retail sector was established.

E I 09 WASTEWATER DISCHARGES BY REGION¹ (IN M³)

	✓ 2023	✓ 2022	2021
EMEA	114,285	104,222	93,340
Americas	23,477	21,928	18,573
Asia/Pacific	14,603	13,115	18,738
Total	152,365	139,265	130,651

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).

Circular economy

E I 10 ORIGIN OF THE COTTON SOURCED BY HUGO BOSS¹ (IN %)

	2023	2022
USA	23	21
India	14	16
Australia	12	12
Turkey	12	9
Burkina Faso	7	9
Cameroon	7	5
Ivory Coast	5	5
Pakistan	4	3
Egypt	4	1
Peru	3	3
Brazil	3	5
Benin	2	2
Other	4	9
Total	100	100

¹ The list of countries displayed has changed due to a shift in the percentages compared to the previous reporting year.

E I 11 STANDARDS OF MORE SUSTAINABLY SOURCED COTTON

	2023		2022	
	in t	in % ¹	in t	in % ¹
Mass balance systems according to the German Partnership for Sustainable Textiles	10,783	81	11,685	77
Organic	2,103	16	2,389	16
Recycled	62	1	63	0
Regenerative	54	0	2	0
Organic in conversion	7	0	9	0
The Egyptian Cotton Project	0	0	4	0
Total	13,009	98	14,152	93

¹ Percentage of total cotton used by HUGO BOSS.

E I 12 PACKAGING MATERIALS USED AND THEIR RECYCLED CONTENT

Material	Type of packaging	2023		2022	
		Total (in t)	Recycled share (in %)	Total (in t)	Recycled share (in %)
Paper	Transport and shipping cartons	5,421	79	4,473	79
	Product/gift boxes	2,182	89	2,465	73
	Carrier bags	1,809	77	1,618	77
	Other packaging	1,497	1	1,066	5
	Total paper	10,910	70	9,622	69
Plastic	Polybags & garment covers	572	39	535	38
	Hangers	524	99	418	99
	Suit bags	268	19	190	22
	Other packaging	440	17	405	16
	Total plastic	1,804	48	1,548	47
Metal	Hanger hooks	58	11	47	12
	Other packaging	1	0	2	0
	Total metal	59	11	49	12
Natural materials (e.g. cotton, leather)		31	0	67	0
Total		12,804	66	11,287	65

E I 13 TOTAL WEIGHT OF PLASTIC PACKAGING (IN T)

	2023	2022	2020
Total plastic packaging	1,804	1,548	1,002

E I 14 VIOLATIONS OF HUGO BOSS ENVIRONMENTAL STANDARDS¹ (NUMBER)

	Risky	Insufficient	Total
Wastewater	4	0	4
Waste	3	0	3
Chemical management	1	0	1
Energy consumption and greenhouse gas emissions	0	0	0
Management systems	0	0	0
Water consumption	0	0	0
Total	8	0	8

¹ Listed violations refer to 43 audits conducted in 2023 at the production facilities with high environmental impacts.

E I 15 STATUS ENVIRONMENTAL COMPLIANCE PERFORMANCE¹ (IN %)

	2023	2022
Good	6	4
Satisfactory	60	41
Improvements needed	20	24
Risky	4	10
Insufficient	0	0
Not audited	10	21

¹ The table refers to the audits valid at the end of 2023 (own audits and satisfactory 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.

Satisfactory = 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.

E I 16 WASTE VOLUMES BY TYPE¹ (IN T)

	2023	2022	2021
Solid waste	7,811	7,271	5,552
Unsolid waste	39	33	28
Total	7,850	7,304	5,580
Recycling amount of solid waste	5,056	4,881	3,671

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.

E I 17 REDUCTION OF GENERATED WASTE (DOMESTIC WASTE) IN RATIO TO NUMBER OF EMPLOYEES (BASE YEAR 2018)¹ (IN KG/EMPLOYEE)

	2023	2022	2021	Base year: 2018
Actual value	73.4	65.5	65.2	81.1
Change in actual value (in %)	-9	-19	-20	

¹ "Domestic waste" includes residual waste and food waste. The percentage change for 2021–2023 refers to the base year 2018.

E I 18 GENERATED REGION AND WASTE TYPE¹ (IN T)

	EMEA	Americas	Asia/Pacific	Total
Hazardous waste	99	1	3	103
Non-hazardous waste	7,184	985	644	8,813
Total	7,283	986	647	8,916

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.



Selected social data

Own workforce

S | 01 EMPLOYEES BY REGION (HEADCOUNT)

	2023	2022	2021
EMEA	15,816	14,615	12,366
Americas	3,371	2,709	2,045
Asia/Pacific	2,712	2,446	2,287
Total	21,899	19,770	16,698

S | 02 EMPLOYEES BY CATEGORY AND REGION (HEADCOUNT)

	Management	Commercial employees	Industrial employees	Apprentices	Temporary workers
EMEA	1,458	7,742	5,612	164	840
Americas	403	2,293	316	0	359
Asia/Pacific	444	2,067	29	0	172
Total	2,305	12,102	5,957	164	1,371

S | 03 EMPLOYEES BY AGE AND CATEGORY (HEADCOUNT)

	<30	In %	≤30-<40	In %	≤40-<50	In %	≥50	In %
Management	121	2	864	12	915	18	406	15
Commercial employees	4,309	59	4,061	59	2,291	46	1,441	54
Industrial employees	1,662	23	1,873	27	1,723	34	699	26
Apprentices	164	2	0	0	0	0	0	0
Temporary workers	1,030	14	141	2	86	2	114	4
Total	7,286	100	6,937	100	5,015	100	2,659	100

S | 04 EMPLOYEES BY GENDER AND CATEGORY (HEADCOUNT)

	Women	In %	Men	In %	Non-binary ¹	In %
Management	1,148	5	1,165	5	0	0
Commercial employees	7,334	34	4,768	22	0	0
Industrial employees	3,638	17	2,318	11	1	0
Apprentices	86	0	78	0	0	0
Temporary workers	765	3	606	3	0	0
Total	12,971	59	8,927	41	1	0

¹ From 2023, new employees will be able to select the gender identity "non-binary" in addition to "female" and "male". At present, this information is not yet recorded by the existing workforce, which is why only female/male is recorded in these corresponding tables. For percentage shares, non-binary was not included in the corresponding tables, as this would amount to 0% for all of them.

S | 05 EMPLOYEES BY REGION AND TYPE OF CONTRACT (HEADCOUNT)

	Permanent (unlimited)	Temporary (limited)	Full-time	Part-time
EMEA	14,233	1,583	12,656	3,160
Americas	3,010	361	2,387	984
Asia/Pacific	1,481	1,231	2,382	330
Total	18,724	3,175	17,425	4,474

S | 06 EMPLOYEES BY GENDER AND CONTRACT TYPE (HEADCOUNT)

	Permanent (unlimited)	Temporary (limited)	Full-time	Part-time
Women	10,840	2,132	10,032	2,939
Men	7,882	1,044	7,391	1,535
Non-binary ¹	1	-	1	-
Total	18,724	3,175	17,425	4,474



¹ From 2023, new employees will be able to select the gender identity "non-binary" in addition to "female" and "male". At present, this information is not yet recorded by the existing workforce, which is why only female/male is recorded in these corresponding tables. For percentage shares, non-binary was not included in the corresponding tables, as this would amount to 0% for all of them.

S | 07 EMPLOYEES BY POSITION AND GENDER (IN %) 



	Managers in revenue- generating positions	Employees in positions with STEM relevance ¹
Women	57	45
Men	43	55
Total	100	100

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

S | 08 EMPLOYEES BY GENDER AND REGION (IN %)

	 2023		 2022		2021	
	Women	Men	Women	Men	Women	Men
EMEA	60	40	60	40	60	40
Americas	48	52	46	54	49	51
Asia/Pacific	70	30	71	29	72	28
Total	59	41	60	40	60	40

S | 09 NEW HIRES BY REGION¹ (HEADCOUNT)

	 2023		 2022		2021	
	In %	In %	In %	In %	In %	In %
EMEA	4,427	61	5,313	66	2,689	61
Americas	1,993	28	1,970	24	1,161	26
Asia/Pacific	822	11	777	10	553	13
Total	7,242	100	8,060	100	4,403	100

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

S | 10 NEW HIRES BY GENDER AND AGE¹ (HEADCOUNT)

	Women	In %	Men	In %	Non-binary ²	In %
<30	2,228	54	1,914	46	4	0
30≤-<40	1,056	54	899	46	0	0
40≤-<50	491	62	297	38	1	0
≥50	248	71	103	29	0	0
Total	4,023	56	3,214	44	5	0

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

2 From 2023, new employees will be able to select the gender identity "non-binary" in addition to "female" and "male". At present, this information is not yet recorded by the existing workforce, which is why only female/male is recorded in these corresponding tables. For percentage shares, non-binary was not included in the corresponding tables, as this would amount to 0% for all of them.

S | 11 TERMINATION RATE BY REGION AND REASON¹ (IN %)

	EMEA	Americas	Asia/Pacific	Total²
Termination by employee	15	38	18	19
Termination by employer	7	11	4	7
Redundancy	1	0	1	1
Retirement	1	0	0	1
Other ²	0	0	0	0
Total³	24	49	23	27

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

2 Including death and emigration.

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

S | 12 TERMINATION BY REGION AND REASON¹ (HEADCOUNT) 

	EMEA	Americas	Asia/Pacific	Total²
Termination by employee	2,227	1,145	454	3,826
Termination by employer	1,095	330	89	1,514
Redundancy	78	4	25	107
Retirement	112	2	3	117
Other ²	13	5	1	19
Total	3,525	1,486	572	5,583

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

2 Including death and emigration.

S | 13 TERMINATION BY GENDER AND REGION¹ (HEADCOUNT) 

	Women	Men	Non-binary ²
EMEA	2,077	1,448	0
Americas	671	811	4
Asia/Pacific	359	213	0
Total	3,107	2,472	4

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

2 From 2023, new employees will be able to select the gender identity "non-binary" in addition to "female" and "male". At present, this information is not yet recorded by the existing workforce, which is why only female/male is recorded in these corresponding tables. For percentage shares, non-binary was not included in the corresponding tables, as this would amount to 0% for all of them.

S | 14 TERMINATION BY AGE AND REGION¹ (HEADCOUNT) ✓

	<30	≤30–<40	≤40–<50	≥50
EMEA	1,949	919	462	195
Americas	857	345	157	127
Asia/Pacific	193	246	97	36
Total	2,999	1,510	716	358

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

S | 15 EMPLOYEE-SPECIFIC TERMINATION BY REGION¹ (HEADCOUNT)

	✓ 2023	In %	✓ 2022	In %	2021	In %
EMEA	2,227	15	1,981	15	1,505	13
Americas	1,145	38	1,024	42	716	38
Asia/Pacific	454	18	526	23	445	21
Total	3,826	19	3,531	19	2,666	17

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

S | 16 EMPLOYEES BY GENDER AND MANAGEMENT LEVEL (IN %)

	✓ 2023		✓ 2022		2021	
	Women	Men	Women	Men	Women	Men
Managing Board	0	100	0	100	0	100
Top management	29	71	28	72	29	71
Middle management	44	56	46	54	45	55
Management	52	48	52	48	52	48
Total	50	50	50	50	50	50

S | 17 EMPLOYEES BY AGE AND MANAGEMENT LEVEL (HEADCOUNT)

	<30	In %	≤30–<40	In %	≤40–<50	In %	≥50	In %
Managing Board	0	0	0	0	0	0	3	100
Top management	0	0	10	9	64	57	38	34
Middle management	1	0	66	25	140	52	60	23
Management	120	6	787	41	711	37	304	16
Total	121	5	863	37	915	40	405	18

S | 18 EMPLOYEES WITH PERFORMANCE APPRAISALS BY REGION¹ (IN %)

	2023	2022	2021
EMEA	91	74	67
Americas	64	58	30
Asia/Pacific	70	81	90
Total	84	73	65

¹ Due to improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.

S | 19 TRAINING BY TYPE (NUMBER)

	2023	2022 ¹	2021
Face-to-face training courses ²	5,826	3,686	2,403
Employees who participated in e-learnings	12,948	13,007	10,717
Successfully completed e-learnings	154,251	133,136	123,414

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.

S | 20 ACCIDENTS AND COMMUTING ACCIDENTS AND CORRESPONDING ABSENTEE DAYS BY REGION¹ (NUMBER)

	Accidents at work >1 lost day ²			Commuting accidents >1 lost day			Lost days ³		
	✓ 2023	✓ 2022	2021	✓ 2023	✓ 2022	2021	✓ 2023	✓ 2022	2021
EMEA	187	147	124	81	52	33	2,597	2,756	2,689
Americas	27	19	17	7	5	8	383	178	500
Asia/Pacific	12	6	26	2	1	1	191	98	55
Total	226	172	167	90	58	42	3,171	3,032	3,244

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.

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.

³ Only accidents that result in more than one day of absence are reported here.

S | 21 LOST TIME INJURY FREQUENCY RATE (LTIFR)¹

	✓ 2023	✓ 2022	2021	2020
Accident frequency rate for employees	6.8	6.1	7.1	5.2
Accident frequency rate for contractors ²	5.9	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.

² By contractors, we mean all employees of external companies who have a labor leasing contract with HUGO BOSS.

Workers in the value chain

S | 22 RESULT OF SOCIAL COMPLIANCE PERFORMANCE LEVEL OF FINISHED GOODS SUPPLIERS¹ (IN %)

	✓ 2023	✓ 2022	2021
Good	59	65	65
Satisfactory	23	25	31
Improvements needed	13	10	3
Risky	4	0	0
Insufficient	1	0	1

¹ The table refers to the social compliance performance level of the production sites of active finished goods suppliers (including our own production sites) verified by an audit, self-assessment, or certificate of an external social compliance standard.

Good = The supplier establishes necessary activities for safe, fair working conditions in its management and takes its own social responsibility very well.

Satisfactory = The supplier recognizes the need for activities for safe, fair working conditions and establishes processes and activities to be implemented.

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.

Risky = The supplier is aware of social compliance requirements. However, management does not feel that implementation is important and allows abuses to occur.

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.

S | 23 VIOLATIONS OF THE SUPPLIER CODE OF CONDUCT¹ (NUMBER) ✓

	Risky	Insufficient	Total
Social compliance management	2	1	3
Child labor and young workers	0	0	0
Compensation and benefits	0	2	2
Discrimination	0	0	0
Forced labor	0	0	0
Freedom of association and collective bargaining	0	0	0
Health and safety	0	0	0
Supplier control	0	0	0
Treatment of workers	0	0	0
Working hours	0	3	3
Total	2	6	8

¹ Listed violations refer to 58 audits conducted in 2023 at the production facilities of finished goods suppliers (including own production facilities).



Selected governance data

G I 01 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 70% (calculation in relation to buildings, area).

ESG RATINGS & RANKINGS

Our strong commitment to sustainability is regularly acknowledged and rewarded by various well-known ESG ratings and rankings. This reinforces our dedication to responsible business practices and our ongoing efforts to have a positive impact on the environment and society. With our approach of following **transparent reporting and sustainable business practices**, we remain committed to continuing to lead the way in our industry, in line with our bold mission statement "We Love Fashion, We Change Fashion."

KEY ESG RATINGS AND RANKINGS

	Elaboration	Score
 <p>Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small></p>	With 87 points in the 2023 Corporate Sustainability Assessment (CSA), HUGO BOSS was included in the Dow Jones Sustainability Index (DJSI) World for the 7th consecutive year, taking second place in the industry.	87
 <p>CDP <small>DISCLOSURE INSIGHT ACTION</small></p>	In 2023, HUGO BOSS was rewarded with a B by CDP for its overall climate action, scoring an A for the climate targets and Scope 1 & 2 emissions.	B
 <p>MSCI ESG RATINGS <small>CCC B BB BBB A AA AAA</small></p>	HUGO BOSS achieved an AA score in the 2023 MSCI assessment, revealing over-industry average practices regarding product carbon footprint, raw material sourcing, and governance.	AA
 <p>ISS ESG</p>	ISS ESG assessed HUGO BOSS' overall ESG performance with C+ (Prime), therefore exceeding the sector-specific threshold.	C+
 <p>SUSTAINALYTICS</p>	In 2024, HUGO BOSS was assessed with a score of 14.2, signifying that the Company is exposed to a low ESG risk and applies good management practices.	14.2
 <p>Bloomberg</p>	HUGO BOSS was rewarded with a 6.24 (Leading) ESG score, accompanied by a high transparency disclosure.	6.24

Due to our continuous efforts in the area of sustainability and our ongoing high level of transparency, HUGO BOSS has been included in the renowned **Dow Jones Sustainability Index (DJSI) World** for the seventh consecutive time. In addition, we also achieved inclusion in the DJSI Europe for the fourth time in a row. In the associated Corporate Sustainability Assessment (CSA), we once again secured a strong second place in the global textiles, apparel & luxury goods industry. We excelled in various key areas, such as Human Rights, Waste Management, Customer Relationship Management, Data Protection, and Innovation Management, achieving "best in class" scores in these criteria. In 2023, we received further external recognition by being selected for the **Golden Planet Award** for our active implementation of important sustainability measures. In addition, HUGO BOSS received the **ESG Transparency Award**, honoring our transparent and comprehensive reporting on sustainability matters.

GRI CONTENT INDEX

The HUGO BOSS Sustainability Report 2023 was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) Standards 2021. The selection of general and specific standards to be reported is based on our materiality analysis. Selected disclosures have been subject to an external audit.

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	8-9			
	2-2 Entities included in the organization's sustainability reporting	7			
	2-3 Reporting period, frequency and contact point	7			
	2-4 Restatements of information	103-105			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	103-105			
	2-6 Activities, value chain and other business relationships	14-16	2-6 a 2-6 d	Not applicable	In the reporting year, no significant changes occurred.
	2-7 Employees ✓	43, 45, 85-86		Information unavailable/incomplete	Information on employees with non-guaranteed working hours is not available.
	2-8 Workers who are not employees	45, 86			
	2-9 Governance structure and composition	13			
	2-10 Nomination and selection of the highest governance body	AR 168			
	2-11 Chair of the highest governance body	AR 168			
	2-12 Role of the highest governance body in overseeing the management of impacts	13-14			
	2-13 Delegation of responsibility for managing impacts	13, 20, 44, 65			
	2-14 Role of the highest governance body in sustainability reporting	7, 13, 44			
	2-15 Conflicts of interest	13			
	2-16 Communication of critical concerns	67			
	2-17 Collective knowledge of the highest governance body	43, 47			
	2-18 Evaluation of the performance of the highest governance body	16, AR 159 ff.			

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-19 Remuneration policies	64			
	2-20 Process to determine remuneration	49-50, AR 173 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	4-6			
	2-23 Policy commitments	44, 64-65			
	2-24 Embedding policy commitments	15, 65-66			
	2-25 Processes to remediate negative impacts	66-67			
	2-26 Mechanisms for seeking advice and raising concerns	66, 69-70			
	2-27 Compliance with laws and regulations	66-68	2-27 b i, ii, c, d	Not applicable	No fines were imposed for any environmental violations in the reporting year.
	2-28 Membership associations	58-59			
2-29 Approach to stakeholder engagement	69-70				
2-30 Collective bargaining agreements	45, 50				
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14, 75-76			
	3-2 List of material topics	75-76			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	43-44, AR 211 ff.			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	43-44, AR 211 ff.			
	201-2 Financial implications and other risks and opportunities due to climate change	AR 211 ff.			
	201-3 Defined benefit plan obligations and other retirement plans	AR 257 ff.			
	201-4 Financial assistance received from government	AR 228 ff.			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	55-56			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		204-1	Information unavailable/incomplete	When comparable, HUGO BOSS gives preference to local sourcing offers.
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	65-66			

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	66-67			
	205-2 Communication and training about anti-corruption policies and procedures	65-66			
	205-3 Confirmed incidents of corruption and actions taken ✓	66-67			
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	66-67			
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices ✓	66-67			
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	34			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	35-36			
	301-2 Recycled input materials used	38-39, 83			
	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.
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	20-21, 25-26			
GRI 302: Energy 2016	302-1 Energy consumption within the organization ✓	20-21, 25-26, 79	302-1 d		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.

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	20-21, 25-26, 79			
	302-3 Energy intensity ✓	20-21, 25-26, 79			
	302-4 Reduction of energy consumption	20-21, 25-26, 79			HUGO BOSS reports energy consumption in the unit megawatt-hour (MWh).
	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.
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	20-21, 28-29			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	19-20, 28-30			
	303-2 Management of water discharge-related impacts	19-20, 29-30			
	303-3 Water withdrawal ✓	19-20, 29-30, 81			
	303-4 Water discharge	81	303-4 b-d	Information unavailable/incomplete	HUGO BOSS reports water consumption in units of cubic meters (m³). One cubic meter is equal to 0.001 megaliters (ML). Data on water recycling broken down by freshwater and other water are not collected.
	303-5 Water consumption	81			HUGO BOSS reports water consumption in units of cubic meters (m³). 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).
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	23-25			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions ✓	23-25, 79			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 ✓	23-25, 79-80			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	23-25, 79			

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 305: Emissions 2016	305-4 GHG emissions intensity	23-25, 79			
	305-5 Reduction of GHG emissions	23-25, 79			
	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.
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	41			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	41			
	306-2 Management of significant waste-related impacts	32-33			
	306-3 Waste generated ✓	84			
	306-4 Waste diverted from disposal	84			
	306-5 Waste directed to disposal	84			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	39-40			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	55-56, 71-72			
	308-2 Negative environmental impacts in the supply chain and actions taken	39-40	308-2-e	Not applicable	No business relationships were terminated in 2023 because of a violation of the Supplier Code of Conduct.
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	43-44			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover ✓	45, 86-88			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	45-47, 49-50, 51			
	401-3 Parental leave	45-47	401-3 a,c,d	Information unavailable/incomplete	Detailed data on employees entitled to parental leave by gender are not collected.

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	43-46			
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.
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	43-44			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	50-52, 51			
	403-2 Hazard identification, risk assessment, and incident investigation	51-52			
	403-3 Occupational health services	51-52			
	403-4 Worker participation, consultation, and communication on occupational health and safety	51-52			
	403-5 Worker training on occupational health and safety	51-52			
	403-6 Promotion of worker health	51			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	51-52, 56-58			
	403-8 Workers covered by an occupational health and safety management system	50-52	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 ✓	51-52, 89	403-9 a, b ii-v, c i-iii, d, e, f, g	Not applicable	As in previous years, there were no fatal accidents in the year under review.
	403-10 Work-related ill health ✓	51-52	403-10 a-iii, b-iii, c-ii-iii, d, e	Information unavailable/incomplete	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	43-44			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	48-49	404-1 a-i,ii	Information unavailable/incomplete	Figures on average training hours split by gender and employee category are currently not available.

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	48-49			
	404-3 Percentage of employees receiving regular performance and career development reviews	48-49	404-3	Information unavailable/incomplete	Figures on employees receiving reviews split by gender and employee category are currently not available.
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	43-44			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees ✓	85-86	405-1 a-iii, b-iii	Not applicable	Statements about minorities are not applicable to HUGO BOSS, because the Company does not consider anybody as such.
	405-2 Ratio of basic salary and remuneration of women to men		405-2	Not applicable	HUGO BOSS pays women and men equally. The remuneration is based on the performance and qualification of the employees.
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	43-47			
GRI 406: Non-discrimi- nation 2016	406-1 Incidents of discrimination and corrective actions taken ✓	67-68, 90			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 43-44, 60			
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 ✓	52-53, 67-68, 90			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 55-58			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor ✓	56-58, 90			
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 56-58			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor ✓	56-58, 90			

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	45-47, 61-62			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	20-21, 45-47, 58-59, 67-68			
	413-2 Operations with significant actual and potential negative impacts on local communities	75-76			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	55-56			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria ✓	55-56, 56-59, 90			
	414-2 Negative social impacts in the supply chain and actions taken ✓	56-59	414-2	Information unavailable/incomplete	Percentage of suppliers audited with corrective action plans 100%. Every audited supplier receives a 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.
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	69-70			
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.
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	26-28			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories ✓	26-28	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	26-28			

GRI Standard/ Other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 69-70			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	34			
	417-2 Incidents of non-compliance concerning product and service information and labeling	34			
	417-3 Incidents of non-compliance concerning marketing communications		417-3	Not applicable	HUGO BOSS complies with all relevant standards in marketing.
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	68-69			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data ✓	68-69			

AR = Annual Report 2023, Tax Strategy = Tax Strategy 2023

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

Limited Assurance Report of the Independent Practitioner Regarding Selected Disclosures of the Separate Sustainability Report 2023

To HUGO BOSS AG, Metzingen/Germany

Engagement

We have performed a limited assurance engagement on the sections marked with a gray checkmark "(☑)" or a white checkmark "(☐)", respectively, and displayed in gray font as well as the disclosures marked with a gray checkmark (☑) or a white checkmark (☐) in the sustainability report for the period from January 1 to December 31, 2023 (hereafter referred to as "Sustainability Report") of HUGO BOSS AG, Metzingen/Germany, (hereafter referred to as "the Company"). In respect to this, our engagement solely concerns the sections marked with a gray checkmark "(☑)" or a white checkmark "(☐)", respectively, and displayed in gray font as well as the disclosures marked with a gray checkmark (☑) or a white checkmark (☐), respectively.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the sustainability report in accordance with the principles stated in 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 Company 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 Independent Practitioner's Firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our firm applies the national legal rules and professional pronouncements – in particular the “Professional Charter for German Public Auditors and German Sworn Auditors” (BS WP/vBP) and of the Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW) – and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to 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 checkmark “(☑)” or a white checkmark “(☐)”, respectively, and displayed in gray font as well as the disclosures marked with a gray checkmark (☑) or with a white checkmark (☐), respectively, 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 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), developed and approved 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 checkmark “(☑)” or a white checkmark “(☐)”, respectively, and displayed in gray font as well as the disclosures marked with a gray checkmark (☑) or with a white checkmark (☐), respectively, in the Sustainability Report of HUGO BOSS AG, Metzingen/Germany, for the period from January 1 to December 31, 2023 have not been prepared, in all material respects, in accordance with the relevant GRI Standards Criteria. We do not, however, provide a separate conclusion on each marked disclosure.

The procedures performed in a limited assurance engagement vary in nature and timing from, and 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 between December 2023 and April 2024, we, i.a., performed the following tasks:

- 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 checkmark "(☒)" or a white checkmark "(☑)", respectively, and displayed in gray font as well as the disclosures marked with a gray checkmark (☒) or a white checkmark (☑), respectively, in the Sustainability Report of HUGO BOSS AG, Metzingen/Germany, for the period from January 1 to December 31, 2023, do not comply, in all material respects, with the relevant GRI Standards Criteria.

Restriction of Use and Reference to Limitation of Liability

We issue this report as stipulated in the engagement letter agreed with the Company (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 conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Hence, this report should not be used by third parties as a basis for any (asset) decision.

We are solely responsible to the Company. However, we do not accept or assume liability to third parties. Our conclusion is not modified in this respect.

Stuttgart/Germany, April 24, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Dr. Thomas Reitmayr
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Sebastian Dingel
Partner

LIST OF ABBREVIATIONS

ABBREVIATIONS

AFIRM	Apparel and Footwear International RSL Management
CAP	Corrective action plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSRD	Corporate Sustainability Reporting Directive
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
FSA	Flexible spending accounts
FSC	Forest Stewardship Council
FTE	Full Time Equivalent
GCGC	German Corporate Governance Code
GHG	Greenhouse Gas Protocol
GIZ	German Corporation for International Cooperation GmbH
GRI	Global Reporting Initiative
GPTW	Great Place to Work
HIPOSS	High Potential Program
ILO	International Labour Organization
ISAE	International Standard on Assurance Engagements
ISO	International Organization for Standardization
LED	Light-emitting diode
LDP	Leadership Development Program
LGBTQIA+	Lesbian, gay, bisexual, transgender/transsexual, queer/questioning, intersex, asexual
LPG	Liquified petroleum gas
LTIFR	Lost Time Injury Frequency Rate
LWG	Leather Working Group
MRSL	Manufacturing Restricted Substances List
NGO	Non-governmental organization
OHS	Occupational health and safety
PDD	Performance & Development Dialog
PFC	Perfluorinated and polyfluorinated chemicals
RSL	Restricted Substances List
SAQ	Self-assessment questionnaire
SCoC	Supplier Code of Conduct
SDGs	Sustainable Development Goals

ABBREVIATIONS

SCS	Supply Chain Sustainability
SHIP	Employee share investment program
TCFD	Task Force on Climate-Related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change
ZDHC	Zero Discharge of Hazardous Chemicals

Symbols

✔ / ⚠ / ❌	Labeling of information which has been audited for limited assurance engagement
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