

COMBINED NON-FINANCIAL STATEMENT

Sustainability is an integral part of HUGO BOSS business activities

Numerous ESG activities aim to generate added value for our stakeholders

Statement includes ESG information assessed as material according to ESRS

HUGO BOSS considers its diverse sustainability initiatives as both a crucial **corporate responsibility** and a prerequisite to inspire customers and thus further strengthen its position as a leading global premium fashion platform. We are equally committed to protecting our environment, living up to social and societal expectations, and practicing responsible corporate governance. In doing so, our **numerous environmental, social, and governance (ESG) activities** aim to generate added value for our Company, employees, shareholders, customers, business partners, and society, thus contributing to the long-term success of HUGO BOSS.

About this combined non-financial statement

Directive (EU) 2022/2464 on sustainability reporting (Corporate Sustainability Reporting Directive, CSRD) came into force on January 5, 2023, with a deadline for implementation into national law by EU member states set for July 2024. However, by December 31, 2024, several member states, including Germany, had not yet completed this implementation. As a result, regarding fiscal year 2024 reporting, the existing legal framework continues to apply to listed German companies. Consequently, as a company subject to the **Non-Financial Reporting Directive (NFRD)**, HUGO BOSS publishes this combined non-financial statement for fiscal year 2024, consistent with previous years.

In accordance with Sec. 315b and 315c of the German Commercial Code (HGB), in conjunction with Sec. 289b to 289e HGB, this combined non-financial statement for HUGO BOSS AG and the HUGO BOSS Group provides comprehensive information on our sustainability activities for fiscal year 2024. It comprises the material disclosures for our Company related to **environmental matters, employee matters, social matters, respect for human rights, anti-corruption and bribery matters**, and the **EU Taxonomy**.

This combined non-financial statement was prepared in partial application of Set 1 of the **European Sustainability Reporting Standards (ESRS)** as a framework in accordance with Section 289d HGB. The originally planned full application of the ESRS was not realized by HUGO BOSS due to the lack of legal implementation. The content included in this statement is based on a **double materiality assessment (DMA)** that was conducted in accordance with the respective ESRS requirements. The analysis has indicated that nine of the ten ESRS topics are generally considered material for HUGO BOSS in fiscal year 2024. However, the content included in this combined non-financial statement does not fully reflect the results of the DMA. The "Overview of ESRS Disclosure Requirements" in the section "Additional Disclosures on the Combined

Non-financial Statement" provides detailed information on the presence and scope of **ESRS disclosure requirements**. The information disclosed in accordance with ESRS is based on the current interpretation of the standards. > **Additional Disclosures on the Combined Non-financial Statement**

This combined non-financial statement has been prepared on a consolidated basis, with the **scope of consolidation** aligned with our 2024 financial statements. Therefore, the consolidated quantitative ESG data includes the parent company HUGO BOSS AG and all subsidiaries under its control. Unless otherwise noted, the disclosures made in this statement reflect equally the **perspective of HUGO BOSS AG and that of the Group**. > **Notes to the Consolidated Financial Statements, Basis of Consolidation**

Any **references to information outside the combined non-financial statement** – except for references to the chapter "Business Activities and Group Structure" as part of the combined management report – are information going beyond the mandatory disclosures under HGB and do not form part of the statement. In accordance with the applicable legal framework, the combined non-financial statement was subject to a **voluntary review with limited assurance** according to ISAE 3000 (Revised). > **Limited Assurance Report of the Independent Auditor Regarding the Combined Non-financial Statement**

Governance

HUGO BOSS is managed by its parent company HUGO BOSS AG, which – as a German stock corporation – has a dual management and control structure. Consequently, the **Managing Board** is responsible for managing the Group and successfully executing the Group strategy. The activities of the Managing Board are monitored by the **Supervisory Board**, which is also on hand to advise the Managing Board. More information on the boards' composition and governance structure can be found in the Corporate Governance section of this Annual Report. > **Corporate Governance and the Corporate Governance Statement**

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 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 2024, including progress on our sustainability strategy, ESG reporting, and regulatory requirements, including those of the CSRD.










The Managing Board of HUGO BOSS has overall responsibility for an effective **risk management system**. On its behalf, the central Risk Management and Internal Controls department coordinates the execution and continuous development of the risk management system. Monitoring the effectiveness of the risk management system is the responsibility of the Supervisory Board of HUGO BOSS. This task is exercised by the Audit Committee of the Supervisory Board with the involvement of the Internal Audit department. As part of the reporting process, HUGO BOSS has not identified any risks that are associated with its own business activities, its business relationships, as well as its products or services, and that very likely have or could have serious adverse impacts on the five mandatory aspects as set forth in Sec. 289c HGB. [> Report on Risks and Opportunities](#), [> Corporate Governance and the Corporate Governance Statement](#)

Business model, strategy, and value chain

HUGO BOSS is one of the leading fashion and lifestyle companies in the premium segment of the global apparel market. Our **business model** is described in detail in the chapter "Business Activities and Group Structure" of this Annual Report. Detailed descriptions of our **"CLAIM 5" strategy**, including those elements that relate to or impact sustainability matters, are provided in the chapter "Group Strategy." [> Business Activities and Group Structure](#), [> Group Strategy](#)

This combined non-financial statement covers both our **own operations** and material stages of the **upstream and downstream value chain**. The following overview outlines the material features of our value chain.

MATERIAL FEATURES OF OUR VALUE CHAIN

UPSTREAM	OWN OPERATIONS	DOWNSTREAM
Tier 1 Assembly and manufacturing of final products (apparel, shoes, accessories) 	Own production 5 own production sites in Turkey, Germany, Italy, Switzerland, Poland 	Distribution Distribution of products via wholesale partners 
Tier 2 Production and finishing of materials (e.g., fabrics, trimmings) 	Logistics, distribution, administration <ul style="list-style-type: none"> • Product design and brand management • Logistic hubs and transportation • Marketing • Distribution of products via own retail touchpoints • General administration functions 	Use phase Products are used by end consumers 
Tier 3 Processing of raw materials into yarn and equivalent state 		End-of-life/recycling Products reach the end of their life cycle and are either recycled or disposed of 
Tier 4 Extraction and farming of raw materials (e.g., cotton, wool, leather, synthetic fibers) 		

Interests and views of stakeholders

We actively engage with our stakeholders, valuing their input as essential to shaping both our Group and sustainability strategies. By fostering open dialog and collaboration, we aim to meet expectations, address concerns, and develop mutually beneficial solutions. **Stakeholder engagement** not only supports our business objectives but also serves as an opportunity to create value for HUGO BOSS, the environment, and society.

HUGO BOSS maintains a systematic dialog with all relevant stakeholders, including employees, shareholders, customers, business partners, and society. Guided by a stakeholder analysis conducted in accordance with the AA 1000 SES standard, we employ standardized formats and approaches for **effective communication**, such as our corporate website, Annual Report, social media channels, and dedicated stakeholder events. Of particular importance in 2024 was our **Stakeholder Dialog** at the Group headquarters in Metzingen (Germany). This event brought together industry experts, academics, NGOs, and supply chain partners to engage in in-depth discussions on sustainability within the fashion industry's supply chain, exploring ways we can drive meaningful, positive change together. Further information on our stakeholder engagement and partnerships can be found on our corporate website. > group.hugoboss.com

Double materiality assessment

In 2024, HUGO BOSS conducted a comprehensive **double materiality assessment (DMA)** in preparation for compliance with the ESRS. We have engaged with numerous internal stakeholders to identify our Company's material sustainability impacts, risks, and opportunities. This engagement was largely conducted through interviews and desk research, while it also considered the outcomes of previous materiality assessments. In addition, we incorporated the **perspectives of external stakeholders** through internal experts who, as part of their roles, regularly engage with relevant interest groups. Parallel to this, we have also assessed the financial risks and opportunities for sustainability-related matters as part of our risk management process. To ensure proper compliance, external ESG consultants have closely monitored and reviewed our DMA process. Oversight of the process was assumed by the CFO/COO, ensuring close alignment with the Company's strategic priorities.

Our DMA's scoring method and criteria were developed following ESRS 1 requirements, addressing both impact materiality and financial materiality. This approach also satisfies the materiality assessment requirements set forth in Sec. 289c HGB. Our **impact materiality assessment** considered the scale, scope, irremediability, and likelihood of impacts being positive or negative as well as actual or potential. Severity took precedence over likelihood for human-rights-related impacts. As part of our **financial materiality assessment**, we assessed the financial materiality of ESG risks and opportunities, their likelihood, and the nature of financial impacts. As part of these processes, HUGO BOSS has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies by ensuring close collaboration and constant exchange between all parties involved. The **process for identifying material impacts, risks, and opportunities** adhered to a consistent approach across all ESG topics by systematically considering specific activities, business relationships, geographies, and other factors that may increase the risk of adverse impacts, while also taking into account the specific characteristics of our value chain as well as our key business activities, assets, sites, and regions.

Impact materiality (inside-out perspective)

Our ESG impact assessment, led by Investor Relations and conducted in close collaboration with our Corporate Sustainability as well as Risk Management and Internal Controls departments, started with the development of a comprehensive **catalog of ESG impacts**. Leveraging our previous materiality analysis based on GRI Standards, this catalog served as the foundation for mapping existing impacts to the ESRS methodology. To ensure a thorough assessment, HUGO BOSS expanded the catalog by conducting additional desk research, drawing on frameworks such as the Sustainability Accounting Standards Board (SASB) standards for the textile and apparel industry. The assessment covered **potential and actual impacts** on the environment and people across the value chain, from our own operations to upstream and downstream stages. Corresponding impact descriptions were enriched through desk research and internal expert insights.

HUGO BOSS followed a **systematic approach** to assess the materiality of all positive and negative impacts identified, using the ESRS criteria to ensure clarity and consistency in the evaluation process. In line with EFRAG guidance, the assessment was conducted on a gross basis, thus excluding the influence of implemented mitigation measures. To determine the materiality for all impacts identified, HUGO BOSS assessed their severity and likelihood and defined uniform thresholds, classifying a negative impact as material if it fell in the upper half of the combined assessment scale and classifying a positive impact as material if it fell in the upper quarter. To validate and ensure **accuracy and completeness** of its impact materiality assessment, HUGO BOSS engaged both internal experts across important sustainability areas as well as external ESG consultants.

Financial materiality (outside-in perspective)

The ESG risk and opportunity assessment was led by our central Risk Management and Internal Controls department, in close collaboration with relevant business areas and designated internal risk and opportunity experts. To ensure a thorough assessment, structured interviews were conducted, providing critical insights and detailed input. HUGO BOSS followed a systematic approach to assess the materiality of all **ESG risks and opportunities** identified, analyzing them in accordance with the relevant ESRS criteria to ensure clarity and consistency in the evaluation process. The assessment started with the establishment of a clear framework and guidelines for the risk and opportunity assessment, applying the ESRS methodology.

Risk Management and Internal Controls analyzed all gathered data, including a detailed review of critical factors such as the likelihood of risks occurring and their potential consequences on our business. In addition, it assessed the **financial materiality** of all ESG risks and opportunities identified on a qualitative basis. The likelihood and magnitude thresholds used in this context were in line with the methodology applied by HUGO BOSS in its general risk assessment, which is presented in the Risk and Opportunity Report of this Annual Report. Based on this, all those risks were assessed as material for which the combined classification of likelihood and magnitude was rated as either high or critical. > [Report on Risks and Opportunities, Risk and Opportunity Management System](#)

In line with EFRAG guidance, also this assessment was conducted on a gross basis, thus excluding the influence of implemented mitigation measures. As part of a cross-functional exchange, we also examined the extent to which correlations exist between the identified impacts and dependencies and the risks and opportunities that may arise from these impacts and dependencies. This mapping was done systematically at the individual impact level to ensure that each identified ESG risk and opportunity was assigned to the corresponding impact. To validate and ensure **accuracy and completeness** of the financial materiality assessment, we engaged not only internal experts across all important sustainability areas but also external ESG consultants.

The process ensured that the procedure for identifying, evaluating and managing ESG risks was integrated into the overarching **risk management system** and can now be used to evaluate the Company's overall risk profile and risk management processes. Similarly, the processes for identifying, evaluating, and managing ESG opportunities were closely integrated into the existing management processes in order to exploit their potential strategically and operationally in the future. Consequently, the results of the ESG risk and opportunity assessment were integrated into the Company's existing risk management system to streamline the risk management process while ensuring that all relevant ESG matters will be systematically analyzed also going forward, allowing for more effective decision-making by systematically evaluating our Company's overall risk profile.

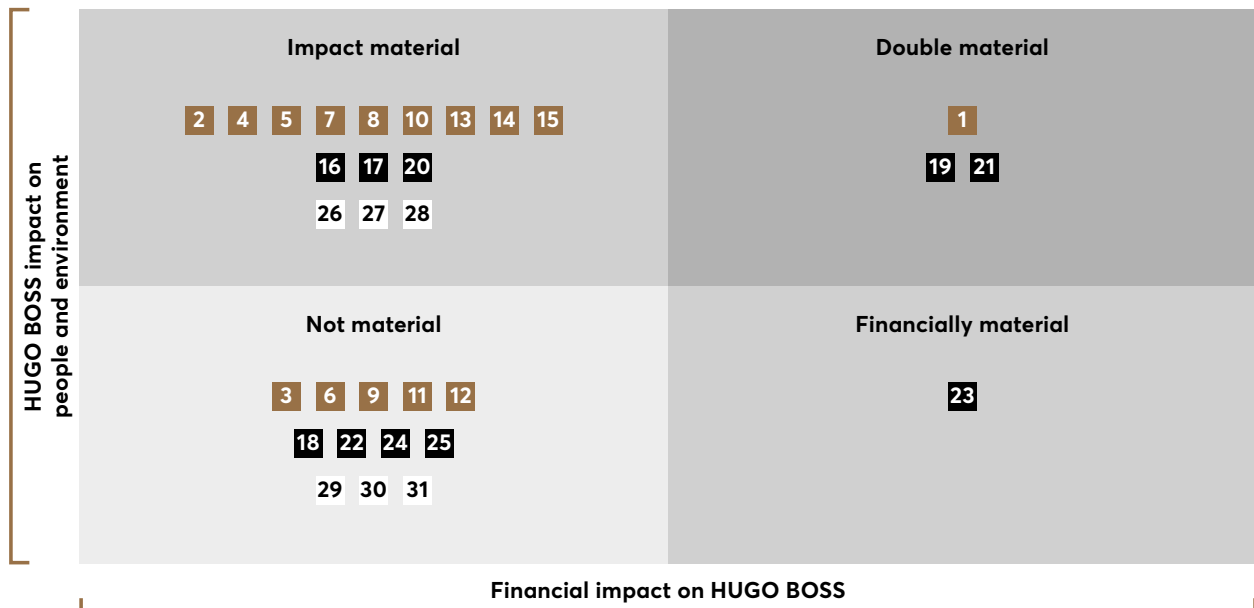
DMA consolidation and validation

The results of both assessments were consolidated accordingly, jointly reviewed by Investor Relations, Corporate Sustainability, and Risk Management and Internal Controls, and shared for **final validation** with all internal stakeholders involved in the assessment process as well as relevant senior management. The outcome of the DMA was summarized both in a detailed matrix and in a heat map. The results were shared, discussed, and approved by both the Managing Board and the Audit Committee of the Supervisory Board. HUGO BOSS plans to revisit and update its DMA annually, with the **next revision** scheduled for mid-2025. As part of this, we are committed to continuously developing our DMA approach to ensure we continue aligning with evolving best practices and legal requirements.

Overview of material ESG topics

The following chart provides an **overview of the ESG topics** considered to be material according to our DMA.

OVERVIEW OF MATERIAL ESG TOPICS



Environment

- 1 Climate Change
- 2 Energy
- 3 Pollution of air
- 4 Pollution of water
- 5 Pollution of soil
- 6 Pollution of living organisms and food resources
- 7 Substances of concern and very high concern
- 8 Microplastics
- 9 Water consumption
- 10 Water withdrawals
- 11 Water discharges
- 12 Marine resources
- 13 Biodiversity and ecosystems
- 14 Resources inflows, including resource use, and resources outflows
- 15 Waste

Social

- 16 Working conditions (own workforce)
- 17 Equal treatment and opportunities for all (own workforce)
- 18 Other work-related rights (own workforce)
- 19 Working conditions (value chain)
- 20 Equal treatment and opportunities for all (value chain)
- 21 Other work-related rights (value chain)
- 22 Affected communities
- 23 Information-related impacts for consumers/end-users
- 24 Personal safety of consumers/end-users
- 25 Social inclusion of consumers/end-users

Governance

- 26 Corporate culture
- 27 Protection of whistle-blowers
- 28 Animal welfare
- 29 Political engagement and lobbying activities
- 30 Management of relationships with suppliers including payment practices
- 31 Corruption and bribery

For a **detailed overview** of the ESG-related impacts, risks and opportunities that we have identified as material in our DMA, please refer to section "Material ESG-related Impacts, Risks and Opportunities." > **Additional Disclosures on the Combined Non-financial Statement**

Mapping of the material ESRS topics to the five aspects in accordance with Section 289c HGB

The subsequent structure of this combined non-financial statement follows the thematic organization of ESRS Set 1. Consequently, **environmental matters**, including information in accordance with Article 8 of Regulation 2020/852 (Taxonomy Regulation), are addressed in the "Environment" section. **Employee matters** appear under "Social – Own Workforce" and "Governance," while **social matters** are predominately outlined in "Social – Consumers and End-Users." The topic of **human rights** is discussed across "Social – Own Workforce" and "Social – Workers in the Value Chain." Lastly, **anti-corruption and bribery matters**, even if these were not classified as material under the DMA, are covered in the "Governance" section.

For a list summarizing **data points that derive from other EU legislation**, please refer to the section "Additional Disclosures on the Combined Non-Financial Statement." This statement also contains a limited number of **additional ESG data points** below materiality thresholds aimed at further increasing transparency. The corresponding information is also provided in the section "Additional Disclosures on the Combined Non-Financial Statement." > [Additional Disclosures on the Combined Non-financial Statement](#)

Environment

Climate change

In the global textile and apparel industry, CO₂ emissions primarily originate from the cultivation and production of fibers, as well as energy-intensive processes such as dyeing, washing, and bleaching. Additional emissions also stem from our own business activities and the value chain, where transportation, particularly air freight, contributes to our carbon footprint. Additionally, consumer practices like washing, drying, and disposing of textiles add to the environmental impact, intensifying global warming. At HUGO BOSS, we recognize our shared **responsibility to protect the climate**, prioritizing the implementation of less impactful processes both within our operations and throughout our supply chain.

Transition plan for climate change

HUGO BOSS is **committed to reducing greenhouse gas emissions** and aims to achieving net zero emissions by 2050, in alignment with the Paris Agreement's 1.5°C target. However, as methodologies and international regulations continue to evolve, the Company's existing climate transition plan is currently under review. While our emission reduction targets for 2030 and 2050, remain unchanged and valid for now, we are actively working on an updated, comprehensive transition plan that incorporates recent advancements and better addresses today's challenges. Scheduled for publication in 2025, our revised plan will provide a robust framework for future action and align with best practices. Moving forward, we will report on its progress and outcomes, reinforcing our commitment to meaningful climate action. > [Targets related to Climate Change](#)

Policies related to climate change

Our **Environmental Policy** underscores our commitment to sustainability by setting strict standards to minimize environmental impact, conserve resources, reduce water consumption, and enhance energy efficiency across our operations and supply chain. The policy addresses significant environmental impacts, such as the reliance on non-renewable energy, high energy consumption, and energy-intensive manufacturing, while also requiring resource efficiency and the adoption of renewable energy. Monitoring involves tracking energy use, pollution levels, and compliance with ISO 14001 (environmental management system) and ISO 50001 (energy management system). Suppliers are also encouraged to adopt best practices, with the policy applying globally and in alignment with local regulations. As part of its Environmental Policy, HUGO BOSS actively collaborates with organizations such as the United Nations Framework Convention on Climate Change (UNFCCC) and the Zero Discharge of Hazardous Chemicals (ZDHC) program.

Our **Logistics Guideline**, forming an integral part of our Environmental Policy, provides a strategic framework for planning and executing global transportation processes. It emphasizes low-emission transport options and aims to reduce carbon emissions throughout our logistics network, both at our own sites and at those of our partners along the supply chain. The guideline also promotes optimizing delivery routes and consolidating shipments to minimize environmental impact, reinforcing our commitment to sustainable logistics.

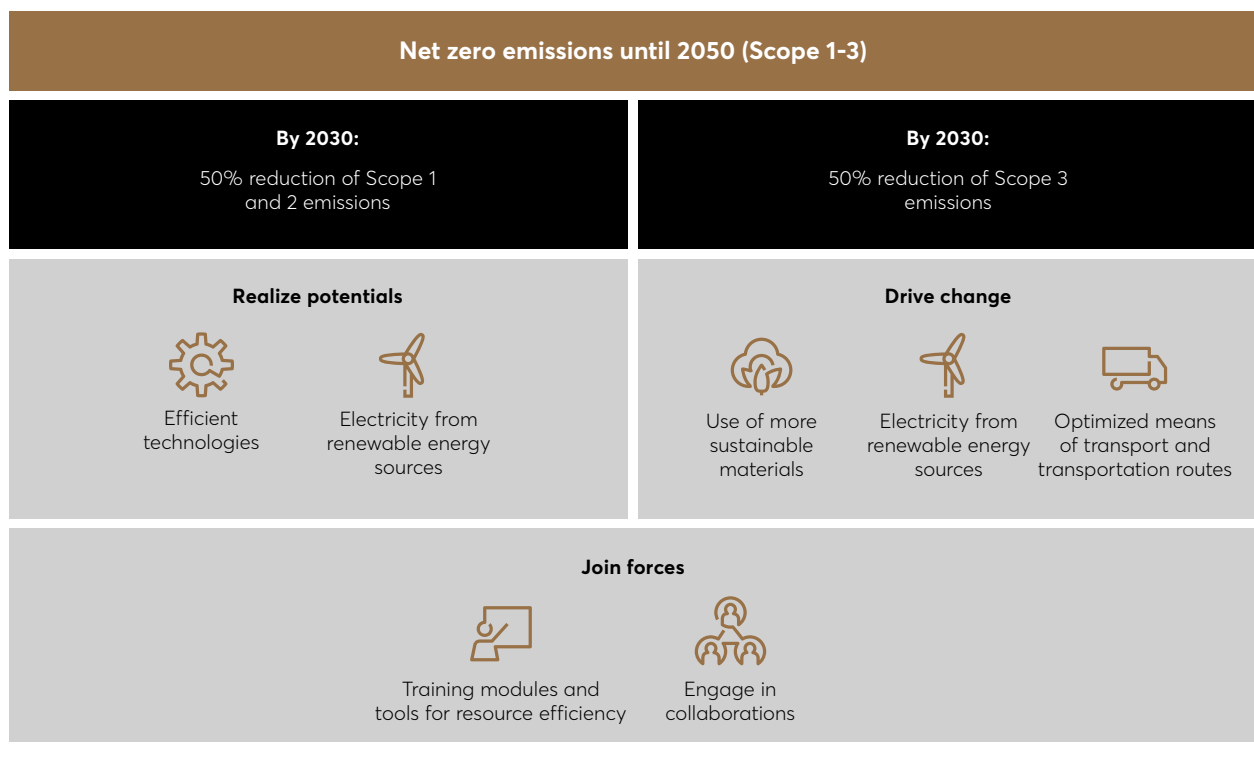
To accelerate climate protection within our supply chain, the HUGO BOSS **Supplier Code of Conduct** establishes clear standards and expectations for suppliers across various operational aspects, with a strong emphasis on environmental protection. The code provides comprehensive guidelines to ensure suppliers meet stringent environmental requirements, including the identification and monitoring of energy sources and tracking of greenhouse gas emissions. Suppliers are required to develop roadmaps to reduce energy consumption and emissions while responsibly managing natural resources. In addition to strict compliance with environmental regulations, suppliers are also encouraged to implement measures to avoid waste and pollution, and to use energy and water efficiently. By adhering to these principles, HUGO BOSS promotes a responsible and sustainable environmental culture in its supplier network and ensures that its business practices actively support global environmental protection efforts.

Targets related to climate change

HUGO BOSS has set the target to **cut emissions by 50% (Scope 1–3) by 2030**, based on a 2019 baseline (458,902 t CO₂). This mid-term goal aligns with the requirements of the Fashion Industry Charter for Climate Action, which aims to limit global warming to a maximum of 1.5°C, governed by the UNFCCC. Moreover, we are dedicated to achieving **net zero emissions (Scope 1–3) by 2050** in full alignment with the UNFCCC Charter. Scope 1 emissions refer to direct greenhouse gas emissions from sources owned or controlled by the Company, such as fuel combustion in Company facilities or vehicles. Scope 2 covers indirect emissions from the generation of purchased energy, like electricity or heating, while Scope 3 includes all other indirect emissions across the value chain, such as those from suppliers, product use, and waste disposal. As part of revising our transition plan, we are also reviewing our mid-term emission reduction targets to ensure they remain aligned with evolving standards.

Our energy targets play a crucial role in achieving our emission reduction goals by decreasing overall energy consumption and further enhancing efficiency across our own operations. In line with our UNFCCC target, we are committed to switching to **100% electricity used from renewable sources by 2030** in our own operations. In 2024, a total of 73%, corresponding to 73,794 MWh of our consumed electricity, was renewable (2023: 60%; 57,086 MWh). HUGO BOSS is committed to **reducing its direct and indirect energy consumption per square meter by 20% by 2030** compared to the 2019 base year. The direct and indirect energy consumption in relation to the gross size (kWh/m²) decreased by 5% in 2024 compared to 2019.

FOCUS OF CLIMATE ACTIONS AT HUGO BOSS



Actions related to climate change

Own operations

The climate impact of our own operations is relatively low compared to those along our upstream and downstream value chain, with Scope 1 and 2 emissions accounting for only 5% of our total emissions. This is because the upstream stages of the value chain, in particular, involve CO₂-intensive processes. Nevertheless, further **reducing energy consumption and CO₂ emissions** at our own sites is crucial for achieving our overall targets. Our own production site in Izmir (Turkey) – by far the largest of our own production sites globally – has been certified in accordance with both ISO 14001 and ISO 50001 since 2014.

To further **reduce CO₂ emissions at our own production sites**, we are primarily investing in energy-efficient technologies and modernizing technical facilities. At its own production sites, HUGO BOSS has been purchasing electricity exclusively from renewable energy sources since 2020. In 2024, we also installed LED lighting and heat pumps at one of our key logistics hubs near our headquarters in Metzingen (Germany). Additionally, we installed temperature control steam traps to ensure an energy-efficient process and insulated steam pipelines with valve jackets to reduce heat loss at our production site in Izmir (Turkey).

In addition, we are enhancing the **procurement and use of electricity from renewable sources** also on a group-wide basis, including the installation of an additional photovoltaic system at our headquarters in 2024. To further reduce emissions, we plan to expand our photovoltaic system at one of our key distribution centers in Germany in 2025. Other measures in 2024 included the installation of hybrid cooling systems and compressed air leakage detectors at our Izmir (Turkey) site, alongside the procurement of green electricity for all our locations in Canada, Mexico, Spain, and Poland as well as for our own retail points of sale in the U.S. market.

Supply chain

To meet our overall emission reduction targets, we are actively addressing **Scope 3 emissions**, which represent approximately 95% of HUGO BOSS' total emissions. Our approach includes close collaboration with suppliers, particularly those involved in energy-intensive processes such as dyeing, coating, steaming, ironing, and hot water usage, aimed at supporting them in decarbonizing their operations.

As part of regular **environmental audits** conducted by external auditors, we monitor our suppliers' energy consumption and CO₂ emissions. Our ambition is that, as of 2026, all resource-intensive suppliers will fully comply with the environmental requirements defined by HUGO BOSS, verified through audits. We aim to report on our progress towards this target in 2025. Suppliers are classified as resource-intensive if they discharge an average of more than 15 m³ of industrial water per day, use coal as an energy source in manufacturing, or both. Based on previous assessments' results, these audits are conducted every one to three years. If any violations of environmental standards are identified, we collaborate with the respective suppliers to develop and implement action plans, which are subsequently reviewed in follow-up audits. To support continuous improvement, we also provide regular **training sessions** to keep our suppliers informed about environmental and climate protection measures, aiming to establish standardized energy and environmental management systems. This training includes guidance on best practices for carbon accounting.

To further enhance transparency and the measurability of our partners' environmental impacts, we co-developed the **"Climate Action Training for the Fashion Industry"** in 2021. This voluntary training course, created by the Fashion Industry Charter for Climate Action and selected signatories, is available online and therefore publicly available, free of charge, and offered in multiple languages. It is specifically designed for Tier 1 and Tier 2 suppliers equipping garment, textile, and footwear manufacturers with essential knowledge on climate change, our industry's environmental impact, energy efficiency, renewable energy, and practical carbon accounting techniques.

In 2024, HUGO BOSS joined Cascale, a collaborative platform which aims to strengthen industry partnerships, enhance supplier engagement, and improve data management insights. To build on this initiative, we have implemented the Cascale-developed Higg Facility Environmental Module (Higg FEM) 4.0 on the Worldly platform, one of the most widely used sustainability measurement tools in the apparel and footwear industry. This implementation is designed to help us **accurately capture and manage our Scope 3 emissions**. To ensure that our internal stakeholders are well equipped, we have conducted training sessions for key teams, including those in our brands' product divisions. These sessions focused on the functionality of Higg FEM, utilizing benchmarking opportunities for optimized order placements, and carrying out country-specific analyses.

At the beginning of 2025, we have also introduced a **"Decarbonization Commitment,"** a contractual obligation for Tier 1 suppliers to phase out coal, report mandatory data through the Higg FEM, and transition to renewable energy alternatives. This commitment is designed to ensure that our supply chain activities align with our sustainability goals, including the transition to renewable energy sources.

HUGO BOSS aims to progressively reduce its **transport-related greenhouse gas emissions (GHG)** (Scope 3.4 upstream transportation and distribution) by consistently reducing air freight and improving transport planning. Together with our global logistics partners, we are also exploring alternatives such as biofuels.

Energy consumption and mix

In 2024, the **total energy consumption** related to our own operations amounted to 137,155 MWh (2023: 132,353 MWh). This reflects a slight increase in energy consumption compared to the previous year, primarily driven by higher production volumes and a further expansion of office buildings, retail spaces, and warehouse facilities. In 2024, a total of 54%, corresponding to 73,794 MWh of our consumed energy was renewable (2023: 43%; 57,086 MWh). This signifies that 46% (63,361 MWh) of our total energy consumption is derived from fossil sources and therefore non-renewable (2023: 57%; 75,267 MWh).

ENERGY FROM FOSSIL AND RENEWABLE SOURCES (IN MWH)

	2024	2023
Fuel consumption from crude oil and petroleum products	1,708	1,005
Fuel consumption from natural gas	32,128	33,009
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	29,525	41,253
Total fossil energy consumption	63,361	75,267
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	68,865	53,934
Production and consumption of non-fuel renewable energy	4,929	3,151
Total energy consumption from renewable sources	73,794	57,086
Total energy consumption	137,155	132,353

The energy intensity, measured as the total energy consumption across all our own production facilities, warehouses, offices, and brick-and-mortar retail stores and outlets relative to Group sales, amounted to 32 MWh per million EUR in 2024 (2023: 32 MWh per million EUR).

Greenhouse gas emissions

In 2024, our global business activities resulted in a total of 550,788 metric tons (tons, t) of greenhouse gas (GHG) emissions across **Scope 1, 2, and 3** (2023: 487,252 t), calculated in accordance with the Greenhouse Gas Protocol. Total emissions increased by 13% year over year, indicating that our emission intensity – defined as total GHG emissions relative to net revenue of EUR 4,307 million – was 128 t CO₂e/EUR million in 2024 (2023: 116 t CO₂e/EUR million). Compared to the 2019 baseline, total emissions have increased by 20%, mainly due to a strong increase of production volumes since 2019.

HUGO BOSS emitted 25,520 t of **Scope 1 and 2 emissions** (2023: 28,844 t) in 2024, reflecting an 12% reduction compared to 2023 and an 18% reduction compared to the 2019 base year (2019: 30,998 t). This development mainly reflects an increased share of green electricity and the implementation of energy efficiency projects relative to the previous as well as to the base year.

In 2024, **Scope 3 emissions** amounted to 525,268 t, marking a 15% increase from the previous year (2023: 458,409 t) and an increase of 23% compared to the 2019 base year (2019: 427,903 t). The increase in Scope 3 emissions, in line with the rise in total emissions, is primarily due to the significantly higher production volume. Despite an increase in production volume, we successfully reduced GHG emission intensity per piece by 8% compared to the previous year, and by 39% compared to the base year of 2019. This calculation is based on emissions from Scope 3.1 purchased goods and services, that do not include emissions from own production sites.

In 2024, HUGO BOSS refined its **methodology for calculating Scope 3 emissions** to further enhance accuracy and credibility, aligning fully with the methodology outlined by the GHG Protocol. For determining Scope 3.1 emissions from purchased goods and services, we have now implemented the Higg Materials Sustainability Index (MSI) and the Facility Environmental Module (FEM) tools. These tools are regularly maintained by Cascale, ensuring that our data and methodology continues to meet high standards of credibility. To ensure comparability, prior-year as well as base-year figures, as outlined in the table below, have also been recalculated.

Starting in 2024, HUGO BOSS **expanded its reporting** to include 11 Scope 3 categories (up from eight in 2023), as outlined in the table below. This enhancement aligns with both GHG Protocol and Science Based Targets initiative (SBTi) guidelines, underscoring our commitment to comprehensive reporting across all relevant Scope 3 emission sources. Accordingly, we have also adjusted the baseline of our emissions reduction target to ensure accurate comparison, applying only to Scope 3 categories with updated methodologies.

GREENHOUSE GAS EMISSIONS (IN T CO₂e)

	2024	2023 ¹	Base year: 2019 ¹
Total Scope 1 emissions²	9,827	9,664	11,058
Total Scope 2 emissions (market-based)³	15,693	19,179	19,941
Scope 3 emissions ⁴			
1 Purchased goods and services	416,005	345,286	339,095
2 Capital goods ⁵	1,185	607	351
3 Fuel- and energy related activities	6,239	8,185	8,138
4 Upstream transportation and distribution	67,291	68,172	39,005
5 Waste generated in operations	2,101	2,439	708
6 Business travel	5,887	7,120	7,012
7 Employee commuting	6,347	5,072	9,895
8 Upstream leased assets	2,466	3,306	5,809
9 Downstream transportation	2,782	3,579	1,646
12 End-of-life treatment of sold products	9,718	9,648	5,429
14 Franchises	5,249	4,995	10,815
Total Scope 3 emissions⁶	525,268	458,409	427,903
Total emissions	550,788	487,252	458,902

¹ Scope 1–3 emissions for 2019, as well as Scope 3 emissions for 2023 are not part of the auditing scope.

² Scope 1 emissions include direct emissions from owned or controlled sources and emissions from own vehicles (excluding electric vehicles). Due to corrections and improvements in data quality, prior-year figures have been adjusted retrospectively.

³ 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 39,146 t in 2024 (2023: 38,848 t).

⁴ Due to the improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.

⁵ The calculation of emissions for Scope 3.2 Capital goods is based on the average-spend based method according to the GHG Protocol. The data available at the time of the annual financial statements may be corrected retrospectively, so deviations from the previous year's figures are possible.

⁶ In 2024, 62% of the Scope 3 emissions were calculated using primary data. The calculation of the primary data share was based on input factor levels, excluding emission factor data.

Pollution

Pollution is a critical issue in the apparel and textile industry, particularly in the upstream and downstream stages of the value chain. During **raw material extraction**, pesticides and fertilizers contaminate water sources, particularly in regions with less-developed agricultural practices. Soil degradation is caused by overgrazing, poor farming practices, and excessive chemical use, while improper disposal of textile waste pollutes soil and groundwater. **Textile production** significantly affects water and soil quality due to the use of chemical substances, such as fertilizers in cotton farming and various processing agents. These substances are predominantly applied in wet processes such as dyeing, washing, bleaching, and tanning, which are major contributors to water pollution through the discharge of untreated wastewater. Additionally, synthetic textiles release **microplastics** during wear and washing, polluting rivers and oceans, and harming marine life and human health. HUGO BOSS recognizes these challenges and is committed to minimizing pollution across its value chain.

Policies related to pollution

To effectively address pollution prevention and control, we have implemented an **Environmental Policy** and a **Chemical Management Policy**. Our Environmental Policy sets the framework for reducing environmental pollution overall and caring for the environment. More information on the HUGO BOSS Environmental Policy can be found in the "Climate Change" section. > [Climate Change](#)

HUGO BOSS is dedicated to the conscious and safe use of chemicals, prioritizing both environmental and health considerations through its **Chemical Management Policy**. This policy outlines clear guidelines for the storage, use, and disposal of hazardous substances, aiming to minimize environmental impact and actively promote safer alternatives. It addresses key concerns such as preventing water pollution and reducing air and soil contamination by adhering to internationally recognized standards, including the **Zero Discharge of Hazardous Chemicals (ZDHC)** initiative, which HUGO BOSS joined in 2017. This initiative provides standardized tools to assess and enhance suppliers' chemical management practices.

A core element of this initiative is the **ZDHC Manufacturing Restricted Substances List (MRSL)**, which identifies harmful chemical formulations that need to be phased out. The MRSL sets strict limits for critical process chemicals and supports efforts to monitor and mitigate water pollution. It forms an integral part of HUGO BOSS' supplier contracts, requiring all suppliers, including our own production facilities, to verify their chemical inventories against the MRSL.

To ensure that our products are free from harmful substances, we have established a **Restricted Substances List (RSL)** and Product Compliance Guideline. These comprehensive documents define product safety and marketability requirements, setting a clear framework for compliance throughout our supply chain. Our suppliers are required to adhere to our RSL, which strictly regulates substances in our products to ensure they meet the highest safety standards. It aligns with the recommendations of the **Apparel and Footwear International RSL Management (AFIRM) Group**, incorporating their substance lists, thresholds, and test methods for a structured approach to managing restricted substances.

HUGO BOSS extends the obligations of the MRSL and the RSL beyond its Tier 1 suppliers, mandating that upstream suppliers also comply with its standards, fostering **collective commitment** to product safety and sustainability.

Targets related to pollution

HUGO BOSS is committed to ensuring that **all Tier 1 and direct Tier 2 suppliers using wet processes meet the ZDHC MRSL reporting or an equivalent standard by 2030**. We have set an interim target for all strategic Tier 1 suppliers using wet processes to meet the requirements by 2025. In 2024, 42% of the production sites in scope met the chemical inventory requirements (2023: 47%), including 65% of our strategic suppliers (2023: 67%). For wastewater tests, 62% of the production sites in scope complied with the specifications (2023: 58%), including 85% of our strategic suppliers (2023: 78%).

To enhance water and soil quality, we aim to source **100% of the natural materials used in our products' fabrics and linings according to regenerative principles or through closed-loop recycling by 2030**, excluding license products. As of 2024, 12% of our natural materials already met these criteria (2023: 1%). This goal is designed to prevent soil and water pollution by promoting better cultivation practices that minimize excessive fertilizer and pesticide use. In doing so, we aim to combat soil degradation, improve soil quality, and protect water ecosystems from harmful contamination caused by conventional agricultural methods, such as traditional cotton farming. Additional information on this target can be found in the "Biodiversity and Ecosystems" section. > [Biodiversity and Ecosystems](#)

HUGO BOSS also aims to systematically reduce its reliance on non-renewable synthetic fibers to actively contribute to the reduction of microplastics. In this context, we are committed to **eliminating the use of polyester and polyamide in all our products' fabrics and linings by 2030**. In 2024, polyester and polyamide accounted for 18% of all fabrics and linings (2023: 18%). This target underscores our commitment to reducing environmental pollution and safeguarding ecosystems.

Actions related to pollution

To reduce environmental impacts in production, we are **collaborating closely with our suppliers and other businesses** in the global apparel industry, including through initiatives such as the ZDHC. By adopting the ZDHC "Roadmap to Zero" framework, we have enhanced our ability to monitor and improve chemical management across the supply chain. Additionally, as a member of the AFIRM Group, we leverage their tools to maintain high standards of chemical compliance and product safety at every stage of production.

Recognizing the environmental risks posed by chemicals in products, HUGO BOSS **eliminated the use of harmful per- and polyfluoroalkyl substances (PFAS)** in production processes as early as 2018. This ban is now an integral part of our RSL and we remain committed to phasing out additional harmful substances and materials in the future.

To ensure **our products are free from substances of very high concern (SVHC)**, we conduct regular monitoring through rigorous testing. Our Product Risk Database integrates third-party test reports for products, fabrics, and trimmings, enabling us to effectively track restricted substances and particularly focus on identifying and managing SVHCs. This proactive approach aims to ensure compliance with regulatory requirements while minimizing risks to consumers and the environment.

To combat microplastic pollution, we are focusing on reducing our reliance on non-renewable synthetic fibers and minimizing their environmental impact. Therefore, "Fight Microplastics" is a key pillar of our sustainability strategy. Our **strategic partnership with Swiss innovator HeiQ**, established in 2022, is an important step in this direction. Together, we developed AeoniQ, a cellulose yarn that offers similar properties to polyester and polyamide. Having successfully launched its first AeoniQ polo shirts in 2023, BOSS introduced its first sneakers made with AeoniQ in 2024. Moving forward, we will continue to strengthen this partnership by gradually increasing the use of AeoniQ yarn in our brands' collections. > [Resource Use and Circular Economy](#)

Water resources

At HUGO BOSS, we are **committed to a responsible water management and conservation throughout our operations and supply chain**. We recognize the material impacts our activities have on water resources, particularly through the cultivation of water-intensive raw materials like cotton and water use in upstream production processes. We are therefore dedicated to reducing or at least minimizing water scarcity risks for surrounding communities and ecosystems. By implementing targeted initiatives and collaborating closely with our suppliers, we strive to lower water withdrawal, enhance efficiency, and minimize our environmental footprint.

Policies related to water resources

Water management is a core component of our **Environmental Policy**. We require our suppliers to monitor and optimize their water consumption through effective strategies. Water withdrawals from surface or groundwater sources must at least comply with national or local requirements. Suppliers engaged in water-intensive production processes are particularly encouraged to continuously optimize their water efficiency. More information about our Environmental Policy can be found in the "Climate Change" section. [> Climate Change](#)

Actions related to water resources

In 2024, we launched a **partnership with Cascale and Worldly**, as detailed in the "Climate Change" section, to enhance, among other things, tracking of water consumption at our suppliers. This collaboration is expected to provide valuable insights into water usage across our supply chain, enabling us to design effective strategies for reducing water consumption going forward. In the first year, our focus was on establishing the partnership and creating a strong foundation for comprehensive data collection, paving the way for a detailed action roadmap and optimal resource allocation. [> Climate Change](#)

When implementing future measures along the supply chain, we will also draw on the expertise gained from multiple **water management initiatives** implemented at our own sites in the prior years. At our largest production site in Turkey, for example, we have installed groundwater collection systems to support green area irrigation and sanitary installations. Additionally, we have introduced water-saving aerator fittings at multiple locations, reducing water consumption by incorporating air into the water flow.

Biodiversity and ecosystems

Natural raw materials depend on **healthy and diverse ecosystems**, sustained by intact and thriving biodiversity. As our products are predominantly crafted from natural materials such as cotton and wool, this underscores our deep reliance on the preservation of biodiversity. This dependency is shared across the broader fashion industry, which significantly impacts ecosystems worldwide. Unsustainable cultivation practices, such as the excessive use of fertilizers and pesticides in cotton farming, and habitat destruction through extensive land use and deforestation contribute to biodiversity loss. Additionally, the extraction of raw materials like cotton and leather through the exploitation and expansion of agricultural land can lead to habitat loss, while relying on virgin materials in general as well as waste generation during manufacturing exacerbate these challenges. Recognizing these industry-wide impacts, HUGO BOSS has made biodiversity a priority in its sustainability management, striving to balance our **dependency on natural resources** with proactive efforts to mitigate adverse impacts on ecosystems.

Transition plan for biodiversity and ecosystems

HUGO BOSS is actively taking steps to address the important topic of biodiversity and ecosystems. This includes conducting a comprehensive resilience analysis of our business model and strategy concerning biodiversity and ecosystem-related risks. As a first step, we are currently planning to conduct a biodiversity impact assessment, which will lay the groundwork for a future resilience analysis. This assessment will also inform the potential development of a **transition plan**, ensuring that biodiversity considerations are systematically integrated into our strategic framework.

Policies related to biodiversity and ecosystems

Our **Environmental Policy** underscores our commitment to sustainability by conserving natural resources, enhancing energy efficiency, and addressing material risks, while also seizing opportunities to promote renewable energy and resource efficiency across our operations and supply chain. The policy underscores our efforts to conserve resources by continuously evaluating and adopting alternative materials that reduce impacts on biodiversity and ecosystems. Further details on the policy are available in the "Climate Change" section. [> Climate Change](#)

Our **Biodiversity Strategy Paper** emphasizes our responsibility to care for and enhance ecosystems as part of our broader sustainability commitment. The framework is designed to address key dependencies on natural resources such as cotton and wool, while including specific, measurable targets to reduce the negative environmental impact across our supply chain. Our approach prioritizes responsible sourcing and generally excludes materials such as exotic leather. We collaborate closely with organizations such as Canopy to adopt practices that support biodiversity. These partnerships strengthen our commitment to better raw material sourcing and highlight our role in caring for vulnerable ecosystems. Our strategy addresses both physical risks – such as fluctuations in raw material availability from climate-sensitive regions – and transition risks tied to the ongoing shift towards regenerative or closed-loop materials. Our risk assessment process is guided by the LEAP (locate, evaluate, assess, and prepare) framework from the Taskforce on Nature-related Financial Disclosure (TNFD), which helps us to identify biodiversity-related dependencies and risks across our supply chain.

To enhance **transparency and accountability**, HUGO BOSS is committed to ensuring traceability across its supply chain. We source from certified suppliers, such as tanneries accredited by the Leather Working Group (LWG) and adhere to Canopy's standards for our wood-based materials to prevent deforestation. This includes our standard that all man-made cellulosic fibers we use – such as lyocell, modal, and viscose – are required to be certified. Our Biodiversity Strategy Paper also aims to sustain biodiversity by prioritizing the avoidance of deforestation for resources including cotton and wood-based packaging. By emphasizing sustainable land use and partnering with regenerative farming initiatives, we actively support ecosystem resilience. **Regenerative farming** is a holistic approach that aims to restore and enhance soil health, biodiversity, and ecosystem resilience. It promotes practices such as crop rotation, reducing the use of critical chemicals, and protecting endangered species to support more environmentally friendly agricultural systems. Since there is currently no standardized definition of this concept, HUGO BOSS has developed its own clearly defined standards. > **Actions related to Biodiversity and Ecosystems**

HUGO BOSS is committed to forest conservation by responsibly sourcing materials for paper, packaging, and fabrics. This approach is reflected in our **Commitment to Protect Forests**, which applies to all wood-derived materials used in paper, packaging, and fabrics throughout our global operations. This policy was developed with careful consideration of our stakeholders' interests, including environmental organizations, suppliers, and consumers. In support of this commitment, HUGO BOSS adheres to recognized third-party standards, including those of the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), reinforcing our dedication to sustainable sourcing.

Targets related to biodiversity and ecosystems

To contribute to the protection of biodiversity and ecosystems as part of its broader sustainability strategy, HUGO BOSS has set the goal of **sourcing 100% of natural materials used in its products' fabrics and linings according to regenerative principles or through closed-loop recycling by 2030**. License products are excluded from this goal. As of 2024, 12% of our natural materials have already met these criteria (2023: 1%). This commitment is aimed to minimize our impact on natural resources while actively supporting ecological restoration. By prioritizing regenerative farming, we aim to enhance soil health, restore habitats, and promote biodiversity, moving beyond conventional practices such as monoculture farming and excessive pesticide use. Our focus on closed-loop recycling further reduces the dependence on virgin raw materials, decreasing waste and protecting ecosystems from resource extraction pressures.

Actions related to biodiversity and ecosystems

Recognizing the importance of intact ecosystems and biodiversity, we are taking steps to identify, assess, and disclose nature-related risks and opportunities, thereby improving decision-making and accountability. In this context, we plan to publish our first **Taskforce on Nature-related Financial Disclosures (TNFD)** report in 2025, drawing on our experience with the Task Force on Climate-related Financial Disclosures (TCFD) report, which we have been publishing annually since 2021. By integrating biodiversity and ecosystem considerations into our financial and strategic planning, we aim to further strengthen our sustainability commitment.

To prepare for TNFD reporting, a key priority in 2024 was to identify and implement a tool for a comprehensive **biodiversity impact assessment**. In 2025, we plan to extend the tool's application to our Tier 1 suppliers and Tier 4 farmers practicing regenerative farming. For Tier 1, our initial focus will be on identifying suppliers located near biodiversity hotspots and ecologically sensitive areas. A thorough analysis will assess aspects such as land use and changes, proximity to sensitive ecosystems, and the presence of threatened species. These findings will inform the development of our biodiversity strategy and a transition plan with actionable steps and timelines. Once these foundations are established, we will expand the assessment to include other relevant suppliers. In close collaboration with key stakeholders like regenerative farmers and local communities, we will then implement the plan to support both biodiversity preservation and community resilience.

In 2024, we expanded our portfolio of approved farms and farmer associations, laying the foundation for scaling our **regenerative farming initiative** in the coming years. A cornerstone of this effort is our partnership with Raddis, a cooperative based in India promoting regenerative farming and empowering farmers directly. In 2024, we extended this partnership for another three years to further strengthen these efforts.

At HUGO BOSS, we recognize the importance of fostering **direct engagement with farmers and agricultural associations** committed to cultivating regenerative raw materials. To ensure consistency and alignment across our regenerative sourcing efforts, we developed an internal Regenerative Agriculture Brochure. This comprehensive guide outlines our approach to regenerative farming and establishes clear criteria across four key areas: soil health, biodiversity, animal welfare, and social fairness. A key aspect is the detailed explanation of our evaluation process for regenerative partners, which follows five distinct steps: scouting, nominating, interviewing, evaluating and approving. Furthermore, the brochure outlines the three performance levels of our regenerative principles: improving soil health and conserving biodiversity, restoring biodiversity, and promoting social fairness. This structured approach ensures targeted support for farmers at various stages of their regenerative journey.

To promote biodiversity not only on land but also in the oceans and to support the restoration of marine ecosystems, in 2024, the **HUGO BOSS Foundation** has entered into a long-term partnership with Coral Gardeners. Established in 2023, the HUGO BOSS foundation is dedicated to **supporting climate and environmental protection initiatives** around the globe. Coral Gardeners, a non-profit organization, focuses on the restoration and conservation of coral reefs in regions such as French Polynesia, Fiji, and Thailand. As part of this partnership, the HUGO BOSS Foundation will contribute EUR 2 million to Coral Gardeners over several years, reinforcing its commitment to protecting our planet's ecosystems.

Resource use and circular economy

As a global fashion company, HUGO BOSS recognizes its responsibility to **protect natural resources** and actively contribute to the **transition toward a circular economy**. Consequently, we identified circularity as a strategic priority at an early stage and anchored it as a key pillar of our sustainability strategy. > **Group Strategy, "Sustainable Throughout"**

The fashion industry's production processes require large quantities of virgin raw materials, such as cotton and wool, as well as synthetic fibers like polyester, which necessitate ongoing resource extraction. This reliance contributes to significant environmental challenges, including deforestation, excessive water use, and pollution. Additionally, substantial waste is generated during garment production and at the post-consumer stage when clothing is disposed of rather than being reused or resold. This exacerbates environmental burdens and also depletes valuable raw materials. **Packaging**, particularly single-use plastic, further adds to the environmental impact, contributing to resource depletion, large volumes of non-biodegradable waste, and pollution that enters ecosystems, threatening wildlife and disrupting habitats. The lack of efficient systems for reusing and recycling packaging materials compounds the problem, depleting valuable resources and further contributing to pollution. More information on how these challenges threaten biodiversity and ecosystems can be found in the "Biodiversity and Ecosystems" section. > **Biodiversity and Ecosystems**

Policies related to resource use and circular economy

Our **Material Strategy** underscores our commitment to more responsible resource use and circular economy principles. This guideline emphasizes our approach to increasing the use of recycled and certified materials, outlining our standards for the selection and usage of materials in our products. Its key elements include the classification of raw materials, an overview of our regenerative farming principles, and our "WE CARE" initiative, as well as details on our brands' circular styles. Our "WE CARE" initiative aims to increasingly use better raw materials in our collections, meaning these materials are either recycled, sourced from regenerative farming, supporting circular design practices or certified by external standards. An overview of key standards and certifications for the respective materials can be found in our Material Strategy, available on our corporate website. With regard to our brands' circular styles, we adhere closely to circular.fashion's Circular Design Criteria, offering a comprehensive framework for circular textile products. At HUGO BOSS, circular products must meet three criteria: using renewable or recycled raw materials, being long-lasting, and being designed for recycling, for example by reducing the use of material mixes. We are continuously working on increasing the use of recycled post-consumer textile waste in our collections.

To ensure that our circular products are developed and produced in alignment with our circularity goals, we have established an internal **Circular Product Policy**. This policy provides detailed information on internal organizational responsibilities, our circular design criteria, a list of materials that can be used in circular styles, and guidelines on how to design products to be recyclable.

Targets related to resource use and circular economy

HUGO BOSS aims for **80% of its apparel products to be circular by 2030** (measured by production volume, number of apparel items). In 2024, we increased this share to 33%, thus making further progress toward our 2030 goal (2023: 17%). We have also set a target for our most used raw material, aiming to **source 100% of our cotton used in fabrics and linings sustainably by the end of 2025** in accordance with the criteria of our Material Strategy. **Materials classified as more sustainable** must either be certified by an external standard such as the Organic Content Standard (OCS), be recycled, or sourced through mass balance systems like Cotton made in Africa (CmiA). Cotton, in particular, is also considered more sustainable when sourced from verified regenerative farming practices. In 2024, we already achieved our 2025 target by reaching a 100% share of sustainable cotton (2023: 98%). As regenerative farming is a key lever for sourcing more sustainable cotton, we have also set the goal of sourcing 100% of the natural materials used in the fabrics and linings of our products according to regenerative principles or through closed-loop recycling by 2030. Licensed products are excluded from this target. To ensure transparency and foster collaboration, we actively engage with external stakeholders, including textile sustainability experts and partners like Raddis, a cooperative based in India promoting regenerative farming and empowering farmers directly. Further information on regenerative farming and the corresponding target can be found in the "Biodiversity and Ecosystems" section.

> Biodiversity and Ecosystems

At HUGO BOSS, we are committed to reducing packaging and continuously improving its environmental impact through responsible material choices and more innovative solutions. In 2024, we successfully reduced packaging weight per item by 15% compared to 2023. At the same time, we aim to achieve a **30% reduction in single-use plastic packaging per item by 2030** (excluding hangers and suit bags), also compared to 2023 levels. This target encompasses product, transport, e-commerce, and service packaging. In 2024, single-use plastic packaging slightly increased by 4%.

Actions related to resource use and circular economy

In 2024, we reinforced our commitment to innovative and circular designed products. To increase awareness, particularly among our design and development teams, we conducted **specialized training courses on circular design principles** and their practical application. Additionally, we introduced a mandatory annual training program to align our teams with our sustainability targets and material standards, fostering a unified approach to the use of better materials. To increase the use of materials with a lower environmental impact compared to conventional alternatives such as polyester and polyamide, we further strengthened our **strategic partnership with Swiss innovator HeiQ**. For more information on this initiative, please refer to the "Pollution" section. > **Pollution**

As part of our ongoing **innovation efforts**, we also collaborated with one of our suppliers to develop NovaPoly, a trademarked yarn made from pre- and post-consumer recycled polyester textile waste, reflecting our continued effort to reduce textile waste.

In 2024, we revised our **packaging targets and standards**, further committing to reducing packaging waste and promoting circularity, placing particular emphasis on minimizing plastic waste. As part of this initiative, we established new targets and standards for all aspects of our upstream and downstream operations, including product, transport, e-commerce, and service packaging. This new target, outlined further above, form the cornerstone of our approach to less impactful packaging.

Resource inflows

HUGO BOSS relies on a variety of resources to support its operations and value chain activities. These include both **natural and synthetic materials**, as outlined in the following tables. Biological materials such as cotton, wool, and leather constitute a significant share of our input materials and are carefully selected to meet our sustainability standards, prioritizing certified and consciously managed supply chains. Synthetic materials, such as polyester and polyamide, also form an integral part of our input materials. To reduce our reliance on virgin resources, we are increasingly focusing on recycled alternatives. We are fully committed to continuously expanding the use of better and recycled materials across our brands' collections.

NATURAL AND SYNTHETIC MATERIALS USED

	2024				2023			
	Metric tons	In % of total	Share of more sustainable materials (in %) ¹	Share of recycled material (in %) ²	Metric tons	In % of total	Share of more sustainable materials (in %) ¹	Share of recycled material (in %) ²
Cotton	13,761	57	100	0	13,267	53	98	1
Natural rubber	604	3	0	0	751	3	0	0
Linen	146	1	60	0	168	1	53	0
Hemp	1	0	12	0	1	0	18	0
Other	6	0	0	0	4	0	0	0
Total biological materials	14,517	60	97	0	14,191	57	92	0
Sheep wool	1,756	7	49	3	2,084	8	45	1
Leather	939	4	86	3	1,108	4	61	2
Silk	38	0	3	0	56	0	6	0
Cashmere	35	0	33	0	45	0	18	0
Mohair	2	0	100	0	2	0	100	0
Down	1	0	100	0	0	0	100	0
Other ³	48	0	0	0	58	0	0	0
Total animal-derived materials	2,820	12	60	3	3,354	13	49	1
Polyester	3,194	13	11	11	3,259	13	15	15
Polyamide	1,210	5	20	20	1,220	5	16	15
Elastane	408	2	4	4	402	2	2	2
Other ⁴	855	4	0	0	1,289	5	0	0
Total fossil-based materials	5,666	24	11	11	6,171	25	11	11
Viscose	808	3	100	2	911	4	100	3
Lyocell	119	1	100	0	119	1	100	6
Modal	65	0	100	0	58	0	100	0
Other ⁵	68	0	0	0	80	0	0	0
Total cellulose-based materials	1,060	4	94	2	1,167	5	93	3
Remaining materials	40	0	0	0	81	0	0	0
Total materials	24,103	100	72	3	24,964	100	66	3

¹ Materials classified as more sustainable by HUGO BOSS must either be certified by an external standard such as the Organic Content Standard (OCS), be recycled, or be sourced through mass balance systems like Cotton made in Africa (CmiA). Specifically, cotton is also considered more sustainable if it comes from verified regenerative farming practices.

² We generally classify recycled materials as "more sustainable," so the values presented here also contribute to the share of more sustainable materials.

³ This also includes other animal-derived materials, such as alpaca wool or goat hair.

⁴ This also includes other fossil-based materials, such as acrylic or polypropylene.

⁵ This includes other cellulose-based materials, such as cupro and acetate.

Packaging is essential for protecting our products during transport and shipping, while reinforcing our brands' premium positioning in the global apparel market. In 2024, 84% of our product packaging was made from renewable materials (2023: 85%). As part of our commitment to resource conservation, we are transitioning to more sustainable raw materials, including certified and recycled sources. In 2024, 92% of our paper packaging was certified (2023: 93%), and 59% was made from recycled material (2023: 70%), reflecting our dedication to sourcing from consciously managed forests and reducing the use of virgin materials. We are also focused on increasing the circularity of our packaging. In 2024, 100% of our packaging materials were recyclable (2023: 100%), further demonstrating our efforts to conserve resources and reduce waste.

PACKAGING MATERIALS USED AND THEIR RECYCLED CONTENT

	2024			2023		
	Total (in t)	In % of total	Share of recycled materials (in %)	Total (in t)	In % of total	Share of recycled materials (in %)
Transport and shipping cartons	4,898	44	73	5,421	42	79
Carrier bags	1,504	13	76	1,809	14	77
Product/gift boxes	1,273	11	58	2,182	17	89
Other	1,667	15	1	1,497	12	1
Total paper packaging	9,342	83	59	10,910	85	70
Polybags and garment covers	607	5	44	572	4	39
Hangers	443	4	99	524	4	99
Suit bags	267	2	100	268	2	19
Other	481	4	19	440	3	17
Total plastic packaging	1,798	16	59	1,804	14	48
Hanger hooks	47	0	11	58	0	11
Other	3	0	0	1	0	0
Total metal packaging	50	0	11	59	0	11
Natural materials (e.g., cotton)	24	0	0	31	0	0
Total packaging	11,214	100	58	12,804	100	66

Circular business models

A primary objective of circularity is to minimize waste at all critical stages of the product life cycle. To achieve this goal, we focus on **reusing surplus materials** from production and **extending the product life cycle** through reuse, repair and resale initiatives.

In 2024, we successfully launched Eightyards, a subsidiary dedicated to the **reuse and recycling of our surplus materials**. Its concept is strategically aligned with our commitment to accelerate resource-efficient production processes and the reduction of post-production waste. Officially starting operations in early 2025, Eightyards aims to become a leading player in recycling and repurposing surplus materials across various industries, including fashion.

Additionally, in early 2025, we initiated a strategic partnership with Sellpy, a European re-commerce platform specializing in fashion. This collaboration offers customers a **convenient way to extend the life of pre-owned fashion items**. As part of the service, they can send in their items – including BOSS, HUGO, or other brands – for resale and receive a credit once the items are sold. This offer is initially available in selected European markets and highlights our commitment to circular economy.

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The European Green Deal, introduced by the European Commission in 2019, aims to achieve net-zero greenhouse gas emissions in the European Union by 2050. A key part of this strategy is the EU Taxonomy, a **classification system that defines “environmentally sustainable” economic activities**. Its purpose is to guide capital flows toward sustainable investments by classifying economic activities based on their contribution to six environmental objectives: (1) “Climate change mitigation,” (2) “Climate change adaptation,” (3) “Sustainable use and protection of water and marine resources,” (4) “Transition to a circular economy,” (5) “Pollution prevention and control,” and (6) “Protection and restoration of biodiversity and ecosystems.”

For fiscal year 2024, HUGO BOSS has conducted a thorough analysis, concluding that, just like in the prior year, **no financially material taxonomy-aligned sales, CapEx, or OpEx** are to be reported, in particular as our primary economic activities are not yet covered by the EU Taxonomy. The following section contains the mandatory reporting related to the EU Taxonomy, reflecting the most current interpretation available at the time this combined non-financial statement was prepared.

Reporting on “environmentally sustainable” economic activities

The EU Taxonomy requires companies to report on their taxonomy-aligned, or “environmentally sustainable,” economic activities in accordance with EU criteria. This involves disclosing the shares of **sales, capital expenditure (CapEx), and operating expenses (OpEx)** related to both taxonomy-eligible and taxonomy-aligned economic activities for all six environmental objectives.

Taxonomy-eligible economic activities are those that meet the respective activity descriptions outlined in the EU Taxonomy, regardless of whether they fulfill the technical screening criteria. Economic activities become **taxonomy-aligned** if they make a significant contribution to the respective environmental objective by complying with the technical screening criteria, do no significant harm (“DNSH”) to the other environmental objectives, and adhere to the minimum safeguards set out by the EU Taxonomy.

The delegated acts published to date in connection with the EU Taxonomy on the six environmental objectives still only cover a limited number of sectors and economic activities. For the primary economic activities of **companies in the global apparel market**, and thus also of HUGO BOSS, the delegated acts currently only cover a very limited number of potentially relevant economic activities in connection with the objective (4) “Transition to a circular economy,” including the sale of second-hand goods and repair and refurbishment services. While these activities currently only play a minor role in our business model, our **primary economic activities** are by definition not taxonomy-eligible. However, there are some activities listed in the delegated acts that, while not revenue-generating, are relevant to our Company’s **basic infrastructure** such as real estate or energy generation facilities.

In light of the broad range of potentially eligible economic activities, HUGO BOSS applies the **principle of materiality** when reporting on the EU Taxonomy. Consistent with our approach in the prior year, we classify an economic activity as taxonomy-eligible if its KPI value at economic activity level is at least 0.5% of the total sales or total CapEx denominator.

Sales

The core business of HUGO BOSS is not covered by the current EU Taxonomy criteria. Therefore, we report the shares of **taxonomy-eligible and taxonomy-aligned sales** in fiscal year 2024 as 0%, as in the previous year. Irrespective of this, HUGO BOSS is striving to significantly expand its activities in circularity going forward, having firmly anchored a clear commitment to "Increase Circularity" in its sustainability strategy.

> **Resource Use and Circular Economy**

Capital expenditure (CapEx)

For fiscal year 2024, no economic activities were identified with CapEx amounts exceeding the defined materiality threshold, except for the **construction of a new office building** at our headquarters in Metzingen (Germany), which qualifies under the taxonomy-eligible activity 7.1, "Construction of new buildings." HUGO BOSS is pursuing platinum certification from the German Sustainable Building Council (DGNB) for the building, with completion expected in 2025. While the DGNB certification reflects a high standard of sustainability, it does not fully cover all EU Taxonomy criteria. As a result, complete evidence of alignment with these specific criteria was unavailable as of the reporting date, and therefore, the CapEx related to the office building project is reported as not taxonomy-aligned for fiscal year 2024.

Consequently, the **taxonomy-eligible CapEx** for 2024 in relation to the total CapEx incurred of EUR 645 million ("denominator") amounts to 2% (2023: 0% with a denominator of EUR 537 million). The share of **taxonomy-aligned CapEx**, again in relation to the denominator, however, amounts to 0% (2023: 0%). In accordance with the taxonomy regulation, the CapEx to be used in determining the denominator mainly comprises additions to property, plant, and equipment and intangible assets before depreciation, amortization, and revaluations, as well as right-of-use asset additions from long-term leases. The amount of the denominator can be reconciled to the disclosures made in the Combined Management Report under "Financial Position" and in the Consolidated Financial Statements under Note 9. > **Financial Position, Capital Expenditure**

Operating expenses (OpEx)

In accordance with the EU Taxonomy, the OpEx used to calculate the denominator primarily includes direct costs relating to research and development, building renovation, short-term leasing, maintenance, and repair. However, the majority of the OpEx of HUGO BOSS, such as sales and marketing, general administration, and logistics expenses, do not fall under this definition. For fiscal year 2024, the OpEx denominator amounts to EUR 128 million (2023: EUR 135 million). In relation to the Company's total OpEx of EUR 2,299 million for fiscal year 2024 (reconcilable to the operating expenses presented in the consolidated income statement; 2023: EUR 2,171 million), the OpEx denominator is deemed immaterial. Consequently, in line with the specifications in Annex I of the delegated acts on Article 8 of the EU Taxonomy, HUGO BOSS has opted to waive the determination of **taxonomy-eligible and taxonomy-aligned OpEx** for fiscal year 2024. Accordingly, both shares are reported as 0% (2023: 0%). > **Earnings Development, Income Statement**

Climate risk analysis

HUGO BOSS conducted an **analysis of physical climate risks** for its key Company locations, meeting the requirements of the EU Taxonomy, and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), also encompassing the location of the mentioned investment project. The system-based analysis uses the emission reference scenarios established by the Intergovernmental Panel on Climate Change (IPCC). No significant short- to medium-term physical climate risks were identified for the respective project, ensuring there is no significant harm ("DNSH") to the environmental objective of "climate change adaptation." As a result, the Company deems that no immediate adaptation measures are required. > **Climate Change**

Social minimum safeguards

Compliance with the social minimum safeguards, which comprise the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the ILO Core Labor Standards and the International Bill of Human Rights, was thoroughly reviewed by topic experts at HUGO BOSS. As in the previous year, **HUGO BOSS complies with all the standards outlined.** > **Workers in the Value Chain,**
> **Business Conduct**

Additional information

For **additional information** on the taxonomy-eligible and taxonomy-aligned proportions of sales, CapEx, and OpEx, please refer to the section "Additional Disclosures on the EU Taxonomy." > **Additional Disclosures on the Combined Non-Financial Statement, Additional Disclosures on the EU Taxonomy**

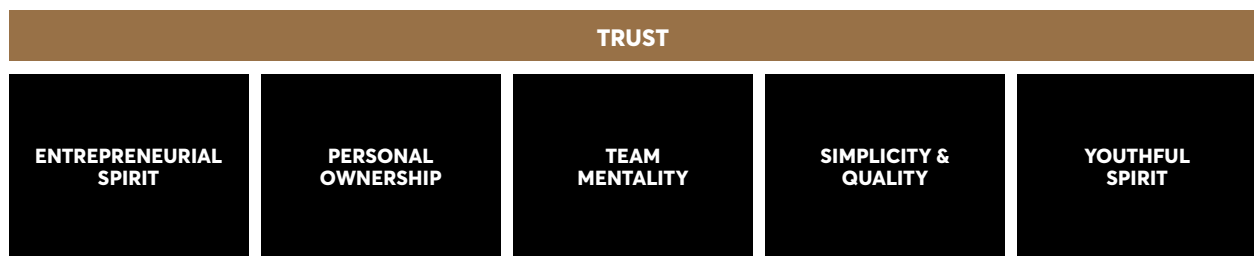
Social

Own workforce

At HUGO BOSS, we are convinced that the passion and dedication of our employees are vital for long-term business success. A strong commitment to empowering people and teams is therefore firmly anchored in our "CLAIM 5" strategy, guided by our HUGO BOSS values of **entrepreneurial spirit, personal ownership, team mentality, simplicity & quality, and youthful spirit.** Our values serve as the foundation for day-to-day cooperation. They foster a spirit of mutual trust, thereby promoting creativity as well as fast and rigorous execution. The aim is to create an environment that enables all employees to develop their individual talents and thus directly contribute to the success of HUGO BOSS. By fostering a diverse, equitable, and inclusive

company culture, we create an environment that allows every individual to succeed. At the same time, employee development and training are central to our strategy, providing our workforce with the tools and opportunities they need to grow. Through these efforts, we aim to maintain our positioning as **one of the most attractive employers in the fashion industry**, where talent is nurtured and everyone is empowered to reach their full potential.

HUGO BOSS VALUES



With our global presence across numerous markets, production facilities, and consumer touchpoints, HUGO BOSS recognizes that people are the cornerstone of its success. We are thus dedicated to protecting human rights as fundamental principles for safeguarding human dignity. Our own workforce mainly consists of **white-collar employees** at our headquarters and global subsidiaries, **commercial employees** within our own retail store network, as well as **blue-collar workers** at our production facilities and logistics. Each of these groups has specific needs for a safe, inclusive, motivating, and appreciative workplace environment that also fosters an atmosphere of trust and belonging across all levels of our business.

Our commitment extends beyond our own workforce to the entire value chain, including **workers in our global supply chain**. Further details on human rights risks and our human and labor rights approach in the supply chain are outlined in the "Workers in the Value Chain" section. [> Workers in the Value Chain](#)

Policies related to own workforce

HUGO BOSS is committed to respecting human rights, promoting fair labor practices, and fostering a productive work environment that prioritizes the well-being and rights of its employees across our operations, including local subsidiaries, own production and logistics facilities, and own retail stores. These commitments are reflected in our Company policies, which align with international labor standards, including those from the **United Nations Universal Declaration of Human Rights**, the **International Labour Organization (ILO)**, and industry-specific guidelines from the **Fair Labor Association (FLA)**.

Our **Human Rights Statement**, signed by the Managing Board, reinforces our commitment to upholding international standards, outlines our responsibility to address human rights risks, and emphasizes our dedication to eliminating all forms of discrimination. We review the statement annually to ensure its ongoing relevance, effectiveness, and actuality. Building on this, our **Human Rights Policy** sets binding standards for all employees and partners ensuring fair treatment, decent working conditions, and compliance with national laws on working hours, freedom of association, occupational health and safety, and environmental protection. The policy enforces working hour caps and guidelines on overtime to safeguard employee health, well-being, and productivity. Fair pay is fundamental to ensuring financial security, fostering equity. Employees must earn at least the statutory minimum wage, and in cases where local standards are insufficient, a living wage standard is applied. The policy undergoes regular updates, with the most recent revision completed in early 2025.

Complementing this, our **Health and Safety Commitment** and **Child Labor and Forced Labor Policy** are critical to safeguarding our own workforce. These policies emphasize the protection of physical safety, personal dignity, and the prohibition of child labor across all operations and with our partners. Our **Supplier Code of Conduct (SCoC)**, which is based on internationally recognized labor and social standards, applies not only to partners but also to our own production sites. Compliance with the SCoC is monitored through regular audits and supported with training on critical topics to foster mutual understanding across the supply chain. Further details on both these policies and our SCoC can be found in the **"Workers in the Value Chain"** section. > [Workers in the Value Chain](#)

The HUGO BOSS **Code of Conduct** outlines Group-wide legal and ethical principles for employee conduct, establishing a foundation of compliance across a range of areas, including fair competition, avoiding conflicts of interest, proper handling of Company information, and data protection. Ensuring fair working conditions and respectful treatment in the workplace is central to the Code, as is maintaining zero tolerance toward corruption. We do not tolerate any willful misconduct or violations of the Code. Employees receive a copy of the Code or online access via a QR code along with their employment contract. They are continuously familiarized with the regulations of the Code and the Group policies. More information on the Code of Conduct can be found in the "Governance" section. > [Governance](#)

At HUGO BOSS, we are dedicated to creating an inclusive, supportive, and fair workplace, where equal opportunities are available to all employees. Our **Anti-Discrimination, Anti-Harassment, and Gender Equality Commitment** and **Anti-Discrimination, Anti-Harassment, and Gender Equality Policy** emphasize our efforts towards a discrimination- and harassment-free working environment. HUGO BOSS promotes respect for the full spectrum of diversity, including race, gender, sexual orientation, age, and more. The Company has a strict zero-tolerance stance on any form of discrimination or harassment, upheld through strict policies and supported by management's commitment to equal treatment for all employees.

Diversity, equity, and inclusion (DE&I) is a cornerstone of our company culture, reflecting our commitment to creating a workplace free from discrimination and rich with opportunity. To underscore its importance, DE&I is firmly anchored within the global Human Resources (HR) department, ensuring alignment with our Company's broader HR goals and operations. A dedicated **policy on DE&I** is currently being developed, with publication expected in 2025, emphasizing our commitment to creating an inclusive working environment where all employees are treated equitably and empowered to thrive.

Additionally, the HUGO BOSS **Fair Pay Commitment** stipulates that all employees are to be compensated fairly and equitably, in accordance with local laws and international labor standards. We are committed to ensuring equal pay for work of equal value, with regular reviews to ensure pay practices are transparent and free from bias.

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, while complying with national law. If not stated otherwise, Group-wide policies, are monitored yearly and if necessary updated by our Human Rights Officer.

Engagement with own workforce

At HUGO BOSS, we are committed to fostering a company culture where employees feel empowered to cooperate openly, express their views, and contribute to our Company's success. We engage directly with our workforce through various channels, ensuring that employees have the opportunity to voice their concerns, share ideas, and actively participate in decision-making processes. By promoting **active and direct dialog**, we aim to enhance employee retention and strengthen their connection to our Company's strategic goals.

A key initiative for engaging with our workforce while tracking the effectiveness of our overall approach to employee engagement is the annual **Great Place to Work** survey, conducted Group-wide by an external service provider. This survey offers critical insights into how our employees experience HUGO BOSS, their interactions with leaders and peers, and their overall engagement. In 2024, the Group-wide participation rate reached 70% (2023: 77%), with an **overall satisfaction level** of 69% (2023: 77%). This development mainly reflects the challenges posed by a difficult macroeconomic environment in some of our key regions, particularly in Turkey. These conditions impacted employees' financial well-being and overall sentiment throughout 2024. Looking ahead, we remain committed to sustaining a satisfaction level of at least 75% across the Group, consistent with previous years. For our employees at HUGO BOSS AG in Germany, overall satisfaction remained broadly stable at 86% in 2024 (2023: 87%). Our employees particularly appreciate the benefits and perks, team spirit and collaboration, as well as work-life balance and flexibility that HUGO BOSS offers. These findings provide us with **valuable insights** that we use to inform operational and strategic decision-making, with the aim of further improving employee engagement globally at HUGO BOSS. Importantly, the survey results, particularly the "Trust Index," represent a key component of the long-term incentive program (LTI) for the Managing Board and eligible senior management staff, underscoring the strategic importance of employee engagement.

Besides the annual survey, HUGO BOSS offers a culture of ongoing dialog through multiple channels aimed at strengthening the **internal dialog** both among employees as well as between employees and senior management. Regular updates from the Managing Board, alongside opportunities for direct dialog through internal events, provide platforms for employee engagement. In this context, we introduced the hybrid format **"How is Business?"** in 2024, in which the Managing Board provides our global workforce with relevant business insights on a quarterly basis, while also answering questions from the audience.

Workers' representatives are integral to our employee engagement process. Through works councils that are organized at both local and national levels, regular dialog takes place on key matters such as employee well-being, health and safety, and workplace development. Our workforce in Germany is represented by the works council at the level of our Group's parent company HUGO BOSS AG, in accordance with the German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG). The **annual works meeting** where both the Managing Board and the Works Council provide employees in Germany with updates on the Company's economic performance and strategic priorities, and strengthens transparency and the connection between leadership and the workforce. The **works council**, led by its Chairperson, regularly engages in open dialog with the Managing Board and our central HR division, addressing both strategic and individual matters. Each employee is assigned a dedicated HR manager to assist with any inquiries, complaints, or other matters requiring attention. Furthermore, we support the formation of employee organizations for safeguarding rights and respect the right of unionization of our workforce. HUGO BOSS maintains regular meetings with union representatives, both directly and through associations such as the Southwest German Textile and Clothing Industry.

To further strengthen engagement, we also leverage **digital tools** to enhance communication and collaboration. Our global employee **app "My HUGO BOSS"** and our **global intranet platform "ONE"** keep employees closely connected and engaged. These platforms provide timely updates on HUGO BOSS and our two brands BOSS and HUGO, featuring live streams, videos, and relevant industry news.

Grievance mechanisms and remediation processes

HUGO BOSS has established a comprehensive system to address human rights impacts stemming from its business activities. To facilitate reporting and overcome barriers to access, we provide three independent whistleblowing channels: our **Speak Up Channel**, an external **Ombudsperson** service, and our **Compliance department**. To reduce further barriers to reporting, these channels enable the reporting of issues confidentially, anonymously, and free of charge. In addition to these global channels, HUGO BOSS has implemented additional internal **whistleblowing channels on a local level**, providing our own workforce with access to localized points of contact. In doing so, HUGO BOSS aims to mitigate negative impacts on human rights, data protection, and compliance with its Code of Conduct, among other things.

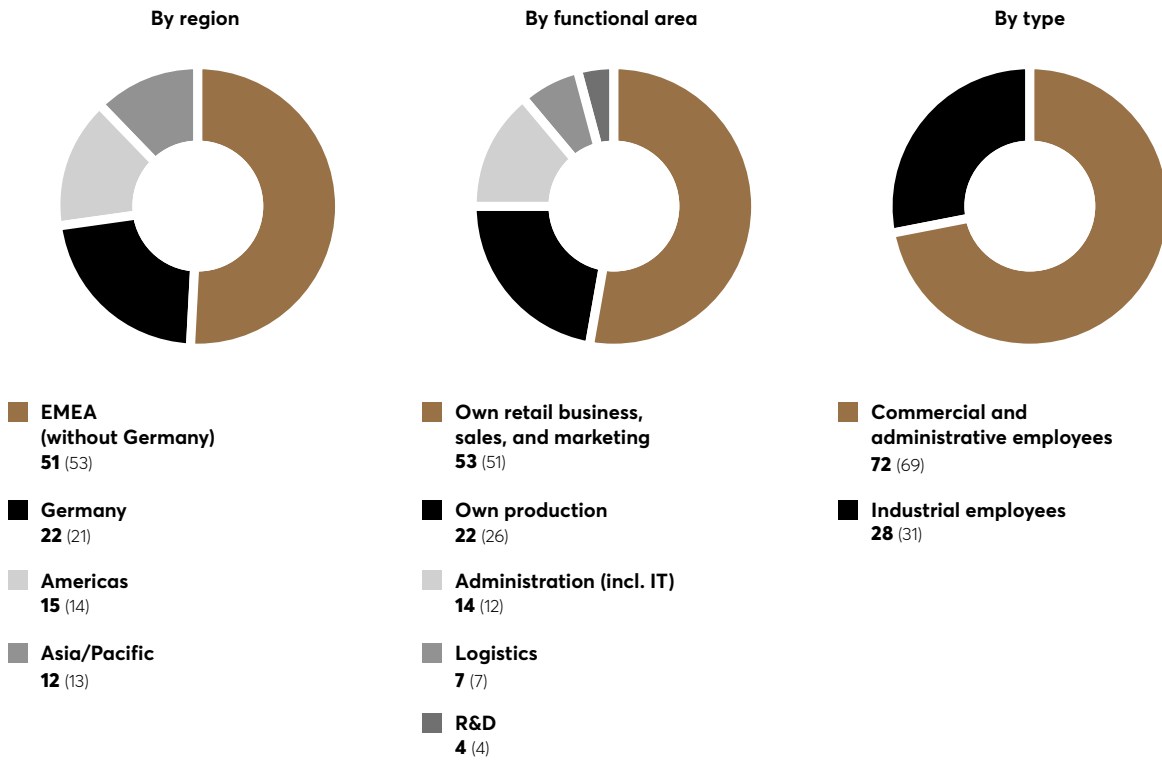
Raising awareness of these grievance mechanisms ensures employees feel safe to report concerns. This awareness is built into various aspects of our company culture through a mandatory **compliance training course**, where all permanent employees are informed about grievance processes, and **internal information campaigns**. Additionally, the Company promotes awareness across its local subsidiaries, own production facilities, and own retail stores with comprehensive information on the intranet or posters detailing how to access the various whistleblowing channels. Employees can also raise concerns directly with their **managers** or **HR**. All reports are handled by the Compliance department, ensuring that issues are addressed in line with the Company's commitment to upholding human rights and ethical standards.

The HUGO BOSS Compliance department reviews the **effectiveness of the grievance procedure** at least once a year or, if necessary, on an ad-hoc basis. Based on the findings, further action steps are initiated to ensure continuous improvement. The grievance mechanisms and remediation processes, including whistleblowing protection against retaliation, are further detailed in the "Governance" section. > **Governance**

Characteristics of our workforce

At the end of fiscal year 2024, on a **headcount basis**, HUGO BOSS employed a total of 21,286 employees worldwide (2023: 21,899). This includes all active employees, including white-collar workers, commercial staff, blue-collar workers, learners (including working students, apprentices, and interns), and temporary staff. The decrease of 613 headcounts compared to the prior year primarily reflects a moderate decrease in both temporary staff as well as in corporate functions. On a **full-time equivalent (FTE)** basis, excluding learners and temporary staff, this corresponds to 18,623 employees as of December 31, 2024 (December 31, 2023: 18,738). The following metrics represent employee data calculated on a headcount basis.

Our Company's **global positioning** is also reflected in our workforce. In 2024, 78% of our employees were based outside of Germany (2023: 80%). Within Germany, employees from over 100 different nations work for HUGO BOSS (2023: almost 100 nations). At the end of 2024, 15,230 employees (2023: 15,725) worked in the **commercial sector**, while 6,056 employees (2023: 6,174) were assigned to **industrial activities**.

HUGO BOSS EMPLOYEES¹ (IN %)

2024 (2023)

¹ On a headcount basis.

The following tables provide further characteristics of our own workforce, aligned towards ESRS S1 requirements:

EMPLOYEES BY GENDER (HEADCOUNT)

	2024	2023
Male	8,645	8,927
Female	12,638	12,971
Diverse	1	1
Not reported	2	0
Total employees	21,286	21,899

EMPLOYEES BY COUNTRY¹ (HEADCOUNT)

	2024	2023
Turkey	5,221	5,239
Germany	4,581	4,676
Other	11,484	11,984
Total employees	21,286	21,899

¹ This table aligns with ESRS requirements, providing information on countries representing at least 10% of our global workforce. All countries below the 10% threshold are reported under "Other."

EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY GENDER (HEADCOUNT)

	Permanent	Temporary	Total	Thereof non-guaranteed hours
Female	10,989	1,649	12,638	1,044
Male	7,782	863	8,645	1,094
Diverse	0	1	1	0
Not disclosed	1	1	2	2

EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY REGION (HEADCOUNT)

	Permanent	Temporary	Total	Thereof non-guaranteed hours
EMEA	14,056	1,298	15,354	6
Americas	3,012	282	3,294	2,019
Asia/Pacific	1,704	934	2,638	115

In 2024, HUGO BOSS continued its focus on meeting its demand for talent, hiring 6,259 **new employees** worldwide (2023: 7,242). The total number of all **employees who have left** HUGO BOSS during the reporting period amounted to 6,667 employees (2023: 5,583), including inactive employment relationships. HUGO BOSS counts employees as having left the Company only upon official contract termination. Transitions from temporary roles, internships, or student positions to permanent roles are recorded as internal transfers, not new hires. For both of the above-mentioned metrics, HUGO BOSS accounts all employees excluding learners and temporary staff. The resulting **total turnover rate** of employees thus amounted to 32% in 2024 (2023: 27%). Employee turnover is calculated by dividing the total number of employees who left the Company ("leavers") during the year by the total number of employees at year-end (active and inactive employment relationships, excluding learners and temporary staff). This methodology shall ensure a clear and consistent snapshot of turnover relative to the workforce size at a specific point in time.

At a level of 22%, the **employee-related turnover**, based on total headcounts, increased slightly year over year (2023: 18%). This rate includes only those who voluntarily chose to leave the Company. To gain deeper insights into employee retention, we separately track the employee-related turnover for our retail operations and corporate functions. The rate in our retail business was 32% in 2024 (2023: 30%), while in corporate functions it amounted to 15% (2023: 10%). Our objective remains to further reduce employee-related turnover to below 30% in the retail functions, and below 8% in the corporate functions, by 2030. We conduct **exit interviews** with employees who have decided to leave HUGO BOSS 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 employee-related turnover.

Targets and actions related to own workforce

In the following section, HUGO BOSS outlines its **targets and actions related to its own workforce**, addressing topics identified as material through our double materiality assessment. This includes information on working conditions as well as equal treatment and opportunities for all.

Working conditions

At HUGO BOSS, we recognize that ensuring optimal working conditions is vital to fostering employee well-being, productivity, and overall job satisfaction across all regions. Also in our industry, employees may face longer working hours and heightened pressure, especially during peak seasons, which can challenge their ability to maintain a healthy work-life balance. We are continually working to enhance these conditions, in particular by improving **work-life balance**, managing **working time**, and ensuring the right to **freedom of association**.

HUGO BOSS is actively implementing more flexible working models and clear policies that define reasonable boundaries around working hours, promoting healthier work environments. Additionally, we are committed to further enhancing our **social dialog framework**, ensuring that employees' voices are heard and that their rights to fair representation are upheld. By strengthening these aspects, we aim to create an even more inclusive and supportive workplace where employees are empowered to participate in decision-making processes affecting their roles and working conditions.

Working time and work-life balance

In the fast-paced fashion industry, managing working time is essential to **ensuring fair working conditions and preventing overwork**. Effective regulation of working hours protects employees to their right to rest and promotes overall well-being.

Actions

We are convinced that a balanced personal and professional life fosters a productive and motivated workforce. To support this, we offer our employees a wide range of options to **strengthen work-life balance**. A variety of **flexible working models**, such as individual part-time arrangements, trust-based working hours, and remote work, are designed to help our employees manage private life commitments alongside their professional responsibilities. Most of our employees already benefit from flexible working hours. 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.

Our **hybrid working model "Threedom of Work"** applies to administrative staff in Germany and provides for three days of attendance at our headquarters in Metzingen, whereas employees are free to choose their work location on the other two days. Similar models are in place at other Group companies, while most administrative staff worldwide benefit from mobile working options, further enhancing flexibility. Numerous initiatives at our headquarters support an **agile, cross-functional work environment**, utilizing modern office concepts and digital tools. Additionally, flexible models such as job sharing and co-leadership further

contribute to a dynamic and efficient, yet flexible work culture. On top of this, in 2024, HUGO BOSS introduced **"ME TIME,"** a flexible sabbatical model for our employees in Germany, enabling time for education, social engagement, or travel, further enhancing our dynamic and adaptable work culture.

As we are also committed to strengthening family friendliness as part of the Germany-wide cooperation **"Success Factor Family,"** we are offering a broad variety of family-friendly options. This includes access to day care for around 50 toddlers at our Metzingen site as well as holiday care programs. In the U.S. and Canada, employees have access to an **Employee Assistance Program (EAP)** for independent advice on childcare and family care. In addition, most of our employees in the U.S. have the option of spending part of their gross personal income for external care and support services through **flexible spending accounts (FSAs)**.

Adequate wages

At HUGO BOSS, we firmly believe that **fair pay** is fundamental to ensuring financial security, fostering equity, and driving motivation and productivity. We are committed to providing **transparent, performance-based compensation** as part of fair working conditions. To this end, HUGO BOSS continually strives to enhance the fairness and competitiveness of its compensation structure, ensuring that employees worldwide are rewarded at least in line with local minimum wage standards.

Targets

We are committed to **maintaining competitive compensation practices** globally. In fiscal year 2024, all employees earned at least in line with the adequate wage benchmark set forth in the ESRS, reaffirming our commitment to fair and adequate compensation.

Actions

All our employees are entitled to fair compensation, aligned with market standards. All positions worldwide are thus evaluated via standardized criteria. Based on a regular assessment of all jobs in Germany as well as international key positions, the majority of our employees are remunerated based on job-specific salary bands. As an addition to the minimum local wage requirements, our salary bands are based on **external salary benchmarks** covering several sectors. In recent years, HUGO BOSS conducted a thorough evaluation of nearly all positions worldwide to establish a **unified compensation system** based on a Group-wide grading system, thus further improving transparency. The latter is built around job-specific qualifications and responsibilities, aimed at ensuring a compensation structure that remains fair, competitive, and free from discrimination. HUGO BOSS reviews its pay practices regularly to maintain competitiveness.

Our **compensation system** includes fixed and variable salary components, bonuses above the collective bargaining scale, non-cash compensation, and other benefits. It aligns with industry and collective bargaining agreements, while incorporating national and regional benchmarks. At HUGO BOSS AG in Germany, works agreements govern compensation components such as the employee profit-sharing bonus. Non-tariff employees receive a 13th monthly salary instalment and a short-term incentive (STI) linked to annual company targets. The compensation scheme for the Managing Board and senior management also includes a long-term incentive (LTI) program. Additionally, as part of a restricted stock units (RSU) plan, eligible senior management is granted options to purchase shares in HUGO BOSS, further aligning their interests with the long-term success of the Company.

HUGO BOSS further supports employees with a **company pension**, with specific conditions varying by country. In Germany, for example, all employees are eligible for a uniform pension plan. Additionally, there are **retirement programs** in place, such as partial retirement, allowing employees to maintain access to benefits like the company fitness studio and company restaurant at our Group headquarters.

To provide our employees with an additional benefit, HUGO BOSS offers an **employee share investment program (SHIP)**, enabling employees across 25 countries (2023: over 20 countries) to acquire HUGO BOSS shares at regular intervals under favorable conditions, thereby directly participating in the Company's success. In 2024, we significantly expanded the program's eligibility criteria, increasing the number of globally eligible employees by around 40%. Following this expansion, SHIP continues to enjoy strong participation, with an overall participation rate of 14% (2023: 19%), and a rate of 35% (2023: 43%) at HUGO BOSS AG in Germany.

Freedom of association and collective bargaining

Freedom of association and the right to collective bargaining are essential for ensuring that employees can **voice their concerns** and collaborate to maintain **fair working conditions**. These rights empower employees to advocate for better wages, safer environments, and overall improved well-being.

Targets

HUGO BOSS is firmly committed to respecting and upholding employees' rights to unionize and participate in collective bargaining. Our Human Rights Commitment and Policy underline our commitment towards an open and constructive dialog with employees and their representatives. Our objective is to ensure these rights are consistently respected across all operations, in compliance with national laws, and to **prevent any violations**.

In Germany, **all employees are covered by collective bargaining agreements** and are represented by workers' representatives.

Actions

HUGO BOSS actively engages with its workforce through a variety of channels, including **labor unions, works councils**, and **employee committees** across its global operations, fostering open dialog and promoting labor rights.

In **Germany**, home to our second-largest workforce, social dialog is facilitated by a close collaboration between the elected works council of HUGO BOSS AG, which represents employee interests, and the Managing Board, ensuring fair and constructive negotiations on topics vital to the workforce. As a result of this collaboration, we have implemented a variety of works agreements, offering broad-ranging benefits for our employees. These cover health protection, flexible working arrangements, childcare support, family assistance programs, and anniversary bonuses, among other things. In **Turkey**, where we have our largest workforce, the elected employee representation aims to ensure that workers can raise concerns and participate in discussions about their working conditions. In markets like **Mexico** and **China**, specialized worker-manager committees focus on health, safety, and workplace conditions, ensuring employees' voices are heard at the local level, while in **France**, the Social and Economic Committee (Comité social et économique, CSE) holds regular meetings with local management, representing different employee categories.

Equal treatment and opportunities for all

Our commitment to fostering equal opportunities is deeply rooted in promoting a workplace thriving on diversity, equity, and inclusion (DE&I). These principles, alongside our focus on gender equality, anti-discrimination efforts, and continuous training and development, form the foundation of a **supportive and empowering work environment**. We believe that an inclusive culture, where every individual feels valued, respected, and empowered to contribute, is vital to our Company's long-term success. By promoting fairness, trust, and collaboration, we strive to ensure an environment where employees can excel.

HUGO BOSS is committed to **tackling gender pay disparities**, ensuring that all promotions and compensation decisions are merit-based, and eliminating barriers to career advancement based on gender. We are actively working on closing the gender pay gap through further increasing transparency in our career development and compensation frameworks, fostering a more equitable workplace where everyone has equal opportunities to succeed.

At the same time, we are committed to maintaining a **zero-tolerance policy against workplace harassment and violence**, particularly those arising from discriminatory behavior. To safeguard our inclusive culture, we have implemented policies to protect employees from unethical conduct. By promoting a safe and respectful work environment, we empower all employees to excel free from the fear of discrimination or mistreatment.

We also place strong emphasis on the continuous development of our employees. Through a variety of **training and development programs**, HUGO BOSS ensures that all employees, regardless of their background or role, have the opportunity to enhance their skills, grow within the Company, and contribute to its collective success.

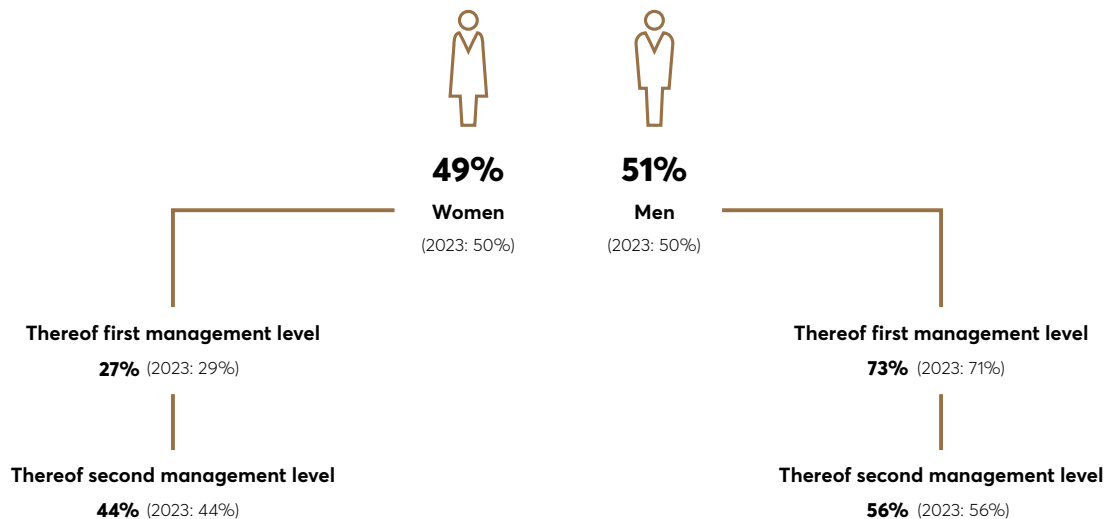
Diversity, equity, and inclusion (DE&I)

At HUGO BOSS, DE&I are central to our journey of reshaping fashion. With over 145 nationalities represented in our workforce, we embrace the power of **diverse cultural backgrounds and generational collaboration**. As a global company, we understand fashion's influence on society and are committed to fostering an inclusive, equitable world where diverse perspectives drive creativity and innovation.

Targets

HUGO BOSS is committed to promoting **gender equality across all organizational levels**. At year-end 2024, women represented 59% of our workforce, continuing to form the majority (2023: 59%). Across all management levels, 49% of positions were held by women, thus broadly stable as compared to the prior year (2023: 50%).

EMPLOYEES IN TOP MANAGEMENT AND SECOND MANAGEMENT LEVELS



HUGO BOSS has set ambitious targets for 2025, aiming for **at least 40% women in the first management level** (below the Managing Board) and **at least 50% in the second management level**. As of December 31, 2024, women accounted for 27% of top management positions and 44% of second management positions (December 31, 2023: 29% and 44%, respectively). Both these targets will undergo a comprehensive review in 2025, reaffirming our commitment to driving gender equality and strengthening the representation of women in leadership at HUGO BOSS.

HUGO BOSS is proud of its diverse and balanced workforce, spanning multiple generations. As of fiscal year 2024, employees under 30 accounted for 6,581 (31%), those aged 30–50 made up 12,205 (57%), and employees over 50 totaled 2,500 (12%). This **balanced age distribution** reflects the dynamic blend of emerging talent and experienced professionals that drives HUGO BOSS forward.

EMPLOYEES BY AGE GROUP (HEADCOUNT AND SHARE)

	2024		2023	
	Headcount	Share (%)	Headcount	Share (%)
<30 years	6,581	31	7,288	33
30 to 50 years	12,205	57	12,245	56
>50 years	2,500	12	2,366	11
Total	21,286	100	21,899	100

HUGO BOSS measures **equity** through its annual employee survey and has set a target of achieving an 85% agreement rate on the equity index by 2030. This index reflects employees' perceptions of fair treatment via several survey statements, including "People here are treated fairly regardless of their race, age, gender, and sexual orientation." In 2024, 80% of employees viewed HUGO BOSS as an equitable workplace. Respectively, **inclusion** is measured via the survey question "I can be myself around here," with a goal of 79% agreement by 2030. In 2024, 74% of employees agreed they feel included within the Company.

Actions

HUGO BOSS has defined a comprehensive DE&I ambition focused on five key pillars: Our People, Our Company, Our Consumers, Our Business Partners, and Our Community. To further advance DE&I within the organization and embedding it into our company culture, our **MIX & MATCH initiative** bundles numerous internal and external measures aimed at raising awareness, educating, and promoting a culture of inclusion. Our **Diversity Task Force (DTF)**, composed of employees from diverse backgrounds, supports the execution of these initiatives through dedicated working streams focused on topics like gender equality and LGBTQIA+ representation. Employees can also form self-organized groups, including the **Wonder Women CREW** and the **BE YOU CREW**, offering safe spaces for sharing experiences and fostering mutual support.

We offer our employees regular **DE&I training** courses, including programs that teach how overcoming bias supports business success. Launched in 2022, these training courses adopted a top-down approach, initially targeting the Managing Board, senior management, and middle management. They were subsequently extended to the broader workforce through individual team training sessions conducted in 2023 and 2024. In 2024, we also integrated an **unconscious bias training** course into our leadership development programs.

Gender equality remains a priority, with ongoing initiatives to enhance female representation in leadership roles. Our **Diversity Hiring Council** plays a central role in reviewing the recruitment process for top management positions and ensuring gender-balanced candidate shortlists. To further promote gender-diverse leadership, we launched the **SHE BOSS** program in 2024, aimed at developing high-potential female leaders at HUGO BOSS with active support and involvement from their managers.

By adhering to the **United Nations Women's Empowerment Principles**, we aim to promote equal opportunities, representation, and treatment for all genders in the workplace. We also support the **Partnership for Global LGBTIQ+ Equality (PGLE)**, a coalition of organizations committed to leveraging their individual and collective advocacy to accelerate LGBTIQ+ equality and inclusion globally. Furthermore, we support the **Klischeefrei initiative**, which encourages young people to make career choices free from gender stereotypes, introducing their method set in our Metzingen daycare center. Our goal is to ensure that gender equality is fully integrated into our company culture, with balanced gender representation in leadership positions and across all functions.

Gender equality and equal pay for work of equal value

At HUGO BOSS, we recognize the importance of fostering a balanced and diverse workforce. We are committed to **promoting gender equality and achieving balanced leadership**. HUGO BOSS fosters a work environment free from discrimination and harassment, promoting gender equality as a fundamental right. All employees, regardless of gender, are entitled to equal rights, opportunities, and access to resources.

Actions

Creating a workplace environment that promotes gender equality and prevents discrimination begins with **raising awareness**. HUGO BOSS has implemented training programs to educate employees on issues of bias, discrimination, and gender equality. The Company has signed the **UN Women's Empowerment Principles**, which provide guidance on promoting gender equality in business.

All employees are entitled to **fair compensation** in line with market conditions, and they also benefit from various additional support, including health insurance, maternity and parental leave, and financial support for external training. Our commitment to equal pay is demonstrated by ongoing **analyses of gender-specific compensation differences** among employees in comparable positions, based on our standardized grading system. This includes comparing the average annual compensation of women and men on a full-time basis within the individual grades, without adjusting for biographical factors. We are continuously expanding these analyses to better understand the drivers of pay disparities and work towards minimizing them. More information on our compensation system can be found in the "Adequate Wages" section further above.

At the same time, HUGO BOSS is actively empowering women, especially when re-entering its workforce, for example after parental leave, through initiatives like our **"Open Doors for Women"** program in Turkey, providing mentorship, career development opportunities, and support networks. By breaking down barriers and providing tools for success, HUGO BOSS is committed to fostering gender equality across all areas.

Measures against violence and harassment in the workplace

At HUGO BOSS, we are dedicated to fostering a working environment where all employees are valued for their individuality and are free to express themselves without fear of discrimination, violence, or harassment. HUGO BOSS requires all employees to treat each other with **respect and dignity**, irrespective of age, gender, race, sexual orientation, disability, nationality, faith, political opinion, or any other personal traits. This commitment is reinforced through regular training and a clear expectation that all employees contribute to a positive, inclusive workplace culture. Our commitment to creating a **respectful and safe workplace** is supported by respective policies and a zero-tolerance approach towards harassment and violence.

Targets

HUGO BOSS is committed to **maintaining a workplace free from violence and harassment**, in alignment with both statutory and internal company requirements on human rights and labor standards. As part of our Anti-Harassment Commitment and Policy, we strictly prohibit all forms of harassment and violence, aiming to ensure that these standards are consistently upheld across our operations.

During the reporting period, a total of **12 incidents of discrimination**, including harassment, were reported (2023: 17 incidents, with one incident reported in 2024). No complaints were filed with National Contact Points (NCPs) for OECD Multinational Enterprises through the available confidential internal channels (2023: no complaints).

In fiscal year 2024, as in the prior year, HUGO BOSS was **not aware of any human rights incidents or severe human rights violations** within its own workforce, including cases of child labor, forced labor, or human trafficking, or non-respect of the UN Guiding Principles and OECD Guidelines. Consequently, no material fines, penalties, or compensation payments related to human rights issues were recorded, reaffirming our commitment to ethical standards and employee rights.

Actions

HUGO BOSS actively promotes a culture of respect and individuality. To prevent discrimination, violence, and harassment, we have implemented regular compliance training that includes a dedicated **anti-discrimination e-learning module**. It reinforces our commitment to anti-discrimination and educates employees on recognizing, preventing, and addressing violence and harassment in the workplace. The training course is reviewed annually and updated as needed to reflect changes in business-specific requirements.

Training and skills development

Our employees' expertise and commitment are vital for achieving our strategic and financial goals. As the global business environment becomes increasingly complex and competitive, the demand for skilled employees continues to rise. To further strengthen our position in global competition for talent, we prioritize **individual development opportunities** that enhance both our employer attractiveness and employee retention.

Actions

HUGO BOSS is strongly committed to fostering a robust leadership culture and providing comprehensive development opportunities for its employees. This commitment aligns with our strategic objective of **"Empowering People and Teams,"** part of our "CLAIM 5" strategy, which is aimed at driving both individual and organizational success.

We offer a wide range of individual training and development opportunities. Structured HR development programs, such as the **Employee Development Program (EDP)** for professionals and managers, are designed to promote employees based on their competencies, expand their knowledge, and strengthen their skills, also with regard to a leadership career. In addition to role-specific training, we also provide **social skills development**, with the goal of fostering a performance-driven, inclusive, and collaborative company culture.

Through platforms such as the **HUGO BOSS University** and the **HUGO BOSS eLIBRARY**, employees have access to a broad selection of face-to-face, live online and e-learning courses that focus on professional, social, and management skills. We also offer the **"Tiny Training Thursday,"** a one-hour training format focused on relevant topics, and, since 2024, the **Global Learning Week**, an initiative that fosters knowledge-sharing and collaboration through diverse online training sessions led by internal experts from across the globe. At our own production and logistics sites, **face-to-face training** courses and **workplace briefings** form an integral part of the induction process for industrial staff.

Development offerings at HUGO BOSS include a strong focus on **leadership mentality**, as we are convinced that it has a significant positive impact on both our Company's performance and employee engagement. Through regular workshops, we aim to firmly anchor this mindset within our organization, fostering a common understanding of leadership at HUGO BOSS. Our leadership approach encourages leaders to act as enablers, providing employees with a framework for their work and personal growth. Key programs, such as the **Leadership Development Program (LDP)**, the **High Potential Program (HIPOSS)**, and the **Experienced Leaders Collection (ELC)**, are tailored to develop leadership potential and skills at different career stages. Leaders are also expected to build strong connections between individuals and teams, fostering team spirit, and ensuring equal opportunities for all.

HUGO BOSS also supports students and apprentices by partnering with universities and vocational training institutions globally. This collaboration enables us to offer **work-study programs** for students pursuing various degrees and **apprenticeships** in industrial, technical, and commercial fields, addressing the growing shortage of skilled professionals.

Internal mobility is a key factor in talent retention at HUGO BOSS. Our internal career platform **"GLOBAL JOBS"** and the employee recommendation program **"HUGO BOSS Spotted"** provide employees with transparency and growth opportunities across departments and divisions. At the same time, the annual **Performance & Development Dialog (PDD)** provides structured feedback and individual development planning. Using an online tool, data is collected on employee performance, potential evaluation, and development planning, ensuring objectivity and transparency. This process helps employees realize their potential, while promoting long-term retention. The tool also supports mid-year reviews and the collection of structured feedback from managers and peers.

Workers in the value chain

HUGO BOSS recognizes the impact its operations can have on **workers' lives and conditions** along the global value chain, particularly in the global south, where vulnerabilities are most pronounced. While challenges exist across both upstream and downstream parts of the value chain, they are especially material within the supply chain, where labor-intensive processes are prevalent. Workers may face challenges such as job insecurity, low wages, long working hours, and limited social protections, with women disproportionately affected. Barriers to freedom of association and collective bargaining further restrict workers' ability to negotiate fair wages or improve conditions, especially in regions with weak legal protections. Health and safety risks are pervasive across the value chain, from pesticide exposure in cotton farming to hazardous chemicals in dyeing processes. Across the broader textile industry, child labor and forced labor impacts remain critical issues, particularly in raw material production and manufacturing.

Addressing these challenges requires **collective action**. HUGO BOSS collaborates closely with its direct suppliers, fostering long-term relationships to constantly improve labor practices, while also engaging with stakeholders, such as NGOs, trade unions, and industry initiatives, to drive systemic improvements and care for fair, safe, and equitable working conditions.

For fiscal year 2024, HUGO BOSS is primarily reporting **targets and metrics for its Tier 1 suppliers** (including its own production facilities), with plans to expand reporting across Tier 2 through Tier 4 in the coming years, as data collection and reporting capabilities are further developed in alignment with ESRS requirements. For an overview outlining the **main features of our value chain**, please refer to the section "About this Combined Non-Financial Statement." > [About this Combined Non-financial Statement, Business Model, Strategy, and Value Chain](#)

Policies related to workers in the value chain

Respect for human rights is a core priority at HUGO BOSS, embedded in our company culture. We are committed to preventing violations both within our operations and across our supply chain. Our publicly available **Human Rights Policy** sets clear standards for upholding human rights, promoting fair treatment, and ensuring safe, decent working conditions. This policy is binding for all HUGO BOSS employees and business partners, who are expected to actively implement it. In particular, the policy emphasizes specific safeguards for vulnerable groups, including children, young workers, women, migrant workers, and Indigenous people – groups facing heightened risks in the global textile industry. HUGO BOSS is committed to safeguarding workers' rights, including fair working hours, the right to unionize, and healthy working environments. Equal opportunities, a zero-tolerance approach to discrimination and harassment, as well as fair compensation are central, and we encourage our suppliers to adopt living wage strategies to ensure fair treatment at all levels. HUGO BOSS monitors compliance with the policy through its due diligence process, which is further explained in the section on "Due Diligence and Sustainable Supply Chain Management." The policy undergoes regular updates, with the most recent revision completed in early 2025.

HUGO BOSS has a **Human Rights Statement** signed by the Managing Board, reinforcing our Company's long-standing commitment to respecting international standards. The statement outlines our responsibility to care for human rights within both our own operations and supply chain, highlighting our awareness of potential risks and defining our human rights responsibilities. The statement is reviewed annually, with the most recent update in 2024, and is available in several languages.

Our **Supplier Code of Conduct (SCoC)** sets minimum standards for all our partners and their networks, requiring a contractual commitment as a condition for collaboration. Therefore, compliance with the SCoC is mandatory for all suppliers and their partners unless they have equivalent standards. This shall ensure that business practices meet our expectations, particularly in regions where national legislation or its enforcement may be lacking. The code mandates standards on working hours and rest periods, with a cap on working hours where national laws are absent, to promote a healthy work-life balance. It prohibits child and forced labor, prescribes decent working conditions, and shall ensure fair wages. The SCoC also supports the right to freedom of association and collective bargaining and requires partners to foster continuous improvement across areas such as human rights, labor standards, and environmental protection. The code also states our zero-tolerance policy towards corruption and unethical behavior. While being available in multiple languages, a simplified one-page version in 30 languages is displayed at our partners' production facilities, providing direct access to our complaint mechanisms via QR code. Compliance with the SCoC is monitored through annual self-assessments and regular social audits, supported by training on ESG topics. Our SCoC is reviewed annually, with input from stakeholders such as NGOs, with the latest update made in 2024.

Both our Human Rights Policy and the SCoC are based on internationally recognized standards, including the **UN's Universal Declaration of Human Rights (UDHR)**, the **International Labour Organization (ILO) Core Conventions**, and the **OECD Guidelines for Multinational Enterprises**.

HUGO BOSS has a dedicated **Child Labor and Forced Labor Policy**, underscoring our zero-tolerance stance towards child labor, young labor, forced labor, and human trafficking across our global value chain. Aligned with international standards, including the ILO Core Conventions, the policy shall ensure ethical labor practices as it mandates strict prohibitions on child labor, forced labor and human trafficking in all forms, as well as the exploitation of vulnerable groups. It also sets clear guidelines regarding the employment of young workers to safeguard their rights. The policy requires preventive measures such as age verification during hiring, regular audits, and targeted training for employees and partners. In cases of violations, immediate action is taken to address the issue and support affected individuals, with confidential reporting channels reinforcing compliance. The policy is reviewed and updated regularly, with the latest revision finalized in early 2025.

Our **Anti-Discrimination, Anti-Harassment, and Gender Equality Commitment** and **Anti-Discrimination, Anti-Harassment, and Gender Equality Policy** reinforce our dedication to fostering an inclusive, respectful, and ethical work environment, with a strong emphasis on human rights. Aligning with international standards, including ILO and UN conventions, the policy extends beyond our organization to include workers in the value chain, guided by the obligations set forth in our SCoC. This commitment is particularly relevant in addressing challenges faced by vulnerable groups, including women, who are disproportionately affected by discrimination, harassment, and unequal pay.

Our Company's **Human Rights Officer** monitors human rights risks and reports at least twice per year to the Managing Board and the Audit Committee of the Supervisory Board on identified risks and the due diligence process to mitigate and prevent them. Our Human Rights Officer is responsible for overseeing the implementation, monitoring, and annual updating of our policies to ensure continued alignment with evolving international standards and our Company values.

Engaging with workers in the value chain

HUGO BOSS is committed to improving working conditions across the supply chain by actively engaging with key stakeholders, including partners, trade unions, civil society organizations, and workers themselves. Our **Stakeholder Engagement Commitment**, endorsed by the Managing Board, shall ensure ongoing collaboration to gather diverse perspectives on critical issues and collaboratively develop effective, sustainable solutions. Key to this effort is our biennial **Stakeholder Dialog** on sustainability at our headquarters in Metzingen (Germany). In 2024, the dialog also focused on human-rights-related topics, offering valuable insights to strengthen our policies and processes. To further foster collaboration, our regular **Supplier Days** offer a platform for open dialog, sharing best practices, and working together to drive, innovation, and ethical standards across our supply chain.

To ensure compliance with our SCoC and gather **direct worker input**, supplier employees are interviewed during risk-based social audits. Workers are provided with contact details for our Speak Up Channel to report retaliation or misconduct and can also raise concerns with the Fair Labor Association (FLA). In 2024, for example, we conducted a structured worker survey at a facility in Bangladesh to assess working conditions. Over the next three years, we aim to further increase engagement efforts, measuring their effectiveness within a broader process. We also recognize the importance of collective bargaining and the right to freedom of association, as workers shall have the ability to negotiate working conditions and wages.

Beyond direct engagement, HUGO BOSS participates in **multi-stakeholder initiatives** to promote fair labor conditions. As a member of the **Fair Labor Association (FLA)**, we support initiatives aimed at protecting employee rights, strengthening fair labor standards, and enhancing wages across the supply chain. The FLA also audits selected suppliers, with results published on their website. HUGO BOSS is also a signatory of the **International Accord for Health and Safety in the Garment and Textile Industry (International Accord)**, a legally binding agreement between companies and trade unions building on the legacy of the Bangladesh Accord, of which we have been a member since 2016. HUGO BOSS is also a member of the Pakistan Accord, extending this commitment to an additional sourcing country. Since 2015, we have also been a member of the **Partnership for Sustainable Textiles (Textilbündnis)**, a joint stakeholder initiative led by the German Federal Ministry for Economic Cooperation and Development. This partnership works to improve labor conditions in the supply chain, with HUGO BOSS actively participating in working groups on "Living Wages," "Complaint Mechanisms," and "Gender Equality."

Grievance mechanisms and remediation processes

HUGO BOSS does not tolerate violations of its defined social standards. All workers in our value chain are entitled to use our independent grievance channels, including our **Speak Up Channel** and a dedicated external **Ombudsperson**. We promote awareness of these channels through the SCoC Onepager displayed in suppliers' production facilities and by distributing communication cards with details of the Speak Up Channel during social audits. Beyond internal mechanisms, we actively monitor **external incident reports**, such as those from the Textile Partnership, to identify potential risks in the supply chain. If incidents are reported within our own or supplier facilities, we engage with management to ensure corrective actions are taken. If a potential violation is identified, we assess whether adjustments to our risk management are necessary, which – in case of doubt – may lead to an event-related risk analysis. Complainants are also free to assert their rights through **state authorities**. Further details on our grievance mechanisms and remediation processes can be found in the "Governance" section. [> Governance](#)

Targets related to workers in the value chain

HUGO BOSS is dedicated to **ensuring compliance** with the standards outlined in its Supplier Code of Conduct (SCoC) across the supply chain. To identify potential risks or violations, adherence to these standards is regularly assessed through audits, self-assessments, or external social compliance certificates.

By 2025, HUGO BOSS aims to source all goods from **Tier 1 suppliers (including own production) achieving the two highest social compliance performance levels ("good" or "satisfactory")**, with compliance being verified through audits, self-assessments, or external social compliance certificates. In 2024, 93% of goods were sourced from Tier 1 suppliers that achieved these two performance levels (2023: 86%). At the same time, by 2025, 80% of goods should be sourced from **Tier 1 suppliers (including own production) achieving the highest social compliance performance level ("good")**. In 2024, this figure amounted to 65% (2023: 62%). In calculating both metrics, we consider the performance levels of Tier 1 suppliers, as determined through (follow-up) evaluations conducted in the fiscal years 2022 to 2024.

The progress achieved along both indicators reflects our **continuous focus on improving human rights standards** in our supply chain. The targeted implementation of corrective actions at our suppliers demonstrates our commitment to increasing transparency and accountability in addressing human rights topics.

RESULT OF SOCIAL COMPLIANCE PERFORMANCE LEVEL OF TIER 1 SUPPLIERS¹ (IN %)

	2024	2023
Good	63	59
Satisfactory	22	23
Improvements needed	10	13
Risky	4	4
Insufficient	1	1

¹ The table refers to the social compliance performance level of the production sites of active Tier 1 suppliers (including our own production sites) verified by audits, self-assessments, or external social compliance certificates.

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 workers 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.

These results are based on 125 social compliance assessments conducted in 2024 (2023: 116) across 114 Tier 1 suppliers (2023: 113) out of a total from 200 Tier 1 suppliers (including own production) (2023: 205). The **due diligence process** outlined below forms the foundation for achieving these targets.

Actions related to workers in the value chain

Due diligence and sustainable supply chain management

At HUGO BOSS, ensuring compliance with human rights, labor, and environmental standards across the supply chain is a core commitment. To address these challenges, we have implemented a comprehensive **due diligence process** as part of our risk management framework, aligning with the OECD Due Diligence Framework and the UN Guiding Principles on Business and Human Rights.

HUMAN RIGHTS DUE DILIGENCE PROCESS



This risk-based process, informed by the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LkSG), aims to identify, prevent, mitigate, and account for potential human rights risks and violations. The process is routed in our risk management system that undertakes a **continuous risk analysis** to proactively address risks, minimize negative impacts, and, where necessary, implement remedial actions to uphold human rights and ethical standards throughout the supply chain.

The due diligence process begins with a **thorough selection of potential suppliers**. Before being accepted into our supplier portfolio, each potential partner must complete a standardized evaluation process. This involves agreeing to general purchasing and production conditions, as well as contractual commitments to our SCoC, the Restricted Substances List (RSL), and the Manufacturing RSL (MRSL) from the Zero Discharge of Hazardous Chemicals (ZDHC) initiative. It also includes completing questionnaires on topics such as customs or supplier governance. Additionally, suppliers are required to complete a standardized self-assessment focusing on human rights compliance and submit valid certifications. They must also successfully pass an online ESG training course covering topics such as social responsibility and environmental standards. For new supplier relationships in countries where HUGO BOSS has not yet operated, an internal decision-making committee evaluates the political, social, and environmental risks associated with the country before any partnership is initiated. > **Pollution**

Management systems

At the core of HUGO BOSS' due diligence framework is the SCoC, which establishes minimum standards for all partners and their networks, requiring a contractual commitment as a prerequisite for collaboration. To ensure these standards are upheld, we continually assess suppliers' social compliance through our **Sustainable Supply Chain (SSC) program**. This program operationalizes our due diligence process by systematically monitoring supplier adherence to the SCoC's principles.

Suppliers in the SSC program are classified based on criteria such as industry type and geographical location. This categorization enables targeted management of sustainability risks by addressing both process- and location-specific challenges. The SSC program comprises three core modules, which collectively address key aspects of sustainability management at all our Tier 1 and direct Tier 2 suppliers: the **Social Compliance Management module** focuses on ensuring respect for human rights and fair labor practices. The **Environmental Management module** prioritizes efforts to combat climate change, conserve water and soil, and prevent air pollution. The **Governance module** equips suppliers with tools to enable greater responsibility for sustainability in their operations and along their supply chains, in alignment with the SCoC. By integrating environmental

and social criteria, the SSC program provides a comprehensive framework for assessing human rights and labor practices throughout the supply chain. The Social Compliance Management module has been accredited by the FLA since 2018.

THE SOCIAL COMPLIANCE MANAGEMENT MODULE IN FIGURES

	2024	2023
Total number of Tier 1 suppliers	200	205
Total verified Tier 1 suppliers in fiscal year	114	113
By social audit	46	55
By self-assessment	67	56
By certificate of external standard	1	2

The program's **decision-making and oversight processes** shall ensure effective risk monitoring. All relevant departments – including our operational teams as well as key central departments such as Corporate Sustainability, Risk Management, and Compliance – collaborate under defined responsibilities, while our Human Rights Officer oversees the overall due diligence process.

As part of its management systems, HUGO BOSS is also committed to **increasing supply chain transparency**. As part of our Digital TWIN initiative, we are working toward full upstream traceability for all BOSS and HUGO products. After a successful pilot phase in 2024, we began rolling out a traceability tool and continue to onboard additional suppliers, enabling us to collect additional valuable data on product provenance, composition, and further business-critical information in the future.

Risk assessment

HUGO BOSS conducts regular **human rights risk analysis** to evaluate the actual and potential impact of its business activities on individuals. This analysis distinguishes between supplier risks, country risks, and industry risks. Regarding workers in the supply chain, we assess human rights risks through two key instruments: **human rights self-assessments** to identify potential risks and **on-site social audits** to uncover actual risks. This dual approach shall ensure comprehensive oversight while enabling targeted risk management throughout the supply chain.

To **identify potential risks**, suppliers in Tier 1 and Tier 2 complete annual human rights self-assessments, evaluating compliance with the environmental and social requirements outlined in our SCoC. Conducted through a web-based platform, the system automatically calculates a risk level upon completion and generates Corrective Action Plans (CAPs). Suppliers are required to take corrective action and/or provide additional evidence to HUGO BOSS to improve their risk rating. This process is frequently supported by HUGO BOSS to ensure effective remediation. Based on the results of the self-assessments, social audits may also be conducted before initiating any business relationship.

To **uncover actual risks** and **identify violations**, HUGO BOSS conducts on-site social audits using risk-based planning. These audits focus on high-risk suppliers identified either through self-assessment results or previous audits that revealed weaknesses or violations requiring follow-up. They are conducted using systematic auditor guidance, aligning with ILO Conventions, UN Guiding Principles, and legal requirements such as the German Supply Chain Act (LkSG). Each audit generates a detailed report, informing suppliers on specific issues through CAPs and training programs. This approach shall enable suppliers to achieve compliance and continuously improve their performance. We also accept external social compliance certificates or standards, including SMETA, Amfori BSCI, SLCP, FLA, FairWear, and SA8000.

In fiscal year 2024, a total of 56 audits were conducted (2023: 58), with **unannounced audits** accounting for 13% of the total audits (2023: 3%). At HUGO BOSS, we aim to steadily increase the number of unannounced audits, reflecting our commitment to identifying areas for improvement and addressing potential non-compliances within our supply chain. In 2024, we identified 11 violations within our supply chain (2023: 8), which are detailed below.

VIOLATIONS OF THE SUPPLIER CODE OF CONDUCT¹ (NUMBER)

	2024			2023		
	Risky	Insufficient	Total	Risky	Insufficient	Total
Social compliance management	5	0	5	2	1	3
Compensation and benefits	0	1	1	0	2	2
Freedom of association and collective bargaining	1	0	1	0	0	0
Treatment of workers	0	1	1	0	0	0
Working hours	2	1	3	0	3	3
Total	8	3	11	2	6	8

¹ In 2024, as in the prior year, no violations were identified in the areas of child labor and young workers, discrimination, forced labor, health and safety and supplier control.

Risk management

Suppliers with human-rights-related risks in their operations are provided with **Corrective Action Plans (CAPs)**, which are collectively developed, agreed upon, and monitored through a risk-based audit cycle to ensure compliance. These suppliers are required to implement the CAPs within a defined time frame. If adequate improvements are not achieved after several reviews, HUGO BOSS may ultimately end the partnership as a last resort through a **responsible exit process**. This involves gradually phasing out order volumes rather than abruptly terminating the relationship, ensuring suppliers have sufficient time to secure new customers and maintain stability, including the reliable pay of their workers. Audits of Tier 1 suppliers in 2024 resulted in a total of 52 **CAPs** (2023: 53), with their implementation set to be verified through follow-up audits.

Monitoring

Follow-up monitoring follows a risk-based approach, involving collaboration between suppliers, operational departments, and our Sustainable Supply Chain department. Re-audits are scheduled for suppliers with "risky" or "insufficient" results in prior audits to verify the successful implementation of corrective actions. Additionally, the **FLA** independently monitors our due diligence efforts by conducting annual audits at selected production sites. Any CAPs arising from these audits are implemented by suppliers, tracked diligently, and reported to the FLA to ensure accountability and transparency. This process is also mirrored in audits conducted by ACCORD, which focus on occupational health and safety (OHS) in Pakistan and Bangladesh, which aims to ensure consistent oversight and improvement in these critical areas.

Communication

In addition to the information provided in this combined non-financial statement, HUGO BOSS makes its due diligence policies, procedures, activities, and results available on its **Group website** as well as through relevant **ratings and rankings**, including S&P Global's annual Corporate Sustainability Assessment (CSA). In the case of any third-party complaints via the FLA, such information is publicly accessible on its website. During our biennial **Stakeholder Dialog**, we also share information on our policies, strategies, and efforts with different stakeholder groups, actively seeking their feedback.

Further actions

Training and capacity building

HUGO BOSS provides **ESG-related training** to suppliers on its Supplier Code of Conduct (SCoC) and offers access to a third-party **learning platform** with various training modules, covering topics such as working hours, fair labor practices, and ESG laws and regulations. In 2024, we conducted our **ESG onboarding training** for new suppliers and selected existing partners. Additionally, we work closely with key partners to enhance quality, efficiency, and other supply chain parameters, including offering **programs to improve digital skills** among their workforces. HUGO BOSS also contributes to worker training through its membership in the International Accord, which implements **OHS training** as part of corrective action plans in Bangladesh and Pakistan. Employees of HUGO BOSS whose roles involve social compliance, such as those in procurement, receive regular training on our SCoC and Social Compliance Management module. This shall ensure they are equipped to support suppliers in implementing CAPs.

Support for vulnerable groups

In high-risk countries, HUGO BOSS implements projects to support vulnerable groups in the supply chain. Since 2022, we have partnered with Phulki, an NGO in Bangladesh, to run a **women's café**. This initiative offers training on gender equality, grievance mechanisms, and OHS, while providing a platform to voice concerns and give feedback for ongoing improvements. In 2024, we also supported a **gender data initiative** in India, collaborating with two suppliers to train their representatives on the relevance and advantages of collecting gender-disaggregated data to promote and enhance gender equality within their operations. Additionally, HUGO BOSS actively contributes to the **Gender Equality Strategy Circle** within the German Textile Partnership, further advancing the rights of female workers.

Fair compensation and living wages

Fair compensation is a fundamental human right and a core principle of our SCoC, serving as a critical factor in fostering and maintaining long-term partnerships with our suppliers. In collaboration with the **FLA** and as part of an initiative initiated by the **German Textile Partnership**, we actively advocate for political and economic conditions that promote higher wage levels in the global supply chain. In 2021, we developed a **strategy** aimed at ensuring that wages paid by our suppliers adequately cover workers' basic needs, including food, water, housing, education, healthcare, transportation, and clothing for all household members. Additionally, workers should have enough disposable income to save for unexpected events. To achieve this, HUGO BOSS continuously works with suppliers to improve compensation practices and bring wages closer to the living wage standard. We also launched a **living wage pilot program** with a supplier in Bangladesh addressing wages, benefits, empowerment, social dialog, and purchasing practices. The initial wage analysis confirmed payments exceeding the statutory minimum wage. Based on insights gained, we developed a roadmap with our suppliers and extended the pilot until 2027. A final impact measurement will be conducted at the project's completion. Notably, in the past fiscal year, we increased the wage reference value in collaboration with the supplier in Bangladesh.

Responsible purchasing practices

Responsible purchasing practices are vital for promoting fair working conditions and wages across our supply chain. In 2024, HUGO BOSS developed **Responsible Purchasing Guidelines** set to be communicated internally in 2025. These guidelines emphasize trust-based and equitable partnerships, long-term collaborations, responsible exit strategies, efficient production planning, and open dialog with suppliers on order management and payments. To ensure alignment with the guidelines internally employees have been trained on these principles. Going forward, we will further strengthen these efforts by providing tailored **training and awareness initiatives** for employees in our sourcing and operations departments to ensure alignment with these principles. We are also actively participating in the **"Learning and Implementation Community" (LIC)** on responsible purchasing practices. This multi-stakeholder initiative provides a platform for companies, NGOs, and other stakeholders to share insights and best practices for improving purchasing behavior and mitigating risks in supply chains. Finally, to safeguard the financial health of our suppliers, we offer a **Supplier Financing Program**, enabling faster access to receivables and ensuring their solvency during challenging periods. This program not only strengthens supplier resilience but also supports their ability to meet obligations to their workers, such as paying wages on time and investing in compliance measures.

Consumers and end-users

In today's digital landscape, safeguarding **consumer privacy** and ensuring the **ethical use of data** are fundamental to sustaining trust and building long-term relationships. The aim of **data protection** is to guarantee the individual's right to self-determination in terms of information. With HUGO BOSS placing a strong emphasis on further digitalizing its business model, the importance of data protection continues to grow. Leveraging customer data, particularly from our own online business and our customer loyalty program, is essential for the future success of HUGO BOSS. Any breach of data protection laws or data privacy violations poses a risk to the data subjects affected, while also representing considerable compliance, financial, and reputational risks for HUGO BOSS.

Policies related to consumers and end-users

HUGO BOSS is committed to protecting personal data in compliance with the EU General Data Protection Regulation (GDPR) and other applicable legal standards. The Company's **privacy policies** inform consumers and end-users about the collection and processing of personal data from our own online store hugoboss.com, our customer loyalty program, mobile applications, and our Group website. This includes data such as contact details, purchase history, and browsing behavior, which are used to process orders, enhance customer service, and support marketing communications. The policies also outline the use of cookies and tracking technologies to enhance user experience and analyze website activities, given that consumers and end-users provide respective consent for such data processing. To safeguard personal data against unauthorized access, loss, or alteration, HUGO BOSS fosters the implementation of technical and organizational measures. Customers are informed of their rights under the GDPR, including the rights to access, rectification, erasure, restriction of processing, data portability, and the right to object. Procedures for handling data breaches and complaints are clearly defined, with our Data Protection Officer acting as the primary point of contact. Our privacy policies reflect the latest legal and organizational standards and are regularly reviewed to ensure compliance, with the most recent update completed in 2024.

Our **Data Protection Policy**, binding across all Group entities, provides a framework to ensure the secure and lawful processing of personal data, addressing identified risks through clear guidance. It adheres to key principles such as transparency, purpose limitation, data minimization, accuracy, and confidentiality, while establishing strict guidelines, in line with the GDPR and the German Federal Data Protection Act (BDSG). The policy applies to all personal data processed across the Group, including that of employees, customers, suppliers, and partners, ensuring secure and compliant data processing across the value chain. While anonymized data is excluded, the policy places a strong emphasis on protecting data subjects' rights in a timely manner, including access, rectification, erasure, restriction of processing, data portability, and the right to object.

Our **Data Breach Complaint Policy** provides a structured framework for managing personal data breaches in compliance with the GDPR and other legal requirements. The policy outlines processes to detect, report, and respond to data breaches promptly, minimizing potential harm to affected individuals and entities. Complaints are handled with clearly defined procedures, reinforcing trust and accountability.

Our privacy policies, the Data Protection Policy, and the Data Breach Complaint Policy are accessible in our online store and on the Group website, respectively. Our **Data Protection Officer**, reporting directly into the CFO/COO, is responsible for monitoring compliance with these policies, serving as the primary contact for all data protection matters.

Engaging with consumers and end-users

HUGO BOSS addresses data protection risks through structured **risk assessments** and transparent **communication**. Threshold analyses are conducted for each instance of customer data processing to determine the potential risk level. If a high risk is identified, a detailed data protection impact assessment (DPIA) is carried out. To document and streamline this process, HUGO BOSS has implemented a dedicated tool that tracks risk assessments and related measures. By prioritizing structured risk management, we aim to promote trust and maintain good corporate governance while adhering to regulatory requirements.

Particular attention is given to **high-risk processes**, such as our customer loyalty program "HUGO BOSS XP," which involves particularly sensitive data. Prior to the introduction of new processes, a comprehensive risk assessment is completed, and necessary technical or organizational measures are implemented. Supported by an interdisciplinary team that includes both IT specialists and the data protection department, this process shall ensure full compliance with data protection regulations. HUGO BOSS relies on internal analyses and indirect insights to align its data protection practices with customer expectations. The **effectiveness** of these measures is evaluated through a combination of structured monitoring processes, incident analyses, and the handling of data breach complaints. To drive continuous improvement, identified incidents are thoroughly analyzed, and corrective actions are implemented to prevent recurrence. These actions are overseen by the Data Protection Officer through structured monitoring processes. In the event of an incident, HUGO BOSS ensures timely complaint resolution and conducts detailed incident analysis to mitigate further risks.

Grievance mechanisms and remediation processes

Consumers and end-users can report data breaches or suspected incidents through **multiple secure channels**, including contacting the Data Protection Officer directly, submitting concerns via email, or contacting an external ombudsperson, with the option of anonymous reporting. These mechanisms are accessible via a dedicated data privacy section in our online store as well as via the Speak Up Channel on our Group website. Complaints are processed by the Compliance department that evaluates incidents to determine the risk to the rights of individuals. If a material negative impact is identified, remedial action is taken, thoroughly documented, and communicated within a specified time frame.

The **effectiveness of these channels** is assessed by monitoring how complaints are handled and resolved. Each case is tracked, analyzed, and reviewed to evaluate its resolution and identify areas for improvement. HUGO BOSS aims to build **stakeholder trust** in its grievance mechanisms through transparent communication across its platforms. In addition, policies are in place to protect individuals from retaliation when raising concerns, further reinforcing confidence in the system. Further details on our grievance mechanisms and remediation processes can be found in the "Governance" section. > **Governance**

Targets related to consumers and end-users

HUGO BOSS aims to **rule out any contraventions of applicable data protection laws** as far as possible.

In fiscal year 2024, as in the prior year, the Company was **not aware of any data protection violations** established by authorities or courts. Toward the end of 2024, the German competent supervisory authority initiated an investigation following a customer complaint alleging the receipt of marketing content without sufficient legal basis. The investigation is expected to conclude in 2025.

Actions related to consumers and end-users

HUGO BOSS uses an **information security and analysis system** to collect and analyze relevant data in real time. This approach shall enable the Company to anticipate potential incidents, data breaches, and cyberattacks, thereby enhancing information security across the Company. HUGO BOSS has established specific criteria for establishing, maintaining, and continuously improving its information security management system, in line with its ISO/IEC 27001 certification. The latter confirms that HUGO BOSS has implemented robust measures to safeguard the confidentiality, integrity, and availability of information assets, including sensitive customer and employee data. Additionally, our **Security Operation Center (SOC)** ensures permanent monitoring of the respective IT systems, aimed to guarantee continuous system security.

In 2023, HUGO BOSS further **advanced its software systems** for monitoring international data protection and cybersecurity regulations, aimed to minimize the risk of non-compliance. Building on these efforts, in 2024, the Company conducted a **comprehensive review of applicable data protection laws** across all its jurisdictions. A tailored risk assessment matrix, aligning with the Company's specific business structures in each country, shall support a focused and effective approach to managing regulatory risks.

All internal processes and systems for handling personal data are **continuously monitored and refined** to ensure compliance with legal data protection guidelines. These ongoing improvements aim to prevent data misuse and theft. We have also implemented **contingency plans** to enable the prompt implementation of both technical and organizational countermeasures in the event of legal violations.

Our employees are educated on data protection by means of **general and role-specific training**, complemented by regular documentation of digital confidentiality obligations. Employees handling the personal data of EU data subjects are required to complete a comprehensive **e-learning program** on data protection. This program, designed to enhance awareness of handling personal data in compliance with the GDPR, must be completed every two years.

Governance

The Managing Board and the Supervisory Board are convinced that **good corporate governance** is a key factor for long-term business success. Good corporate governance is therefore an integral part of HUGO BOSS and a guiding principle encompassing all areas of the Company. The Managing Board and Supervisory Board are committed to ensuring the Company's continuation as a going concern as well as sustainable value creation through responsible, transparent, and long-term corporate governance. At the same time, HUGO BOSS aims to live up to, and further strengthen, the trust placed in the Company by its employees, shareholders, business partners, and the public. In the following, information is provided oriented towards ESRS G1, while further information on corporate governance can also be found in the chapter "Corporate Governance and the Corporate Governance Statement" of this Annual Report. > **Corporate Governance and the Corporate Governance Statement**

Business conduct

At HUGO BOSS, a well-defined **corporate culture** is the cornerstone of responsible business conduct. By embedding clear values and expectations into our operations, we foster compliance, promote ethical behavior, and create a collaborative work environment supported by comprehensive policies and targeted training. This proactive approach aims to ensure alignment with laws and ethical standards while minimizing workplace conflicts. Effective **whistleblowing mechanisms** further strengthen our governance framework by providing a secure channel for employees and other stakeholders to report concerns. These mechanisms aim to enable the early identification and resolution of potential misconduct, supporting transparency, protecting stakeholder trust, and reinforcing adherence to laws and ethical norms. Our commitment to responsible practices also encompasses **animal welfare**. While we use a small proportion of animal-derived materials such as leather, wool, and down in our collections, we are dedicated to maintaining transparency and implementing robust control mechanisms to uphold high welfare standards throughout our supply chain. Additionally, we prioritize the prevention and detection of **corruption and bribery**, embedding stringent policies and monitoring systems to ensure integrity in all business dealings. Regular training programs for employees further reinforce our zero-tolerance approach to unethical practices.

Corporate culture

At HUGO BOSS, our **value-based corporate culture** (company culture) is the foundation for fostering employee engagement, driving innovation, and achieving sustainable business success. It shapes collaboration with employees, business partners, shareholders, the public, and other stakeholders, fostering clarity, trust, and ethical behavior. A strong company culture benefits employees and communities, while enhancing our Company's reputation and long-term success. Embedded in the execution of our "CLAIM 5" strategy, our company culture is built around our five core values – **entrepreneurial spirit, personal ownership, team mentality, simplicity & quality, and youthful spirit**. Trust serves as the foundation of our day-to-day work, overarching these values and fostering a collaborative and empowering environment. Our values guide employee actions and interactions, drive cooperation, and align individual growth with organizational goals. Living these values is central to the HUGO BOSS identity and permeates all aspects of our operations.

> Own Workforce

To ensure these principles are consistently upheld, HUGO BOSS has implemented targeted engagement initiatives. A mandatory **e-learning module**, retaken every 18 months, educates employees on ethical conduct and reinforces our core values. **Workshops and town hall meetings** provide platforms to embed these principles into everyday actions and decisions, fostering a shared understanding across the organization. Leadership plays a pivotal role in fostering our company culture. Leaders at HUGO BOSS act as role models, empowering their teams and embodying these values. Our **Leadership Mindset** framework, built on the four pillars of orientate, challenge, harbor, and connect, ensures that leadership behavior aligns with our principles. Our **Leadership Development Program (LDP)** further strengthens this connection, inspiring teams to excel and reinforcing our cultural foundation.

We evaluate our company culture through an **annual employee survey**, to assess whether our core values are actively lived and to identify key drivers of our Company's work ethic. These insights help refine our initiatives, ensuring our culture remains a central element of employee engagement and organizational success. The results are shared with the Managing Board, senior management, and the wider organization and are discussed within teams to ensure alignment, incorporate feedback into strategic planning, and embed our values into daily operations. Importantly, the survey results, particularly the "Trust Index," represent a key component of the long-term incentive program (LTI) for the Managing Board and eligible senior management staff, underscoring the strategic importance of employee engagement. > Own Workforce

Code of Conduct

HUGO BOSS has summarized Group-wide principles of conduct in its Code of Conduct and in more detailed Group policies, thus creating the basis for ensuring the legality of all employee activities. The **Code of Conduct** is the foundation of our compliance efforts, embodying the core values and behaviors defining our Company. It provides clear guidance on how employees should interact with one another and with external stakeholders, including customers, suppliers, and other business partners. The Code establishes a binding framework for professional conduct, covering a wide range of topics.

TOPICS COVERED BY THE HUGO BOSS CODE OF CONDUCT

 Topics covered by the HUGO BOSS Code of Conduct	Avoidance of conflicts of interest
	Antitrust law and anti-corruption
	Data protection
	Decent, safe, and fair working conditions
	Occupational health and safety
	Environmental and biodiversity protection
	Animal welfare

A key tenet of the Code is the **respect for internationally recognized human rights** and the **commitment to ensuring decent working conditions**. This includes prioritizing both physical safety and personal dignity. HUGO BOSS maintains a zero-tolerance approach to willful misconduct or deliberate violations of the Code. To reinforce these principles, employees receive a copy of the Code or online access via a QR code along with their employment contract. Available in more than 14 languages, the Code is publicly accessible on our corporate website. Its most recent revision in 2022 incorporated a statement of our company values, further aligning it with our cultural priorities. Oversight of compliance with the Code is the responsibility of the Managing Board. > **Own Workforce**

In addition to guiding internal operations, HUGO BOSS extends its ethical, environmental, and labor standards throughout its value chain. All suppliers are required to adhere to the **HUGO BOSS Supplier Code of Conduct (SCoC)** and commit to its provisions. We monitor compliance through a variety of means, including on-site audits, and support our suppliers with training on relevant topics. > **Workers in the Value Chain**

Whistleblowing Policy and channels to raise concerns

The **HUGO BOSS Whistleblowing Policy** underscores our commitment to transparency, integrity, and accountability by establishing a structured process for reporting, investigating, and addressing legal violations, unethical behavior, or breaches of the Code of Conduct. This includes topics such as human rights violations, corruption and bribery, fraud, and theft. The policy outlines the grievance mechanisms and the steps taken when a suspected violation is reported. It is intended to guarantee the highest level of confidentiality and protection for whistleblowers, affected individuals, and employees involved in the investigation of potential misconduct. The policy applies to all HUGO BOSS employees and extends its protection to external stakeholders, such as business partners, workers in the value chain, and customers. These measures aim to mitigate risks related to unethical behavior, legal non-compliance, and potential reputational harm.

HUGO BOSS offers its employees as well as external stakeholders independent internal and external whistleblowing channels to confidentially and, if necessary, anonymously report potential misconduct or legal violations. These include our **Speak Up Channel**, an external **Ombudsperson**, and the central **Compliance department**. Launched in 2024, the HUGO BOSS Speak Up Channel replaced the previous online portal, being accessible globally in over 50 languages via a toll-free hotline. Detailed information about these whistleblowing channels is also available on our corporate website, ensuring accessibility for all stakeholders.

For employees, additional reporting options include supervisors and compliance officers at subsidiary or Group level. Information about reporting mechanisms is featured on the Company's intranet and corporate website. To foster a strong culture of compliance, HUGO BOSS has implemented a Group-wide **Online Compliance Training** course. While accessible to all employees, it is mandatory for specific target groups and is conducted at least every 18 months. The training covers key topics, including Company Values, the Code of Conduct, Anti-Corruption, Anti-Money Laundering, Data Protection, Information Security, Antitrust, Conflict of Interests, Animal Welfare, and Whistleblowing. Against the backdrop of increasing regulatory requirements, the program was last updated, expanded, and rolled out in 2024. Employees responsible for managing cases receive specialized training, such as internal investigation workshops, provided by the Compliance department.

In the supply chain, we ensure grievance awareness through our **Supplier Code of Conduct (SCoC)**, a contractual prerequisite for doing business with HUGO BOSS. Tier 1 suppliers receive mandatory social compliance training that emphasizes grievance mechanisms and are required to share the SCoC information with their workforce and third parties. This shall ensure workers in the supply chain are aware of their rights and encouraged to report violations related to human rights, labor standards, and environmental laws.

> **Workers in the Value Chain**

In 2024, several supply-chain-related complaints were submitted via our whistleblowing channels, with their resolution status being outlined below.

SUPPLY CHAIN COMPLAINT CASES IN 2024

Country	Sector risk	Resolution status
India	Working conditions	In progress
India	Working conditions	In progress
Pakistan	Working conditions	In progress
Turkey	Working conditions (unlawful dismissal)	In progress
Bangladesh	Working conditions	Closed
India	Discrimination and harassment	Closed
Taiwan	Migrant worker	Closed
Thailand	Working conditions	Closed
Turkey	Working conditions	Closed
Turkey	Working conditions	Closed
Turkey	Working conditions/freedom of association	Closed

The Compliance department maintains comprehensive documentation of all investigations and evaluates the **effectiveness of whistleblowing channels** annually or as needed. Our Whistleblowing Policy is reviewed annually, with the most recent update in 2024. Feedback from internal and external stakeholders is incorporated to ensure the policy remains effective and aligned with its purpose. The Compliance Officer regularly briefs the Managing Board on significant compliance cases.

Animal welfare

HUGO BOSS is committed to maintaining high standards of animal welfare and species protection throughout its operations. The **HUGO BOSS Animal Welfare Policy**, last updated in 2024, aligns with internationally recognized standards such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the World Organization for Animal Health (WOAH) guidelines. Developed in collaboration with the animal welfare organization FOUR PAWS, the policy incorporates "General Animal Welfare Aims" based on the Five Domains Model, which defines minimum requirements and measures addressing both the physical and mental well-being of animals involved in the supply chain. HUGO BOSS firmly opposes **animal testing** for all products, including licensed goods like cosmetics, extending this commitment to new product and material development. Our Animal Welfare Policy applies to all Group companies, with deviations allowed only in cases where country-specific regulations conflict with the policy, provided the essential content and purpose are upheld. Non-compliance may result in labor law consequences. **Responsibility** for the policy resides with the Managing Board, while the Compliance department ensures its implementation and adherence.

Targets related to animal welfare

HUGO BOSS has implemented specific standards and targets for sourcing animal-derived materials, reflecting its commitment to sustainability and animal welfare. **Leather** is sourced exclusively as a by-product of the food industry, including materials from sheep, goats, cows, and buffalo. Exotic leathers and farmed fur have been banned since 2016, and we also refrain from using **angora**. For **wool**, our policy emphasizes species-appropriate husbandry, gentle shearing methods, and avoidance of harmful practices such as live lamb cutting. HUGO BOSS is committed to sourcing 100% mulesing-free wool by 2030, reaching 53% in 2024. This goal aligns with our overarching target of sourcing 100% of our natural raw materials from regenerative or recycled sources. Our regenerative farming principles inherently prohibit mulesing and include further animal welfare aspects, such as grass feeding and minimizing animal transport. For **mohair**, HUGO BOSS exclusively uses materials certified under the Responsible Mohair Standard (RMS). For our brands' summer 2025 collections, we only use certified **cashmere** in all products containing more than 60% cashmere. Already in 2024, 78% of these products, which generally make up only a very small portion of our collections, met this standard. HUGO BOSS also uses only **down** produced without live plucking or forced feeding, ensuring all down is certified by DOWNPASS or recycled. To further **reduce reliance on animal-derived materials**, HUGO BOSS actively develops and integrates vegan alternatives, provided they enhance environmental balance without compromising quality or functionality. For additional information, please refer to the "Biodiversity and Ecosystems" and "Resource Use and Circular Economy" sections. [> Biodiversity and Ecosystems](#), [> Resource Use and Circular Economy](#)

Our suppliers are integral to upholding our animal welfare standards. All suppliers of animal-derived raw materials, as well as Tier 1 suppliers using animal products, must comply with local **animal welfare regulations** as a minimum requirement. HUGO BOSS demands proof of compliance and conducts verification when potential risks are identified.

Prevention and detection of corruption and bribery

Ethically correct and lawful conduct includes the **prevention of corruption and anti-competitive behavior**. HUGO BOSS expects all employees to act lawfully in day-to-day business operations. For HUGO BOSS, corporate compliance is a key responsibility of the Managing Board and includes measures to ensure adherence to legal and official regulations, as well as internal guidelines and codes. These include anti-corruption, anti-bribery, anti-competitive, and antitrust regulations.

Policies related to the prevention and detection of corruption and bribery

Our employees are required to comply with the Group-wide **Code of Conduct** and supplementary specific compliance rules, such as an **anti-corruption policy** regulating the acceptance and the granting of gifts and invitations. In fiscal year 2024, efforts focused on enhancing the anti-corruption policy by streamlining approval processes, addressing additional risk areas, and establishing clear procedures for handling suspicious cases. The rollout of the revised policy is planned for the beginning of fiscal year 2025. Both the publicly accessible Code of Conduct and the internal policies are regularly reviewed, with their content updated, particularly in response to changes in legal requirements. [> Own Workforce](#)

The central **Compliance department** reports to the **Chief Compliance Officer**, who reports directly to the CFO/COO. The **Compliance department** is primarily responsible for supporting the monitoring of effective compliance management. Together with local compliance contacts in the Group companies, the department ensures the implementation and continuous further development of the respective policies as part of the compliance program. The Audit Committee of the Supervisory Board is regularly informed about the activities of the Compliance department.

Targets related to the prevention and detection of corruption and bribery

Compliance management at HUGO BOSS aims to ensure **Group-wide legally compliant behavior**. The aim is to prevent legal violations such as corruption, bribery, and antitrust violations, which may result not only in reputational and financial risk but may also lead to personal consequences under criminal and labor law.

In 2024, HUGO BOSS concluded a legal case in Denmark by agreeing to pay a fine related to an antitrust violation initially identified in 2020. Apart from this, **no violations** related to corruption, bribery, or antitrust law were identified by authorities or courts in fiscal year 2024 (2023: no violations).

Actions related to the prevention and detection of corruption and bribery

In 2024, the **Compliance Management System** was enhanced using a risk-based approach, with a focus on updating policies, advancing the whistleblowing system and case management, and refining the compliance risk assessment in the areas of anti-corruption and antitrust.

HUGO BOSS has implemented a mandatory Group-wide **Compliance Online Training** course for employees requiring regular completion, with further details provided in the section on whistleblowing. Employees in compliance-critical roles receive **additional training** through both online and in-person sessions, tailored to relevant topics such as antitrust law.

All Group companies are subject to **detailed audits** where applicable, ensuring adherence to internal policies and regulatory requirements. Any significant infringements are reported to the Managing Board and the Supervisory Board to ensure immediate attention and appropriate action.

To complement these measures, HUGO BOSS also provides various **whistleblowing channels** for employees, suppliers, and trading partners to confidentially and anonymously report potential misconduct or criminal offenses, as detailed in the dedicated section above. All reported cases are thoroughly investigated, with strict measures in place to protect whistleblowers from retaliation. This system underscores the Company's commitment to fostering a transparent and accountable corporate culture.