



2025 CLIMATE- AND NATURE- RELATED DISCLOSURES

**IN ALIGNMENT WITH
TCFD AND TNFD**

HUGO BOSS

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Integrating Climate and Nature into Financial Disclosures

At HUGO BOSS, we consider **climate and nature not as isolated topics, but as interdependent systems** that directly impact our operations, value chain, and the communities we engage with. Therefore, we publish the **combined TCFD** (Taskforce on Climate-related Financial Disclosures) and **TNFD** (Taskforce on Nature-related Financial Disclosures) report on an annual basis. We recognize that both climate change and nature loss present risks to our business model, while also offering opportunities to drive innovation and long-term value creation.

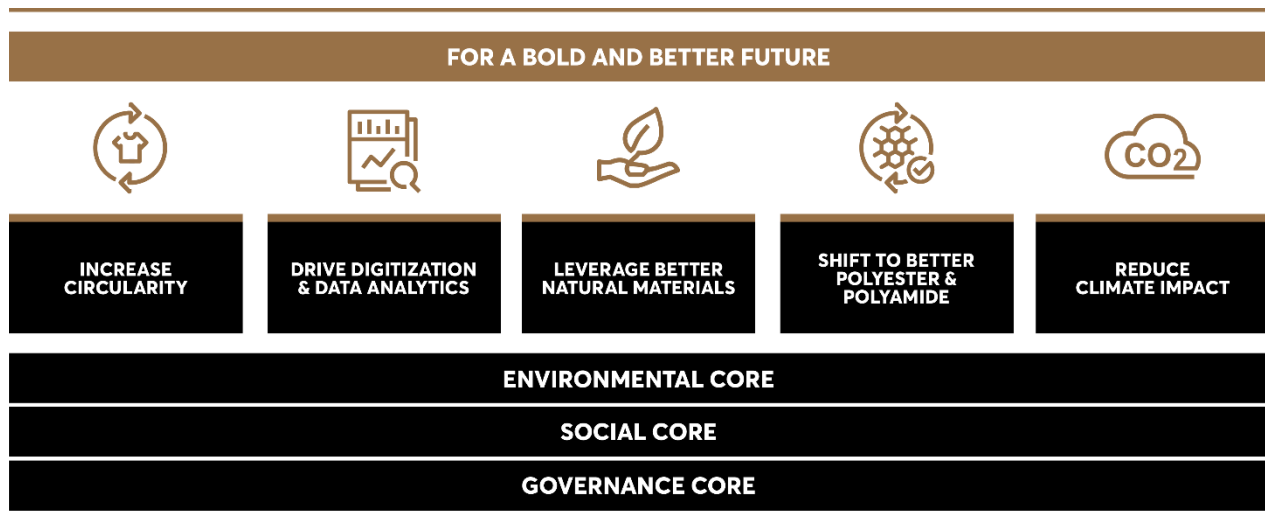
We follow the TCFD's approach in acknowledging the **systemic implications of climate change** - from rising temperatures and extreme weather events to transition risks driven by policy and market shifts - all of which influence the resilience of ecosystems and the stability of our business environment. At the same time, we embrace the TNFD's perspective, recognizing **nature as a complex and interconnected network** of terrestrial, freshwater, marine, and atmospheric ecosystems. These ecosystems provide essential services on which both our business and society depend, including clean water, healthy soils, carbon storage, and the regulation of climate and biodiversity.

We continuously refine our strategic planning, risk management, and reporting to align with evolving stakeholder expectations and international best practices. By embracing the TNFD alongside our established TCFD reporting, we aim to transparently address **both financial risks and opportunities related to nature and climate**. The insights gained from our climate-related risk assessments are used to inform HUGO BOSS climate strategy, strategic planning, and resilience management.

This report covers selected parts of the **HUGO BOSS value chain**, focusing on our own operations as well as our Tier 1, Tier 2 and Tier 4 suppliers, where relevant risks and dependencies on nature and climate have been identified. Tier 3 was excluded due to limited visibility and data availability, as well as its comparatively low relevance identified through our natural capital assessment. The goal of this report is to improve transparency across all business areas and to identify targeted levers for risk mitigation, and opportunity enhancement.

Governance

Sustainability is a vital part of our business strategy. In 2025, we further refined our Sustainability Strategy and aligned our targets accordingly. Our **Sustainability Strategy** focuses on five key pillars: increasing circularity, driving digitization and data analytics, leveraging better natural materials, shifting to better polyester and polyamide, and reducing climate impact. > [Annual Report 2025, Sustainability Strategy](#)



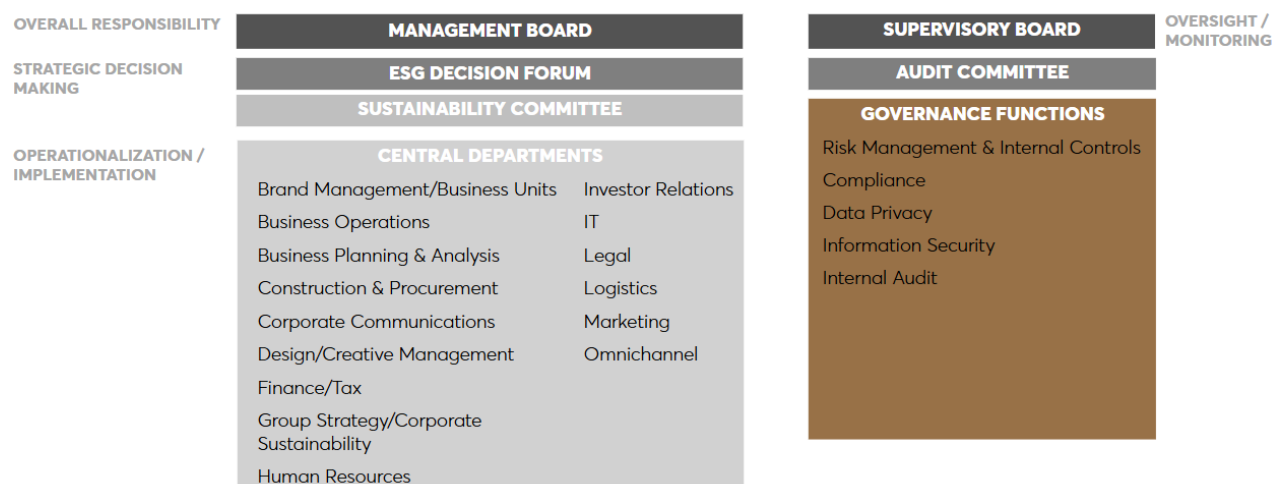
The overall responsibility for the sustainable development of HUGO BOSS lies with the **Managing Board**. This also includes monitoring, managing, and overseeing ESG impacts, risks, and opportunities (IROs) along the Company's value chain. Strategic responsibility is assigned to the Group Strategy and Corporate Development division, which reports directly to the **Chief Executive Officer (CEO)**. This division is also responsible for the setting of ESG targets and for monitoring progress towards them. The Managing Board and Supervisory Board monitor the objectives set and are regularly informed of the progress achieved. Operational responsibility along the supply chain as well as responsibility for central risk management and internal controls lies with Business Operations. Group Finance & Tax is responsible for Group-wide ESG data collection, consolidation, and validation, while Investor Relations is responsible for ESG reporting. Compliance and human rights issues are addressed by our Compliance & Human Rights department as part of our central Legal division. All four divisions report to the **Chief Financial Officer (CFO)/Chief Operating Officer (COO)**.

The CFO/COO also assumes responsibility for our central **Sustainability Committee**, which consists of representatives of our main business areas involved in sustainability topics and drives relevant decision-making processes in 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 2025, including progress on our sustainability strategy, ESG reporting, and regulatory requirements.

To strengthen the strategic alignment and prioritization of internal sustainability initiatives, HUGO BOSS established the **ESG Decision Forum** in 2024. The Forum convenes on a quarterly basis and supports informed decision-making by evaluating projects against defined criteria such as legal risk (e.g., potential fines and regulatory scope), time risk (urgency and implementation effort), and strategic value (e.g., contribution to ESG

targets, stakeholder expectations, and visibility). The ESG Decision Forum is embedded within the broader **sustainability governance structure** of HUGO BOSS.

SUSTAINABILITY GOVERNANCE AT HUGO BOSS



At HUGO BOSS, the **responsibility for identifying and assessing climate- and nature-related risks** is embedded across the organization and follows a structured governance approach. Strategic oversight lies with our central Risk Management department, which is responsible for coordinating the risk assessment process and providing the methodological framework. The actual identification and evaluation of risks are carried out by the relevant functional departments and Group subsidiaries, depending on the specific nature of the risk. For instance, regulatory ESG risks are monitored by the Compliance department, which is part of the central Legal division.

Operational responsibility for managing climate- and nature-related risks is assigned to the respective departments, which are tasked with assessing and mitigating risks within their areas of accountability. Central Risk Management ensures alignment and consistency across the risk management process. As an integral part of the corporate governance system, the **Internal Audit** department operates independently to provide objective assurance and advisory services aimed at improving business processes and strengthening internal controls. It supports the oversight functions of both the Managing Board and the Supervisory Board by reviewing the effectiveness of risk mitigating controls, compliance with regulatory requirements, and the integrity of financial reporting. The annual audit plan is coordinated with the Managing Board and the Audit Committee of the Supervisory Board, where key audit topics are defined. Selected departments, such as Risk Management & Internal Controls, are subject to regular audits. The last audit was conducted in September 2025.

Strategy and Risk Management

Impact Assessment and Management

HUGO BOSS takes a comprehensive, cross-functional approach to **managing risks and opportunities associated with climate change and nature loss**. This shall ensure that financial requirements related to risk mitigation, or the realization of opportunities are systematically identified and addressed. All funding needs are incorporated into the budgeting processes of the respective organizational units and, where applicable, into long-term financial planning. By embedding climate- and nature-related considerations into financial decision-making, the Company aims to ensure that necessary resources are allocated to effectively respond to the challenges and opportunities arising from climate change and threats to nature.

HUGO BOSS conducted a double materiality assessment in 2024 and updated it in 2025. Material ESG-related impacts, risks, and opportunities were identified through stakeholder engagement, desk research, and risk management processes. The assessment was reviewed by external ESG experts and overseen by the CFO/COO. A detailed overview of the ESG-related IROs identified as material in our DMA can be found in our 2025 Annual Report. > [Annual Report 2025, Additional Disclosures on the Combined Non-financial Statement](#)

In the first half of 2026, HUGO BOSS has updated its **climate transition plan**, outlining key measures to achieve its climate targets. The plan identifies and prioritizes decarbonization initiatives based on their potential impact on emissions reduction, ensuring a structured and transparent approach to delivering on the Company's climate commitments. It details how HUGO BOSS will meet its 2030 and 2050 targets through concrete actions, targeted investments, and supplier engagement across Scope 1, 2, and 3.

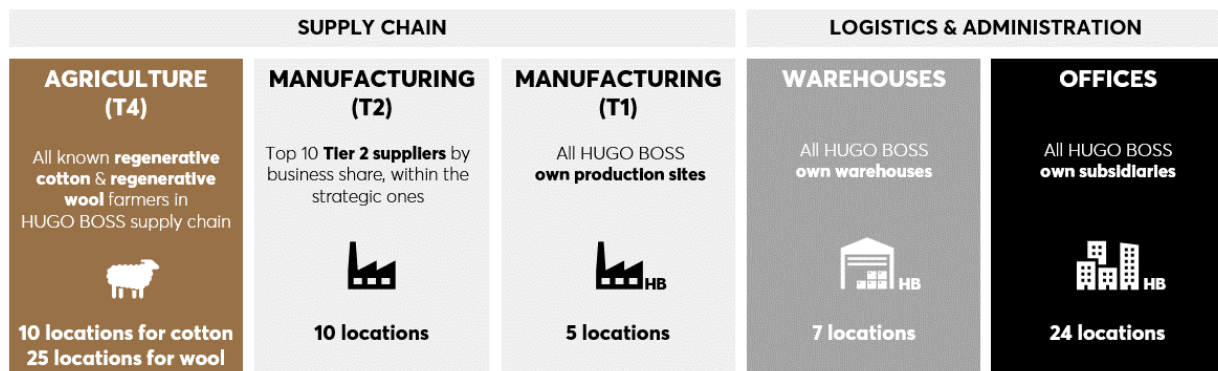
Recognizing the **interdependencies between its business activities, climate, and nature**, HUGO BOSS is committed to taking meaningful actions to protect ecosystems.

Impacts related to nature - LEAP assessment

As a core element of the TNFD framework, in 2024, HUGO BOSS conducted its first biodiversity assessment based on the **LEAP approach**. LEAP refers to a structured four-step process: **Locate** the interface with nature, **Evaluate** dependencies and impacts, **Assess** risks and opportunities, and **Prepare** to respond and report.

The first step, Locate, focused on **identifying and prioritizing key nature-related issues and business interactions** across the value chain. In total, 81 locations were assessed, including regenerative farms (Tier 4, 35 sites), selected Tier 2 suppliers (10 sites), own production sites (Tier 1, five sites), warehouses (seven sites, including all four key logistic hubs), and office buildings (24 sites). Retail stores were excluded, as they are typically situated in urban environments with limited relevance for biodiversity.

Prioritization of these locations was based on two main criteria: the **level of control** HUGO BOSS has over the sites and the **extent to which their activities interact with or impact nature**. Direct operational control over production sites, warehouses, and subsidiaries enables effective management of dependencies and impacts on natural ecosystems. At the same time, regenerative farmers and selected Tier 2 suppliers maintain close links to natural resources, while HUGO BOSS has more limited control. This makes them particularly important for identifying and addressing biodiversity-related risks and dependencies.



HUGO BOSS' **own production sites** are primarily dedicated to **Tier 1 manufacturing** and do not involve wet processes such as dyeing. For **Tier 2 suppliers**, the assessment focused on the top ten by business volume within the group of strategic and resource-intensive partners. We define **strategic suppliers** based on their long-term relevance to our business partnerships, while **resource-intensive suppliers** are identified based on their use of coal and/or water-intensive production processes.

Methodology

To identify **sensitive areas**, HUGO BOSS applied the criteria set out in the TNFD guidance. A location is considered sensitive if it meets at least one of these four criteria:



To ensure a robust assessment, HUGO BOSS evaluated **biodiversity importance** using the Integrated Biodiversity Assessment Tool (IBAT). As a next step toward a more comprehensive approach, **water-related risks** were analyzed using the Aqueduct tool.

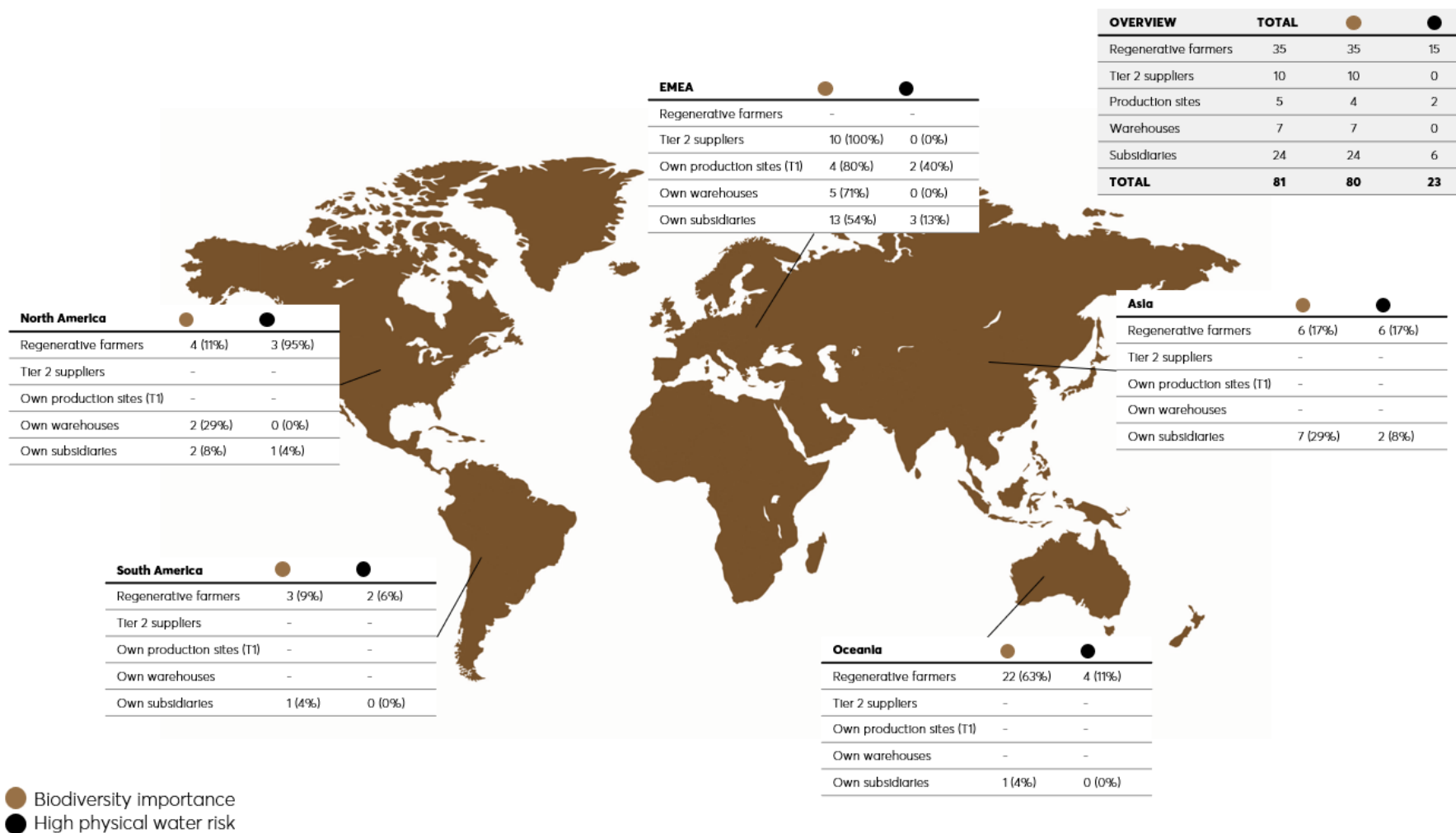
IBAT provides geospatial data on Protected Areas (PAs) and Key Biodiversity Areas (KBAs), allowing companies to map selected sites against globally recognized conservation areas. To ensure a comprehensive assessment, buffer zones were applied to each location: 1 km for directly operated sites (including production facilities, warehouses, and subsidiaries) and 10 km for regenerative farms and Tier 2 suppliers. To further **identify sensitive locations**, HUGO BOSS used the STAR framework within IBAT. STAR evaluates the potential to reduce species extinction risk through targeted conservation and restoration efforts. To **assess location-specific water risks**, the Aqueduct tool was used. Through interactive maps and risk indicators – such as water stress and seasonal variability – the tool supports a better understanding of water risks at specific sites.

Results and conclusions

Out of the 81 sites analyzed across the selected segments, 80 were classified as sensitive with regard to **biodiversity importance** and 23 were identified as sensitive due to **water-related risks**. No negative impact on surrounding biodiversity is currently anticipated at HUGO BOSS' own production sites, warehouses, and subsidiaries, as their operations are considered non-disruptive to local ecosystems. Tier 2 supplier sites, however, may pose a higher potential risk to nearby ecosystems.

The following map displays the analyzed sites and outlines the **distribution of the key sensitive locations** across the HUGO BOSS value chain, with regard to biodiversity importance and high physical water risk.

DISTRIBUTION OF KEY SENSITIVE LOCATIONS ACROSS THE HUGO BOSS VALUE CHAIN



Risk Assessment and Management

HUGO BOSS applies a holistic **Enterprise Risk Management (ERM)** approach that covers all risk categories across the organization and its value chain. This includes climate- and nature-related risks, such as biodiversity loss and its potential impacts on business operations. Risks are categorized to ensure that critical issues are prioritized accordingly. A detailed depiction of the Company's risk management system is provided in the Report on Risks and Opportunities as part of the 2025 Annual Report. > **Annual Report 2025, Report on Risks and Opportunities**

Due to their complexity, **climate- and nature-related risks** require a multidisciplinary perspective and are fully integrated into the Group-wide risk management processes. Climate-related risks are assessed based on their likelihood, potential business and financial impact, and considered in both operational management and strategic decision-making processes. Where feasible, the potential financial implications are assessed and incorporated into decision-making processes. This supports prioritizing risks and developing targeted mitigation and adaptation measures. The standardized approach for identifying, assessing, mitigating, and reporting these risks is illustrated in the following chart.

RISK MANAGEMENT

Main Risk categories				
External	Strategic	Financial	Operational	Organizational
Sub-categories with climate related risks				
Nature, current & emerging regulation, technology, legal, market, reputational, acute- & chronic physical				
The Risk Management Process is conducted twice a year and includes all potential risks along the entire value chain (including upstream and downstream activities)				
▪ Short- and medium-term risk impacts are assessed group-wide on a bi-annually basis ▪ Long-term risk impacts are assessed at least once per year and updated, if the environment and calculation parameters change significantly				

This report focuses on environmental topics, with a particular emphasis on nature and its four realms: land, freshwater, ocean, and atmosphere. It explores how climate change affects nature – and, in turn, how these changes impact HUGO BOSS. The **relationship between nature and business** is bidirectional. Depending on the business model, companies can have adverse effects on the environment along their value chain – for example, through air or water pollution – if appropriate mitigation measures are not in place. At the same time, companies rely on natural capital and environmental assets for value creation, with varying dependencies across different stages of the value chain. As a result, environmental risks may arise from changes in the availability or quality of natural resources. Conversely, opportunities may emerge through innovation, improved practices, or new technologies that reduce environmental impact and strengthen resilience.

Climate- and nature-related risks are initially assessed by the relevant expert departments. Risks are qualitatively **classified as low, medium, or high**, and assigned to a short-, medium-, or long-term timeframe. If a risk is rated medium or high and expected to occur within a relevant period, its potential impact is quantified and considered in decision-making. Short-term risks are managed operationally, while medium- and long-term developments are monitored and inform strategic planning. As part of the risk assessment and management process, HUGO BOSS considers the risks, opportunities, impacts, and dependencies

related to climate and nature in connection with its raw material sourcing, products, and manufacturing operations.

The table below outlines the **most material climate-related risks** identified through the materiality assessment, which is embedded in the Company's Enterprise Risk Management (ERM) system. The process begins with a qualitative assessment and is followed by a quantification of potential impacts on HUGO BOSS. Corresponding mitigation and resilience measures are also summarized for each risk.

Climate change is a key risk for HUGO BOSS, with potential impacts across all time horizons; short (<1 year), medium (1–3 years), and long term (>3 years). Particular attention is given to value chain risks, especially in raw material sourcing and production, where climate-related effects can directly influence availability, cost structures, and operational continuity. Physical risks include water scarcity and asset damage from extreme weather events. Transition risks arise from evolving regulations, shifting consumer preferences, and constraints on access to raw materials and labor. For each material risk, HUGO BOSS derives targeted mitigation and resilience measures. Prioritization of the risks is supported by climate scenario analysis, which helps to identify key exposures and inform resilience measures.

MOST RELEVANT CLIMATE- AND NATURE-RELATED RISKS FOR HUGO BOSS

Risk	Value Chain stage	Time horizon	Business impact (Operational + Strategic)	Financial impact	Mitigation / resilience
Raw materials scarcity	Upstream (raw materials) + sourcing / supply chain	Short- to long-term	Operational: - Raw material availability, quality, price and volume impacts. Strategic: - Loss of social license to operate	- Increased production costs - Loss of sales resulting from decreased production volume	- Managing raw material price risks and identifying alternative material. - Investing in climate resilient regenerative agriculture and high-quality recycling materials (e.g. NovaPoly)
Reputational risk	Downstream (market, Brand)	Short- to long-term	Operational: - Workforce challenges Strategic: - Brand damage - Shift in consumer perception	Reduced revenue	- Committing to industry climate targets under the UNFCCC Fashion Industry Charter - Reporting transparently on target achievement and measures - Strengthening ESG communication and stakeholder engagement
Regulatory risk	Entire Value chain (compliance & operations)	Short- to medium-term	Operational: - Increased compliance requirements - Higher administrative burden and reporting complexity Strategic: - Regulatory pressure on products/services - Monitoring evolving regulations in the EU and key sourcing markets	- Increased operating costs - Increased compliance costs - Increased costs resulting from fines and judgements - Reduced demand for products and services	- Embedding sustainability into overall business strategy - Adapting to changing regulatory requirements

Risk	Value Chain stage	Time horizon	Business impact (Operational + Strategic)	Financial impact	Mitigation / resilience
Changes in consumer demand due seasonal weather shifts	Downstream (sales)	Medium- to long-term	Operational: - Increased inventory Strategic: - Demand shifts	- Adapting product offerings to changing consumer preferences - flexible merchandise management	- Maintaining balanced regional sourcing to avoid dependencies - Touchdown Booster Strategy: Making the value chain faster, leaner, and more efficient to respond immediately to changing consumer demand
Water scarcity and security	Upstream (raw materials) + Tier 2	Medium- to long-term	Operational: - Lower yields in raw material production - Reduced capacity for water intensive processes like dyeing, tanning, printing and laundering Strategic: - Lost social license to operate - Damaged brand image	- Increased production costs - Increased regulatory penalties	- Improving water efficiency in operations and the supply chain - Reducing production-related water pollution through chemical management - Reducing the water footprint of cotton through the latest irrigation technology, avoiding bare soil, and increasing soil water retention as part of a regenerative methodology.
Physical business continuity risk (severe climate events)	Entire value chain	Long-term	Operational: - Increased business interruptions - delayed product supplies - Temporary shutdown of key sites or logistics hubs Strategic - Increased business interruptions	- Increased costs of repairing damages - Increased insurance premiums/less coverage - Increased need for investments	- Strengthening site resilience to severe climate events - Implementation testing emergency plans to ensure business continuity - Integrating climate risks into selection and infrastructure planning

Following the top-down identification of key risks, the subsequent analysis focuses on nature- and climate-related impacts and risks at the site-specific level.

Physical Climate Risk Assessment

HUGO BOSS uses science-based software to assess climate-related risks, including **scenario analyses** for **physical and transition risks** based on the IPCC's Representative Concentration Pathways (RCPs). The four scenarios (RCP2.6, RCP4.5, RCP6.0, RCP8.5), used in the IPCC's Fifth Assessment Report, represent different greenhouse gas emission trajectories and associated climate outcomes, defined by their radiative forcing levels by 2100. The analysis identifies key risk exposures across locations and value chain segments, enabling HUGO BOSS to prioritize risks based on financial and operational impact and to guide resilience measures addressing sourcing costs, supply chain stability, and customer demand.

Emissions pathway RCP (temperature)	8.5 (3.2 – 5.4 °C)	7.0 (2.0 – 3.7 °C)	4.5 (1.7 – 3.2 °C)	2.6 (0.6 – 2.3 °C)
Emissions	High emissions	Moderate-high emissions	Low emissions	Very low emissions
Physical risk impact	Very high	High	Medium	Low
Transitional risk impact	Low	Medium	High	Very high

Overview of analyzed physical risks

Physical risks ¹			
	Temperature extremes		Tropical cyclone
	Fluvial flooding		Drought
	Wildfire		Water stress
	Coastal flooding		

The following tables present the physical climate risks across assessed locations, with severity ranked from left to right. The analysis covers all RCP scenarios, with impacts projected by decade through 2100. No minimum threshold was applied, ensuring comprehensive risk identification, including lower-probability but potentially material risks such as fluvial flooding and wildfires. The identified risks are assessed with regard to their potential impact on cost structures and margin development across key sourcing regions.

¹ Source of the used symbols is S&P Global

Offices and Warehouses

Headquarters (Germany - Metzingen)	  
HUGO BOSS Canada, Inc. (Canada - Toronto)	 
HUGO BOSS China Retail Co. Ltd. (China - Shanghai)	  
HUGO BOSS Hong Kong Ltd. (China - Hong Kong)	 
HUGO BOSS Mexico S.A. de C.V. (Mexico - Miguel Hidalgo)	  
HUGO BOSS Ticino S.A. (Switzerland - Coldrerio)	  
HUGO BOSS USA Inc. (USA - Savannah)	 
Warehouse (Germany - Bad Urach)	  
Warehouse (Germany - Filderstadt)	  
Warehouse (Germany - Wendlingen)	  

Production sites (own & partners Tier 1 & 2)

HUGO BOSS Shoes & Acc. Italia S.p.A. (Italy - Morrovalle)	  
HUGO BOSS Textile Industry Ltd. (Turkey - Izmir)	  
Supplier Bangladesh	 
Supplier Bulgaria	 
Supplier Peru	 
Supplier Portugal	  
Supplier Tunisia	  
Supplier Turkey	  
Supplier Vietnam	  

Farmers dedicated to regenerative materials

Argentina	
Australia	
India	
Tajikistan	
USA	

Point of sales (POS)

Dubai	
France	
Germany	
USA	

Physical Climate Risk Adaptation

In addition to mitigation, HUGO BOSS considers **climate adaptation** a core component of its climate strategy, aiming at enhancing the resilience of its operations and value chain. To identify and assess physical climate risks, HUGO BOSS conducts location-specific analyses of key assets and sourcing regions, drawing on climate scenario analysis and geospatial risk data. The assessment serves as a key input for the design and implementation of targeted adaptation measures, which are regularly reviewed and updated to reflect changing climate conditions, site-specific risk profiles, and operational requirements.

The most relevant **physical climate-related risk** identified for HUGO BOSS is linked to rising **temperature extremes**. Elevated temperatures can result in various adverse effects that may directly or indirectly impact business performance. Specifically, we have identified four key risk drivers with potential financial implications:

Increased use of energy at higher costs for HVAC (Heating, Ventilation, and Air Conditioning)

- Reduced employee productivity
- Potential impacts on revenue
- Increased costs due to shortages of raw materials and other resources (e.g., water for wet processes)
- Interruption of production and/or logistics

Among these, a decline in employee productivity – potentially linked to heat-related health challenges and increased absenteeism – has emerged as the most financially significant factor across the locations analyzed. In response, identified physical climate risks are translated into operational measures, which are integrated into facility management processes to support business continuity, employee well-being, and productivity. To **mitigate productivity-related impacts** from increasing heat exposure, HUGO BOSS incorporates employee health and safety considerations into site-specific adaptation planning.

In addition to temperature-related risks, further physical climate risks have been identified across own operations and along the value chain, including risks related to flooding at operational sites and drought in key sourcing regions. For locations exposed to fluvial flooding, HUGO BOSS performs a **context-specific assessment** of key sites using climate scenario analysis and location-based data, and derives appropriate resilience measures, including integration into business continuity and emergency planning, where relevant. At selected sites, physical resilience is further supported through existing structural features, including retention areas and elevated warehouse design. Coastal sites potentially exposed to sea-level rise are considered within the overall physical climate risk analysis, with their relevance evaluated in the context of climate scenario analysis.

In addition to risks at corporate locations, raw material sourcing – particularly from cotton-growing regions – is exposed to further climate-related physical risks such as drought and water stress. Droughts and water stress have also an impact on wet processes such as tanning, dyeing, and washing. These environmental changes can have a direct impact on **agricultural productivity** and, in turn, affect the cost and availability of our products. These impacts are considered in financial planning processes, particularly in relation to cost development and margin sensitivity. The key potential consequences include reduced crop yield, rising water-related costs, and impacts on local workforce productivity.

HUGO BOSS monitors these developments closely to **secure the timely availability of raw materials** across all value chain stages, with sourcing strategies tailored to the characteristics of each product group. These risks are also considered in sourcing strategies and supplier engagement activities to enhance supply chain resilience. In cotton-growing regions, this may include collaboration with suppliers to incorporate climate considerations into sourcing decisions and support resilience in key sourcing regions.

While other physical climate risks such as rising sea levels or river flooding are present, they are currently considered to be of **lower financial relevance** compared to extreme temperatures. Overall, HUGO BOSS translates identified physical climate risks into targeted, location-specific adaptation actions, ensuring that resilience measures are aligned with risk prioritization and fully integrated into operational management and long-term strategic planning.

Opportunities

While climate change and nature loss present significant risks for companies in the fashion industry, they also create **opportunities**. At HUGO BOSS, climate- and nature-related opportunities are identified and assessed based on their potential financial benefits, including cost savings, revenue growth, enhanced resilience, and long-term value creation. Relevant opportunities are integrated into strategic planning and investment decisions to support the Company's long-term competitiveness and resilience. HUGO BOSS pursues these

opportunities as part of its Sustainability Strategy, recognizing that many initiatives operate at the intersection of risk mitigation and opportunity realization. In many cases, measures are initially implemented to address climate- and nature-related risks, strengthen business resilience, support regulatory preparedness, and ensure long-term access to critical resources. Over time, these efforts may also generate additional value through innovation, operational efficiencies, stronger stakeholder relationships, and competitive differentiation.

The greatest short-term opportunities are associated with **innovation, circular business models, and strengthening stakeholder trust and brand reputation**. Longer-term opportunities may arise from improved resource and energy efficiency, enhanced supply chain resilience, and more secure access to natural resources and ecosystem services. In addition, nature-positive approaches – such as regenerative farming and biodiversity protection – are increasingly viewed as strategic levers that can support resilience, innovation, and long-term value creation.

CLIMATE- AND NATURE-RELATED OPPORTUNITIES

 Climate and nature-related opportunities	Sustainable and circular products Transition towards more sustainable and circular products by using innovative materials.
	Stakeholder and customer perception Strengthening stakeholder trust, collaboration and brand value through reporting, science-based targets and the implementation of our sustainability strategy.
	Resource Efficiency and Operational Resilience Increasing resource efficiency by reducing energy consumption, the use of renewable energy and minimizing waste generation.
	Nature-Positive Sourcing and Supply Chain Resilience Enhancing supplier resilience and securing the long-term availability of key raw materials through biodiversity protection and regenerative farming practices.

Sustainable and circular products

A key opportunity for HUGO BOSS lies in accelerating the **transition towards more sustainable and circular products**. As part of its Sustainability Strategy, the Company aims to reduce its dependence on virgin resources while increasing the circularity of its product portfolio. In 2025, HUGO BOSS introduced NovaPoly, a recycled polyester yarn made from textile waste generated during production as well as the post-consumer phase. Building on earlier fiber-innovation projects, NovaPoly further strengthens our portfolio of alternatives to conventional polyester and polyamide yarns, laying the groundwork for broader circularity across our product range. Going forward, initiatives like these are set to support our ambition of enabling 80% of apparel products to become circular by 2030, with 41% of products already classified as circular in 2025 (2024: 33%). To further advance circularity, HUGO BOSS established Eightyards, a subsidiary dedicated to the resale, reuse and recycling of surplus materials.

Stakeholder and customer perception

Climate- and nature-related action also presents opportunities to **strengthen stakeholder trust and brand value**. Through transparent reporting, science-based targets, and the implementation of its sustainability strategy, HUGO BOSS seeks to address growing expectations from customers, investors, employees, and other stakeholders regarding responsible business practices. In addition, collaboration with NGOs and industry stakeholders helps HUGO BOSS identify emerging sustainability trends and foster innovation across the value chain.

Resource Efficiency and Operational Resilience

Further opportunities arise from **increasing resource efficiency** across operations. Through measures aimed at reducing energy consumption, expanding the use of renewable energy, improving material utilization, and minimizing waste generation, HUGO BOSS seeks to reduce environmental impacts while strengthening operational resilience. These initiatives primarily serve to mitigate exposure to volatile energy and resource markets and support long-term business continuity. At the same time, they may contribute to operational efficiencies, lower resource-related costs, and more stable access to energy and raw materials over the long term.

Nature-Positive Sourcing and Supply Chain Resilience

As climate change and nature loss increasingly affect agricultural productivity and ecosystem services, HUGO BOSS also sees opportunities in **strengthening the resilience of its sourcing regions and supply chain**. Nature-positive approaches, including biodiversity protection and regenerative farming practices, may contribute to improving ecosystem health and supporting the long-term availability of key raw materials. While such measures are primarily intended to reduce sourcing risks and strengthen supply security, they may also create opportunities through enhanced supplier resilience, improved resource availability, and the development of more sustainable sourcing models. Over time, these approaches can support innovation and contribute to the long-term competitiveness and resilience of the Company's supply chain.

Metrics and Targets

In 2025, our global business activities resulted in a total of 663,540 metric tons (tons, t) of GHG emissions across **Scope 1, 2, and 3** (2024 adjusted: 771,654 t), calculated in accordance with the Greenhouse Gas Protocol. Total emissions decreased by 14% compared to the base year 2024, resulting in an emission intensity – defined as total GHG emissions relative to Group revenue of EUR 4,270 million – of 155 t CO₂e/EUR million in 2025 (2024 adjusted: 179 t CO₂e/EUR million).

GREENHOUSE GAS EMISSIONS (IN T CO₂e)

	2025	2024
Total Scope 1 emissions¹	9,152	9,827
Total Scope 2 emissions (market-based)²	11,442	15,693
Scope 3 emissions		
1 Purchased goods and services ³	543,008	629,996
2 Capital goods ³	4,158	7,612
3 Fuel- and energy related activities	6,082	6,239
4 Upstream transportation and distribution ³	52,909	67,739
5 Waste generated in operations	1,858	2,101
6 Business travel	5,916	5,887
7 Employee commuting	6,228	6,347
8 Upstream leased assets	1,982	2,466
9 Downstream transportation	4,604	2,782
12 End-of-life treatment of sold products	10,245	9,718
14 Franchises ³	5,956	5,248
Total Scope 3 emissions⁴	642,946	746,134
Total emissions	663,540	771,654

¹ Scope 1 emissions include direct emissions from owned or controlled sources and emissions from own vehicles (excluding electric vehicles).

² Scope 2 emissions are calculated according to the market-based approach using specific supplier emission factors for certified green electricity. For conventional electricity, specific country emission factors are used. Location-based Scope 2 emissions amounted to 38,046 t in 2025 (2024: 39,146 t).

³ Due to improved data quality and the correction of previously identified data inconsistencies, prior-year figures for Scope 3.1 Purchased goods and services (+51% compared to the value previously reported), Scope 3.2 Capital goods (>100%), Scope 3.4 Upstream transportation and distribution (+1%), Scope 3.14 Franchises (<1%) as well as the related GHG emissions intensity, have been corrected retrospectively.

⁴ In 2025, 11% of the Scope 3 emissions (2024 adjusted: 25%) were calculated using primary data based on input factor levels, excluding emission factor data. Previous year's figures have been adjusted retrospectively following a change in the calculation methodology, thereby ensuring closer alignment with ESRS requirements.

In 2025, **total energy consumption** related to our own operations amounted to 142,734 MWh (2024 adjusted: 145,131 MWh). The slight decrease compared to the previous year was primarily driven by the implementation of additional energy efficiency measures across our own operations. In 2025, a total of 58%, corresponding to 83,080 MWh of our consumed energy was derived from renewable sources (2024 adjusted: 51%; 73,794 MWh), while 42% (59,654 MWh) was sourced from fossil fuels and is therefore non-renewable (2024 adjusted: 49%; 71,338 MWh).

ENERGY FROM FOSSIL AND RENEWABLE SOURCES (IN MWh)

	2025	2024
Fuel consumption from crude oil and petroleum products ¹	8,521	9,650
Fuel consumption from natural gas	30,359	32,128
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources ¹	20,774	29,560
Total fossil energy consumption¹	59,654	71,338
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	78,185	68,865
Production and consumption of non-fuel renewable energy	4,895	4,929
Total energy consumption from renewable sources	83,080	73,794
Total energy consumption¹	142,734	145,131

¹ Prior-year figures have been adjusted retrospectively. The calculation of values is now closer aligned with the current ESRS methodology. In this context, the energy consumption of company-owned vehicles has also been incorporated into the calculation.

Quantitative information about nature and biodiversity is highlighted in our LEAP analysis in the chapter "Impact Assessment and Management".

All figures in this subchapter are verified by external auditors as part of our annual report. More information on our climate strategy, targets and measures as well as other nature-related KPIs (e.g. share of recycled materials) can be found in our 2025 Annual Report. > **Annual Report 2025, Combined Non-financial Statement**