

COMBINED NON-FINANCIAL STATEMENT

Sustainability is an integral element of our business and governance framework

ESG activities aim to generate long-term value for our stakeholders

Statement includes ESG information assessed as material in line with ESRS

HUGO BOSS considers its sustainability-related 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 addressing environmental impacts, living up to relevant social and societal expectations, and continuously develop our approach to responsible corporate governance. In doing so, our **numerous environmental, social, and governance (ESG) activities** aim to benefit 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 transposition into national law by July 2024. By December 31, 2025, several member states, including Germany, had not completed this process. As a result, for fiscal year 2025 reporting, the legal framework applicable to listed German companies remains unchanged. Consequently, HUGO BOSS continues to prepare a combined non-financial statement in accordance with the **Non-Financial Reporting Directive (NFRD)**, consistent with previous years. In line 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 information on our sustainability activities for fiscal year 2025. It covers the material HGB topics **environmental matters, employee matters, social matters, respect for human rights, anti-corruption and bribery matters**, and the **EU Taxonomy**.

This statement applies Set 1 of the **European Sustainability Reporting Standards (ESRS)** on a partial basis as permitted by Sec. 289d HGB. A full application of the ESRS was not undertaken since the CSRD has not yet been transposed into German law. The statement draws on the results of the **double materiality assessment (DMA)** conducted in accordance with ESRS 1. The DMA concluded that nine of the ten ESRS topics are generally material for HUGO BOSS. The scope of disclosures presented does not fully reflect the extent indicated by the DMA, partly because HUGO BOSS makes use of applicable **proportionality and phase-in provisions** under the ESRS framework. This includes proportionality provisions introduced through the EU quick fix delegated act in the areas of Biodiversity and Ecosystems (E4), Workers in the Value Chain (S2), and Consumers and End-Users (S4) as well as the use of phase-in provisions and other permitted limitations

in the area of Own Workforce (S1). The chapter "Overview of ESRS Disclosure Requirements" within the section "Additional Disclosures on the Combined Non-financial Statement" provides transparency on the presence, scope, and limitations of the **ESRS disclosures included in this report**. > [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** consistent with our 2025 financial statements. Accordingly, the quantitative ESG data covers HUGO BOSS AG and all subsidiaries under its control. Unless stated otherwise, the disclosures presented apply equally to HUGO BOSS AG and to the Group. > [Notes to the Consolidated Financial Statements, Basis of Consolidation](#)

Any **references to information outside this 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). > [Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in relation to the Combined Non-financial Statement](#)

Governance

HUGO BOSS is managed by its parent company HUGO BOSS AG, which as a German stock corporation, operates under a **dual management and control structure**. Accordingly, the Managing Board is responsible for steering the Group and successfully executing its strategy, while the Supervisory Board oversees and advises the Managing Board. The two boards are strictly separate in terms of both composition and responsibilities yet work together closely in the best interests of the Company. 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 (IROs) along the Company's value chain. Strategic responsibility is assigned to the Group Strategy and Corporate Development division, which reports directly to the **Chief Executive Officer (CEO)**. This division is also responsible for the setting of ESG targets relating to material IROs 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 manages ESG reporting and ESG-related capital-market communication with investors and analysts. 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 key business areas involved in sustainability topics. 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 topics in 2025, including progress on our sustainability strategy, ESG reporting, and regulatory requirements. To further strengthen our cross-functional ESG governance, HUGO BOSS established an internal **ESG Decision Forum** in 2025. This body convenes on a quarterly basis and brings together key decision-makers, with the CFO/COO joining upon request. The forum aims to foster a holistic approach to sustainability management by ensuring transparency on ESG projects, prioritizing strategic initiatives, aligning capacity and resource planning, and promoting unified decision-making across the Company.

The Managing Board of HUGO BOSS has overall responsibility for an **effective risk and opportunity management system (RMS)**, which also encompasses a Compliance Management System (CMS). On its behalf, the central Risk Management and Internal Controls department coordinates the execution and continuous development of the RMS. Monitoring its effectiveness is the responsibility of the Supervisory Board. 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 a leading fashion and lifestyle company in the premium segment of the global apparel market. Our **business model** is described in the chapter "Business Activities and Group Structure" of this Annual Report, while details on our **Group strategy**, including our sustainability strategy, 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



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 key stakeholders, including employees, shareholders, customers, business partners, employee representatives, 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. Further information on our stakeholder engagement and partnerships can be found on our corporate website. > group.hugoboss.com

Double materiality assessment

Already in 2024, HUGO BOSS conducted a comprehensive **double materiality assessment (DMA)** in preparation for compliance with the ESRS, which was subsequently reviewed and updated in 2025 as scheduled. We have engaged with numerous internal stakeholders to identify our Company’s material sustainability IROs. 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 in 2024. 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 IROs** 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 considering the specific characteristics of our value chain and 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 Report on Risks and Opportunities 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 with both internal experts across all important sustainability areas as well as 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 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, validation, and update

The results of both assessments were consolidated accordingly, jointly reviewed by Investor Relations, Corporate Sustainability, as well as 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.

In 2025, the **DMA was revisited** as scheduled. To ensure efficiency, the update was conducted centrally and focused on validating the ongoing relevance of the 2024 assessment. The process drew on peer benchmarking, financial assessment, and strategic evaluation, confirming the **continued validity** of our DMA, with only minor adjustments. One additional sub-topic, Management of Relationships with Suppliers (G1-2), including Payment Practices (G1-6), was identified as material, while other adjustments did not affect the overall results. HUGO BOSS plans to continue revisiting its DMA on an annual basis. As part of this, we are committed to continuously developing our DMA approach to ensure ongoing alignment with evolving best practices and legal requirements.

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 HGB topics

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.

This statement also contains selected **additional ESG data points** below the materiality thresholds identified through the DMA. These disclosures are provided to further enhance transparency on topics of interest to external stakeholders and are presented in the section "Additional Disclosures on the Combined Non-financial Statement." > **Additional Disclosures on the Combined Non-financial Statement**

Environment

The following tables provide an overview of HUGO BOSS' **main environmental targets** in the areas of climate change, pollution, and resource use and circular economy. For each target, the tables set out the target description, the respective target year, and the current progress. The targets provide a structured framework for translating our environmental ambitions into measurable objectives.

CLIMATE CHANGE

Target	Target year	2025	2024
Reduce Scope 1 and 2 emissions by 50% (base year: 2024)	2030	-19%	N/A
Reduce Scope 3 emissions by 50% (base year: 2024)	2030	-15%	N/A
Reduce total emissions by 50% (base year: 2024)	2030	-14%	N/A
Source 100% electricity used in own operations from renewable sources	2030	82%	73%
Reduce direct and indirect energy consumption per sq m by 20% (base year: 2019)	2030	-7%	N/A

POLLUTION

Target	Target year	2025	2024
Ensure that all Tier 1 and direct Tier 2 suppliers with wet processes comply with ZDHC MRSL (or comparable) standards	2030	50% (chemical inventory), 74% (wastewater tests)	42% (chemical inventory), 62% (wastewater tests)

RESOURCE USE AND CIRCULAR ECONOMY

Target	Target year	2025	2024
Source 100% of main natural materials from preferred sources ¹	2030	48%	32% ²
Source 100% of polyester & polyamide from preferred sources ¹	2030	14%	N/A
Design 80% of apparel products for circularity	2030	41%	33%

¹ As defined in the HUGO BOSS Material Strategy, materials from preferred sourced are either recycled, sourced from regenerative agriculture, or adhering to other recognized external standards.

² Not subject to the voluntary review with limited assurance according to ISAE 3000 (Revised).

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 broader value chain, where transportation contributes to our carbon footprint. Consumer practices such as washing, drying, and disposing of textiles further add to the environmental impact. At HUGO BOSS, we recognize our **shared responsibility to protect the climate**, strengthening our efforts to implement process changes which reduce greenhouse gas emissions and energy consumption both within our operations and throughout our supply chain.

Transition plan for climate change

HUGO BOSS has set the goal of **reducing greenhouse gas (GHG) emissions by 50% by 2030** (compared to 2024 data) and targets **net zero emissions by 2050**, following the recommendations of the Science Based Target initiative (SBTi) and in line with the 1.5°C target of the Paris Agreement. Initially scheduled for publication in 2025, the Company continues to work on updating its existing Transition Plan to reflect evolving methodologies and international regulatory developments. > [Targets related to Climate Change](#)

Policies related to climate change

Our **Environmental and Forest Conservation Policy**, which is available on the Company's website, was updated in 2025 and underscores our commitment to environmental and future-oriented matters. It sets clear standards and requirements aimed at reducing the Company's contribution to climate change, conserving natural resources, promoting energy efficiency and renewable energy, limiting environmental pollution, and supporting the preservation of forests and biodiversity 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 increased use of renewable energy. Monitoring involves tracking energy use, pollution levels, and compliance with ISO 14001 (environmental management system) and ISO 50001 (energy management system) at our own sites.

Climate change mitigation measures are firmly embedded in our Environmental and Forest Conservation Policy, which establishes clear expectations for our supply chain partners. More information on the collaboration with our suppliers to decrease emissions in the supply chain can be found in the "Actions related to climate change" section of this chapter. > [Actions related to Climate Change](#)

To advance climate protection within our supply chain, the HUGO BOSS **Supplier Code of Conduct** sets out clear standards and expectations for suppliers across various operational aspects. The code provides guidance and sets out stringent environmental requirements for suppliers, including the identification and monitoring of energy sources and the tracking of GHG emissions. Suppliers are required to develop roadmaps and implement corresponding measures to reduce energy consumption and emissions while responsibly managing natural resources. More information on the Supplier Code of Conduct can be found in the "Governance" section. > [Governance](#)

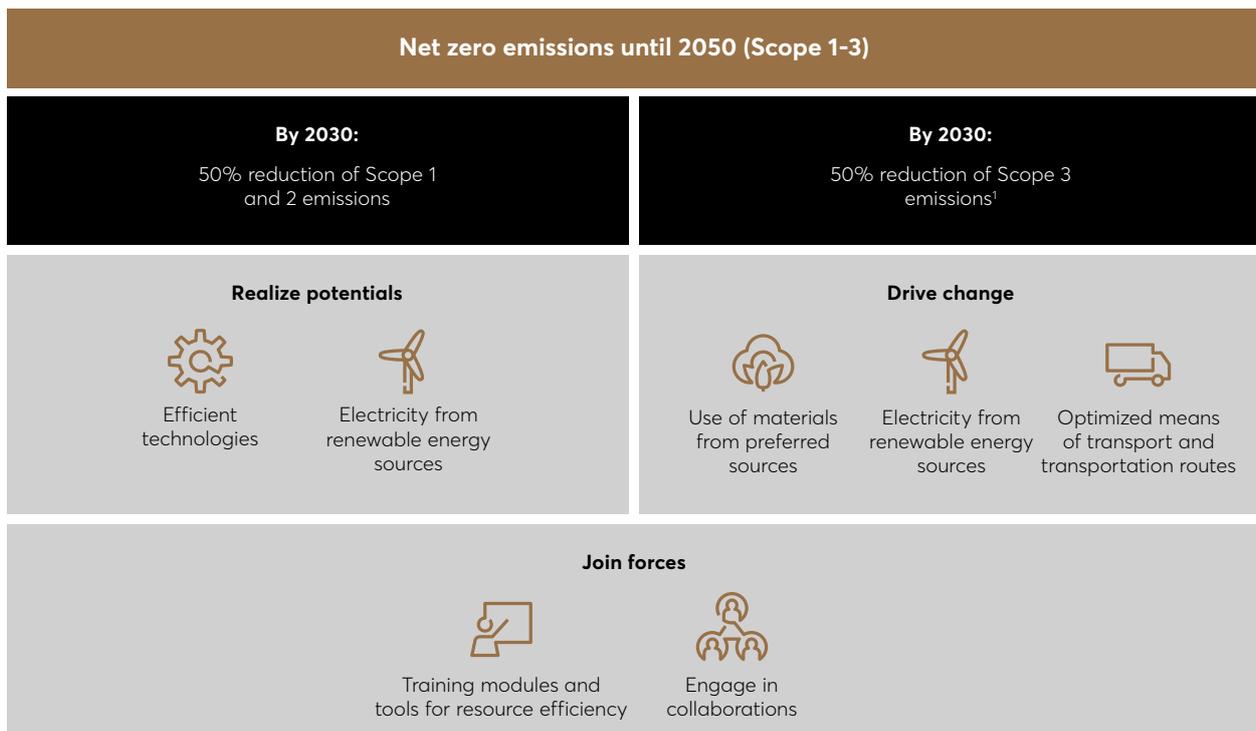
Targets related to climate change

To mitigate climate impact, we have set the long-term goal of achieving **net zero emissions by 2050**, based on Scope 1, 2 and Scope 3 emissions. As part of this, we aim to **reduce Scope 1–2 emissions by 50% by 2030**, based on a 2024 baseline (2024 adjusted: 25,520 t CO₂e). **Scope 3** emissions are also targeted for a **50% reduction** over the same period (2024 adjusted: 697,735 t CO₂e). The target calculation covers Scope 3 categories 3.1 (purchased goods and services) and 3.4 (upstream transportation and distribution) only, as these categories together account for more than 90% of total Scope 3 emissions and therefore represent the areas with the highest reduction potential. In 2025, our Scope 1 and 2 emissions decreased by 19%, and Scope 3 emissions (Scope 3.1 and Scope 3.4) also declined by 15% compared with 2024. These goals are approved by the Science Based Targets initiative (SBTi) and align with the requirements of the

Fashion Industry Charter for Climate Action (UNFCCC), supporting to limit global warming to a maximum of 1.5°C. In 2025, HUGO BOSS revised its 2030 climate targets and, in line with SBTi requirements, adjusted the base year for both Scope 1–2 and Scope 3 targets from 2019 to 2024.

Dedicated energy targets shall regarding our building-related consumption support achieving our emission reduction goals by reducing overall energy consumption and further enhancing efficiency across our operations. In line with the Fashion Industry Charter for Climate Action, we are committed to sourcing **100% electricity from renewable sources used in own operations by 2030**. In 2025, already 82% of electricity consumed (83,080 MWh) was sourced from renewable energies (2024: 73%; 73,794 MWh). HUGO BOSS also aims to **reduce direct and indirect energy consumption per square meter by 20% by 2030** compared to the 2019 base year. In 2025, direct and indirect energy consumption relative to gross floor area (kWh/sq m) decreased by 7% compared to 2019.

FOCUS OF CLIMATE ACTIONS AT HUGO BOSS



¹ The Scope 3 reduction target only includes Scope 3.1 purchased goods and services and Scope 3.4 upstream transportation and distribution.

Actions related to climate change

Most of the Company's GHG emissions originate from upstream activities, including raw material cultivation, extraction, and processing. Emissions from HUGO BOSS' own operations (Scope 1 and 2) account for 3% of total GHG emissions. Consequently, 97% are generated across the broader value chain (Scope 3).

Own operations

While the climate impact of our own operations is relatively low compared to upstream and downstream activities, further **reducing energy consumption and CO₂ emissions at our own sites** remains important for achieving our overall climate targets.

To further **reduce CO₂ emissions**, we are investing in energy-efficient technologies and modernizing technical facilities. Since 2020, HUGO BOSS has been purchasing electricity exclusively from renewable energy sources at all own production sites. In 2025, we finalized the planning for the expansion of a photovoltaic system at one of our main logistics hubs near our headquarters in Metzingen (Germany), with implementation starting in 2026. Additionally, in 2025, we implemented further energy efficiency measures at our production site in Izmir (Turkey) – by far the largest of our own production sites globally. This includes the replacement of compressors with more efficient motors and the detection and repair of air leaks, resulting in energy savings of around 600 MWh in 2025. Our Izmir site was once again certified to both ISO 14001 and ISO 50001 in 2025, having maintained certification since 2014. We also expanded the procurement and use of renewable electricity on a Group-wide basis, including sourcing green electricity for all locations in Brazil, Greece, and Turkey, as well as for all remaining sites in the U.S. not yet supplied with renewable energy.

Supply chain

To advance towards our overall emission reduction targets, we are actively addressing **Scope 3 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 review suppliers' environmental management system as well as their energy consumption and CO₂ emissions. Based on prior assessments, these audits are conducted every one to three years. If any violations of environmental standards are identified, we work with the respective suppliers to develop and implement corrective action plans (CAPs), which are reviewed during follow-up audits. To support continuous improvement, we also provide regular **training** to keep suppliers informed about environmental and climate protection measures, aiming to establish standardized energy and environmental management systems. This also includes guidance on best practices for carbon accounting.

To further enhance transparency and the measurability of suppliers' environmental impacts, we co-developed the "**Climate Action Training for the Fashion Industry**" in 2021. This voluntary training, created by the Fashion Industry Charter for Climate Action and selected signatories, is publicly available online, 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, industry environmental impact, energy efficiency, renewable energy, and practical carbon accounting techniques.

HUGO BOSS is part of Cascale, a collaborative platform aimed at strengthening industry partnerships, enhancing supplier engagement, and improving data management. Building on this initiative, we have adopted the Cascale-developed Higg Facility Environmental Module (Higg FEM) 4.0 on the Worldly platform, one of the most widely used sustainability measurement tools in the apparel and footwear industry. This enables **accurate capture and management of Scope 3 emissions** (Scope 3.1 purchased goods and services) and provides a comprehensive view of environmental performance across the supply chain. In 2025, we expanded participation among our Tier 1 and Tier 2 suppliers. To ensure that internal stakeholders are well equipped, we conducted training sessions for key teams, including those within our brands' product divisions. The sessions focused on Higg FEM functionality, leveraging benchmarking opportunities to optimize order placements, and performing country-specific analyses. In the 2025 reporting year, the process requirements were established to integrate the Higg FEM into the environmental criteria of supplier evaluation.

HUGO BOSS aims for a gradual reduction of its **transport-related GHG emissions** (Scope 3.4 upstream transport and distribution) by consistently reducing air freight and increasing the share of shipping methods with lower GHG emissions per ton-kilometer, such as sea freight, and by improving transport planning. In addition, the Company is integrating minor amounts of biofuels to contribute to the reduction of GHG emissions along the supply chain and introducing new supply chain tracking systems to enhance transparency and increase transport efficiency. On top of that, we focus on nearshoring to position production closer to key sales markets.

Energy consumption and mix

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

ENERGY FROM FOSSIL AND RENEWABLE SOURCES (IN MWh)

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

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

Energy intensity, measured as total energy consumption across all own production facilities, warehouses, offices, and brick-and-mortar retail stores and outlets, relative to revenue, amounted to 33 MWh/EUR million in 2025 (2024: 34 MWh/EUR million).

Greenhouse gas emissions

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

Scope 1 and 2 emissions amounted to 20,594 t in 2025, reflecting a reduction of 19% compared to the previous year (2024: 25,520 t). This mainly reflects an increased share of green electricity and the implementation of energy efficiency measures across our own operations.

In 2025, **Scope 3 emissions** totaled 642,946 t, marking a 14% decrease against the prior year (2024 adjusted: 746,134 t). This decrease, consistent with the overall reduction in total emissions, is primarily driven by lower production volumes. GHG emissions intensity per purchased piece decreased by 1% compared to 2024. The calculation is based on the sum of emissions from Scope 3.1 purchased goods and services (>99% of numerator) and direct emissions from own production sites (<1% of numerator), in relation to sourcing volume.

GREENHOUSE GAS EMISSIONS (IN T CO₂e)

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

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

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

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

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

Pollution

Pollution is a critical issue in the apparel and textile industry, particularly in upstream and downstream value chain stages. 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 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 aims to reduce pollution in key stages of its value chain, for example by improving chemical management in wet processes.

Policies related to pollution

To effectively address pollution prevention and control, we have implemented respective policies. Our **Environmental and Forest Conservation Policy** sets the framework for reducing environmental pollution and protecting natural resources, with more information to 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 reduce 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 already 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 substances that need to be reduced or eliminated. 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 own production facilities, to regularly verify their chemical inventories against the MRSL.

To minimize the presence of harmful substances in our products, we have established a **Restricted Substances List (RSL)** and **Product Compliance Guideline**, defining product safety and marketability requirements, thus 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 defined 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 these 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**. The scope includes all active suppliers with whom HUGO BOSS conducted business transactions during the reporting year and who either use chemicals (for chemical inventory testing) or use chemicals and water (for wastewater testing). In 2025, 50% of the production sites in scope met the chemical inventory requirements (2024: 42%). For wastewater tests, 74% of the production sites in scope complied with the specifications (2024: 62%). By 2025, interim targets were defined for strategic suppliers, requiring all strategic Tier 1 suppliers with wet processes to comply with the ZDHC MRSL requirements or an equivalent standard for both chemical inventory and wastewater testing. The targets were not fully achieved, as some suppliers use alternative certification schemes for chemical management and wastewater testing that are not currently recognized under the HUGO BOSS target definition. We remain committed to our 2030 target and will continue to evaluate additional certification schemes for potential inclusion in the target scope.

To enhance water and soil quality, we aim to **source 100% of our main natural materials from preferred sources by 2030** as outlined in our Material Strategy, covering all fabrics and linings (measured by sourcing volume, excluding license products). We define materials from preferred sources as either recycled, sourced from regenerative agriculture, or adhering to other recognized external standards. As of 2025, 48% of our main natural materials already met these criteria (2024: 32%; unaudited). 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 as well as on our Material Strategy can be found in the "Resource Use and Circular Economy" section. > [Resource Use and Circular Economy](#)

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. Through the ZDHC "Roadmap to Zero" concept, we have expanded opportunities to monitor and improve chemical management along the supply chain. Additionally, as a member of the AFIRM Group, we leverage their tools to foster chemical compliance and product safety at every stage of production.

Recognizing the environmental risks posed by chemicals in products, HUGO BOSS **prohibited the use of harmful per- and polyfluoroalkyl substances (PFAS)** in production processes already in 2018. This ban is an integral part of our RSL.

To ensure **our products are free from substances of very high concern (SVHC)**, we conduct regular monitoring through comprehensive 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 users and the environment.

Water resources

At HUGO BOSS, we are committed to **responsible water management and the overall careful use of water** at our sites as well as throughout the supply chain. We recognize the material impacts of our activities on water resources, particularly through the cultivation of water-intensive raw materials such as cotton and water use in upstream production processes. To address these impacts, we work to mitigate water scarcity risks and reduce our footprint on surrounding communities and ecosystems. By implementing targeted initiatives and collaborating closely with our supply chain partners, we aim to lower water withdrawal, enhance efficiency, and reduce environmental impacts.

Policies related to water resources

Water management is a key element of our **Environmental and Forest Conservation Policy**. We require suppliers to continuously monitor and optimize their water consumption. Suppliers engaged in water-intensive processes (processes which need more than 15 m³/year industrial water usage) are encouraged to continuously optimize their water efficiency and implement responsible wastewater management practices. The policy also sets the framework for minimizing adverse impacts on water-related ecosystems. More information on our Environmental Policy can be found in the "Climate Change" section. > [Climate Change](#)

Actions related to water resources

Our actions to reduce freshwater intake primarily focus on supply chain partners with water-intensive production processes. Since 2024, we have been **partnering with Cascale** and **Worldly** to enhance, among other things, the tracking and transparency of water consumption at Tier 1 and Tier 2 supplier sites. This collaboration provides transparency into water usage, enabling us to design effective strategies for reducing water consumption going forward. In 2025, we prioritized assessing risks across all facilities within our direct supply chain that utilize water in their production processes. Our efforts focused on identifying facilities in regions facing high water stress, to effectively address material water-related risks and incorporate them into a roadmap going forward.

When implementing measures alongside the supply chain, we also draw on the expertise gained from several **water management initiatives** implemented at our own sites in recent years. At our largest production site in Izmir (Turkey), for example, groundwater collection systems continue to support green area irrigation and sanitary installations. Additionally, water-saving aerator fittings at multiple locations continue to reduce overall water consumption by mixing air into the water flow.

Biodiversity and ecosystems

Natural raw materials depend on **healthy ecosystems and thriving biodiversity**. As our products are predominantly crafted from cotton, wool, and other natural fibers, this underscores our deep reliance on the preservation of biodiversity. Cotton cultivation often involves excessive fertilizer and pesticide use, while agricultural expansion for cotton and leather production contributes to habitat loss and deforestation. Furthermore, land-use changes associated with raw material extraction and textile production intensify pressure on ecosystems, contribute to the degradation of natural habitats, and accelerate the loss of biodiversity. HUGO BOSS integrates biodiversity considerations into its broader sourcing activities, working to balance its dependence on natural resources with efforts to mitigate adverse impacts on ecosystems. The sourcing of natural materials from regenerative agricultural systems can also promote practices that improve soil quality, preserve or restore biodiversity, and contribute to the long-term stability of local ecosystems. At the same time, biodiversity loss and ecosystem degradation can impair essential ecosystem services.

In line with the **EU "quick-fix" relief** for fiscal year 2025, the Company applies reporting reliefs under ESRS E4. Accordingly, while E4 has been assessed as material, the chapter presents summarized disclosures focusing on key policies, actions, targets, and metrics.

Policies related to biodiversity and ecosystems

Biodiversity and ecosystem protection are embedded across several policy instruments. Our **Environmental and Forest Conservation Policy** underscores our commitment to conserving natural resources, improving energy efficiency, and managing environmental risks across our operations and supply chain. It also guides the use of alternative and resource-efficient materials to help reduce impacts on biodiversity and ecosystems. Our **Biodiversity Strategy Paper** outlines how we manage key dependencies on cotton, wool, and other nature-based inputs. Our approach prioritizes sourcing practices that take environmental and social aspects into account and excludes materials such as exotic leather. It also addresses the prevention of deforestation linked to cotton cultivation and wood-based inputs, as HUGO BOSS is committed to forest conservation by selecting materials for fabrics, paper, and packaging in a way that preserves ecosystems and supports social responsibility. Further details on our Environmental and Forest Conservation Policy are provided in the "Climate Change" section. > [Climate Change](#)

Targets related to biodiversity and ecosystems

To reduce the impact on natural resources, HUGO BOSS has set the goal of **sourcing 100% of main natural materials used in fabrics and linings from preferred sources by 2030** (measured by sourcing volume, excluding license products), as defined in the HUGO BOSS Material Strategy. In this regard, we focus on cotton, wool, leather, mohair, cashmere and down. In 2025, 48% of the main natural materials already met these criteria (2024: 32%; unaudited). While regenerative agriculture remains the first choice when sourcing cotton and wool, this target replaces a former target with a narrower focus solely on regenerative agriculture, thus reflecting a broader, more integrated sourcing approach. Regenerative agriculture is a holistic approach to restoring soil health, biodiversity, and ecosystem resilience through practices such as crop rotation, the reduced use of critical chemicals, and the protection of endangered species. Since 2025, all natural materials sourced according to regenerative principles rely on renowned external standards as outlined in our Material Strategy. Additional information on this target as well as on our Material Strategy can be found in the "Resource Use and Circular Economy" section. > [Resource Use and Circular Economy](#)

Actions related to biodiversity and ecosystems

Recognizing the importance of intact ecosystems and biodiversity, HUGO BOSS has taken concrete steps to identify, assess, and disclose nature-related risks and opportunities. In 2025, we published our first combined Task Force on Climate-related Financial Disclosures (TCFD) and **Taskforce on Nature-related Financial Disclosures (TNFD)** report, enhancing transparency and accountability. A key focus in 2025 has been the application of a comprehensive biodiversity impact assessment tool, extending its use to our own facilities, Tier 1 and direct Tier 2 suppliers, and regenerative Tier 4 farmers. The **HUGO BOSS Foundation** also supports non-profit initiatives aimed at restoring ecosystems and promoting biodiversity. In 2025, it continued its long-term partnership with Coral Gardeners to support coral reef restoration and biodiversity protection in marine environments.

Additional information on **animal welfare** is available in the Governance chapter. More details on our broader biodiversity and ecosystem approach can be found on our Group website. [> Governance](#)

Resource use and circular economy

As a global fashion company, HUGO BOSS recognizes its responsibility to **respect natural resources** and support the **transition towards a circular economy**. Circularity was identified as a strategic priority at an early stage and is embedded as a key pillar of our sustainability strategy. [> Group Strategy, Sustainability Strategy](#)

The fashion industry's production processes rely heavily on **natural materials** such as cotton, wool, **and synthetic fibers** like polyester, all of which necessitate ongoing resource extraction. This dependence drives environmental challenges, including deforestation, high water consumption, and pollution. Additionally, substantial waste is generated both during garment production and at the post-consumer stage, when clothing is discarded rather than being reused or resold. This exacerbates environmental burdens and depletes valuable raw materials. Packaging, particularly single-use plastics, further adds to the environmental impact, contributing to resource depletion and generating large volumes of non-biodegradable waste.

Policies related to resource use and circular economy

Our **Material Strategy** underscores our commitment to resource use that takes environmental and social aspects into account and to integrating circular design principles. Key elements include the classification of raw materials and information about our "WE CARE" initiative, including circular design principles and the **use of materials from "preferred sources."** For circular design, we closely follow the comprehensive framework developed by circular.fashion, which defines clear criteria for products designed for circularity. At HUGO BOSS, circular products must meet three requirements: the use of renewable or recycled raw materials, durability, and design that enables future recycling. Like all BOSS and HUGO products, our circular products undergo testing to meet high quality standards, ensuring durability and longevity. Additionally, our designers and product experts continuously seek innovative ways to extend lifespan and improve repairability.

Targets related to resource use and circular economy

We aim for **80% of our apparel products to be designed for circularity by 2030** (measured by production volume), applying the criteria outline above. In 2025, we increased this share to 41% (2024: 33%). The ultimate impact of this target also depends on the further development of textile collection and recycling infrastructure across relevant markets.

We aim to source **100% of our main natural materials from preferred sources by 2030**, covering all fabrics and linings, measured by sourcing volume. In 2025, this share reached 48% (2024: 32%; unaudited). Preferred sources are defined in our Material Strategy and include regenerative agriculture as our first choice for cotton and wool, closed-loop recycling, and other recognized standards. In 2025, we further refined the criteria underpinning this target. In addition to regenerative agriculture and closed-loop recycling, the definition of preferred sources now also includes further standards for sustainable materials, such as organic cotton and the Responsible Wool Standard (RWS).

For **polyester and polyamide**, we likewise target to procure **100% from preferred sources by 2030**, as defined in our Material Strategy, covering all fabrics and linings and measured by sourcing volume. In 2025, this share reached 14%. This target replaces a previous target that focused on the overall reduction of polyester and polyamide. The revised approach takes a broader perspective by focusing on improving the characteristics of these materials, acknowledging that the market does not yet provide sufficient alternatives to fully replace them. Our current focus for these fibers is on textile-to-textile recycled materials, while at the same time seeking to reduce overall reliance on polyester and polyamide wherever possible.

Actions related to resource use and circular economy

In 2025, we continued to drive circularity across our business, with a strong focus on **products designed for circularity**. We analyzed key product groups that are easier to transition, such as jersey-based essentials like T-shirts and polos, to identify how circular design principles can be effectively implemented and launched corresponding measures. These actions include modifying material compositions to improve recyclability and applying circular prints. To further build internal expertise, we continued to conduct online training courses for our design and development teams, strengthening their understanding of circular design principles and their practical application.

With respect to **materials from regenerative agriculture**, we placed particular emphasis on cotton in 2025. We list all accepted standards for regenerative agriculture within our Material Strategy, giving supply chain partners clear guidance in sourcing. In addition, we continued to strengthen existing partnerships, such as with Raddis in South India, which supports smallholder farmers in transitioning to regenerative practices. To ensure organizational alignment, relevant teams are required to complete an annual online training program covering our sustainability targets and material standards.

Resource inflows

For the production of our collections, HUGO BOSS requires a variety of materials, including both **biological and synthetic/technical materials**. 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. Technical materials, such as polyester and polyamide, also remain an integral part of our input materials. To reduce reliance on virgin resources, we increasingly focus on using recycled alternatives across our brands' collections.

BIOLOGICAL AND TECHNICAL MATERIALS USED¹

	2025				2024			
	Metric tons	In % of total	Share of more sustainable materials (in %) ²	Share of recycled materials (in %) ³	Metric tons	In % of total	Share of more sustainable materials (in %) ²	Share of recycled materials (in %) ³
Cotton	15,472	56	86	1	13,761	57	100	0
Sheep wool	1,782	6	63	8	1,756	7	49	3
Leather	1,251	5	96	0	939	4	86	3
Cellulose-based materials	1,231	4	89	1	1,060	4	94	2
Other biological materials ⁴	1,243	5	22	5	881	4	12	0
Total biological materials	20,979	76	81	2	18,397	76	90	1
Polyester	3,648	13	12	12	3,194	13	11	11
Polyamide	1,234	4	21	21	1,210	5	20	20
Elastane	504	2	0	0	408	2	4	4
Other technical materials	1,181	4	10	10	855	4	0	0
Total technical materials	6,568	24	12	12	5,666	24	11	11
Total materials	27,546	100	64	4	24,063	100	71	3

¹ Previous year figures were retrospectively adjusted because small amounts of remaining materials were excluded from the scope as they are considered not material.

² Materials classified as "more sustainable" by HUGO BOSS must be verified through third-party certifications or follow recognized standards. Further details are outlined in the HUGO BOSS Material Strategy. The "more sustainable" category is distinguished from "preferred," which applies higher standards and stricter requirements – for instance, only regenerative, organic, or recycled cotton is counted as "preferred," while "more sustainable" may include additional recognized standards.

³ Recycled materials which are used in our products are generally certified. Accordingly, the values presented here also contribute to the share of "more sustainable" materials.

⁴ This category includes biological materials such as natural rubber, linen, mohair, down, cashmere, silk, and hemp.

At the same time, we aim to further improve our use of packaging. This involves both decreasing reliance on single-use plastics and increasing the use of **packaging** made from certified and/or recycled materials. No detailed reporting on packaging is provided for the current reporting year.

Resource outflows

Currently, there are no industry-wide standards for durability, repairability, or recyclability. We therefore intend to align our practices with upcoming regulations and standards as soon as they are introduced. To support **repairability**, we provide care and repair guidance on our website and offer selected repair services as part of our customer loyalty program, HUGO BOSS XP, to help extend product lifespans. While current reporting guidelines do not yet define how to assess the **recyclable content** of fashion products, we apply circular.fashion's criteria to support the development of styles designed for circularity.

We also focus on **minimizing waste** across critical stages of the product life cycle by increasingly reusing surplus production materials and extending product life cycles. To further advance the **reuse and recycling of surplus materials**, we launched Eightyards in early 2025, a HUGO BOSS subsidiary dedicated to reselling, recycling, and reusing surplus fabrics and linings.

In 2025, we also partnered with Sellpy, a European re-commerce platform, to expand **resale opportunities**. The collaboration offers customers a convenient way to extend the life of pre-owned fashion items. Through our website, we provide Sellpy shipping bags free of charge, allowing customers to send in items – including BOSS, HUGO, or other brands – for resale and receive a credit once the items are sold. The offer is initially available in selected European markets and highlights our commitment to extending product lifespans and advancing the circular economy.

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

The European Green Deal aims to achieve net-zero greenhouse gas emissions in the European Union by 2050. A central element of this strategy is the EU Taxonomy, a **classification system that defines “environmentally sustainable” economic activities**. Its purpose is to steer capital flows toward sustainable investments by classifying economic activities based on their contribution to six environmental objectives.

For fiscal year 2025, HUGO BOSS conducted a thorough analysis and concluded, consistent with the prior year, that **no financially material taxonomy-aligned sales, CapEx, or OpEx** are to be reported, in particular as our primary economic activities are currently not covered by the EU Taxonomy. HUGO BOSS did not apply Delegated Regulation (EU) 2026/73, which aims to simplify the content and presentation of Taxonomy disclosures and entered into force on January 28, 2026, for fiscal year 2025. By exercising the available phase-in option, the Company ensured consistency with the Taxonomy requirements applicable at year-end 2025. The revised disclosure requirements will be applied from the reporting year 2026 onward. The following section presents the mandatory disclosures in accordance with the EU Taxonomy Regulation.

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 "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 2025 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 2025, as in the prior year 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 2026. 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 2025.

Consequently, the **taxonomy-eligible CapEx** for 2025 in relation to the total CapEx incurred of EUR 385 million ("denominator") amounts to 7% (2024: 2% with a denominator of EUR 645 million). The share of **taxonomy-aligned CapEx**, again in relation to the denominator, amounts to 0% (2024: 0%). In accordance with the taxonomy regulation, the CapEx to be used in determining the denominator 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**

Operational expenses (OpEx)

In accordance with the EU Taxonomy, the OpEx used to calculate the denominator 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 selling and marketing, administration, and logistics expenses, do not fall under this definition. For fiscal year 2025, the OpEx denominator amounts to EUR 122 million (2024: EUR 128 million). In relation to the Company's total OpEx of EUR 2,236 million for 2025 (reconcilable to the operating expenses presented in the consolidated income statement; 2024: EUR 2,299 million), the 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 2025. Accordingly, both shares are reported as 0% (2024: 0%). > [Earnings Development, Income Statement](#)

Climate risk analysis

As in prior years, 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](#)

Minimum safeguards

Compliance with the 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

The following tables provide an overview of HUGO BOSS' **main social targets** in the areas of own workforce, workers in the value chain, and consumers and end-users. For each target, the tables set out the target description, the respective target year, and the current progress. The targets provide a structured framework for translating our social ambitions into measurable objectives.

OWN WORKFORCE

Target	Target year	2025	2024
Sustain an employee satisfaction level of at least 75% across the Group in the annual employee survey	Ongoing	78%	69%
Reduce employee-related turnover to below 30% in retail and below 8% in corporate functions	2030	31% (retail), 12% (corporate)	32% (retail), 15% (corporate)
Achieve a share of at least 40% women in top management positions (first management level below the Managing Board), and at least 50% women in the second management level below the Managing Board	2030	24% (top management), 43% (second management)	27% (top management), 44% (second management)
Achieve an 85% agreement rate on the equity index and 79% agreement rate on the inclusion index in the annual employee survey	2030	87% (equity), 81% (inclusion)	80% (equity), 74% (inclusion)

WORKERS IN THE VALUE CHAIN

Target	Target year	2025	2024
Source at least 90% of business volume from Tier 1 suppliers (including own production) that achieve one of the two highest social-compliance performance levels ("good" or "satisfactory") ¹ within the Company's five-level grading framework	Ongoing	94%	93% ²

- The rating "good" refers to suppliers that have established necessary activities for safe and fair working conditions within their management systems and take their own social responsibility very well. The rating "satisfactory" refers to suppliers recognizing the need for activities for safe and fair working conditions and have defined measures to support their implementation.
- Not part of the voluntary limited assurance engagement in accordance with ISAE 3000 (Revised).

CONSUMERS AND END-USERS

Target	Target year	2025	2024
Rule out any contraventions of applicable data protection laws as far as possible	Ongoing	Conclusion of one data protection-related matter without further action	No violations

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 embedded in our Group strategy CLAIM 5 TOUCHDOWN, 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 collaboration. 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 directly contribute to the success of HUGO BOSS. By fostering a diverse, equitable and inclusive company culture, we seek to cultivate an environment that supports the success and development of our employees. At the same time, employee development and training are central to our strategy, providing our workforce with the tools and opportunities needed for continuous growth. Through these efforts, we seek to further strengthen **our attractiveness as an employer 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. Accordingly, the Company is committed to respecting human rights as fundamental principles for safeguarding human dignity. Our own workforce mainly consists of **corporate employees** at our headquarters and global subsidiaries, **commercial employees** within our own retail store network, as well as **operations employees** at our production facilities and logistics. Given the differing roles and working conditions, these employee groups have specific requirements regarding safe, inclusive, motivating, and respectful workplace environments. The material impacts related to workforce matters identified through our double materiality analysis apply to the entire HUGO BOSS workforce. As part of this, we differentiate between employees in own production facilities and those in non-production functions, enabling a more targeted approach to addressing workforce-related impacts.

Our commitment extends beyond our own workforce to the entire value chain, including **workers in our global supply chain**. Further information is provided in the “Workers in the Value Chain” section. > [Workers in the Value Chain](#)

As part of the partial application of ESRS Set 1 for fiscal year 2025 reporting, HUGO BOSS makes use of the applicable **phase-in provisions**. Consequently, selected minimum disclosure requirements (MDRs) and quantitative metrics are not disclosed for S1-7 Non-employees, S1-8 Collective bargaining coverage for non-EEA countries, S1-12 Persons with disabilities, S1-13 Training and skills development, and S1-15 Work-life balance.

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 employee well-being and rights across our operations. These commitments are reflected in our Group-wide policies, aligning 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)**. All Group-wide policies apply to the entire HUGO BOSS workforce, including headquarters, production facilities, logistics, and own retail points of sale. Input from both our own workforce and external stakeholders is considered in policy development and review, ensuring that updates reflect evolving expectations and significant feedback. All human rights-related policies are approved by the Managing Board of HUGO BOSS, made publicly available on our Group website, and available on the Company intranet, ensuring transparency and stakeholder access.

Our **Human Rights Statement** 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. The statement is reviewed on an annual basis. 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. HUGO BOSS explicitly rejects all forms of human trafficking, forced or compulsory labor, and child labor. 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 and equity. Employees must earn at least the statutory minimum wage. Where local standards are insufficient, a living wage benchmark is applied. The policy undergoes regular updates, with the most recent revision completed in 2025.

Complementing this, our **Health and Safety Commitment** and our **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)**, 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 programs, mirroring the mechanisms applied to external suppliers. This integrated approach reinforces a uniform standard of conduct across the entire operational footprint.

The HUGO BOSS **Code of Conduct** outlines Group-wide legal and ethical principles for employee conduct, establishing a foundation of compliance across areas such as fair competition, conflict 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 for corruption. We do not tolerate willful misconduct or violations of the Code. More information on the Code of Conduct can be found in the "Governance" section. > [Governance](#)

Our **Anti-Discrimination, Anti-Harassment and Gender Equality Commitment and Anti-Discrimination, Anti-Harassment and Gender Equality Policy** clearly articulate our zero-tolerance stance toward any form of discrimination or harassment. HUGO BOSS promotes respect for diversity in all its dimensions, including race, gender, sexual orientation, age, disability, and other characteristics. Employment decisions regarding hiring, development, promotion, compensation, and termination are to be based solely on merit. To embed these principles into daily practice, HUGO BOSS has established internal confidential reporting channels, defined remediation processes, and launched targeted awareness campaigns. Through this systematic approach – combining prevention, detection, and remediation – HUGO BOSS actively addresses discrimination and harassment risks across its operations.

Diversity, Equity, and Inclusion (DE&I) form a cornerstone of our company culture. Embedded within the global Human Resources (HR) department, DE&I initiatives are aligned with our Company's broader HR strategy. In 2025, HUGO BOSS introduced a dedicated **DE&I Policy**, with a summarized version also made available to external stakeholders. The policy applies globally and outlines key impacts and actions. It was developed with input from employees, internal HR experts, and management representatives.

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 and discrimination.

The international subsidiaries of HUGO BOSS structure their HR management by means of **additional, decentralized policies**. This enables them to adapt to local needs, while complying with national law. Unless stated otherwise, Group-wide policies are reviewed annually 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, enabling employees to voice concerns, share ideas, and actively participate in decision-making. 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 supporting workforce engagement 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. It provides critical insights into how our employees experience HUGO BOSS, including collaboration, leadership, and overall engagement. In fiscal year 2025, the Group achieved an **overall satisfaction level** of 78% (2024: 69%), reflecting a significant year-on-year improvement, with a participation rate of 71% (2024: 70%). The positive development reflects the impact of targeted engagement measures implemented at selected locations in response to site-specific challenges identified in the prior year, most notably in Izmir (Turkey), alongside generally stable satisfaction levels across the Group. Looking ahead, we remain committed to sustaining an employee satisfaction level of at least 75% across the Group. At HUGO BOSS AG in Germany, overall satisfaction amounted to 83% in 2025 (2024: 86%). The moderate decline year-over-year reflects the broader macroeconomic environment, while overall satisfaction levels remain high. Employees continue to report strong trust in core aspects of our company culture, particularly in areas of camaraderie and pride in working for HUGO BOSS. The survey results provide us with **valuable input** for operational and strategic decision-making, with the aim of further strengthening employee engagement across the Group. Key indicators, including the "Trust Index," are integrated into the long-term incentive (LTI) program for the Managing Board and eligible senior management, underscoring the strategic relevance of employee engagement. To ensure that insights translate into specific action, survey findings are reported to the Managing Board, which defines key strategic priorities together with Global HR.

Beyond the annual survey, HUGO BOSS fosters 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 interaction through internal events, provide structured platforms for employee engagement. In light of the volatile macroeconomic environment, we consider a high degree of transparency and open dialog with employees particularly important. Therefore, in 2025, we continued our live, quarterly hybrid **"How is Business?"** sessions. During these sessions, the Managing Board and senior management share business updates and respond directly to questions from employees. To further broaden perspectives, HUGO BOSS has established the **NextGen Board** as a generational sounding board, ensuring that the views and perspectives of younger employees are actively represented.

Employee representatives are integral to employee engagement. Through local and national works councils, HUGO BOSS ensures regular dialog on key matters such as employee well-being, health and safety, and workplace development. In Germany, our workforce at HUGO BOSS AG is represented by the works council, in accordance with the German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG). The **annual works meeting**, jointly held by the Managing Board and the Works Council, provides employees in Germany with updates on economic performance and strategic priorities, as well as workforce-related topics, including social matters, thereby strengthening transparency and the connection between leadership and employees. The **works council**, led by its Chairman, regularly engages in open dialog with the Managing Board and our central HR division, addressing both strategic and individual matters. Dedicated **HR managers** support employees with inquiries or concerns, while feedback is also gathered through surveys, town halls, and other interactive channels. We also foster inclusion for vulnerable groups through locally tailored initiatives. Furthermore, HUGO BOSS respects the formation of employee organizations and the right to unionize, maintaining regular dialog with **union representatives** and associations such as the Southwest German Textile and Clothing Industry.

To further strengthen engagement and transparency, 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. Both platforms facilitate engagement, interaction, and 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 identify and manage human rights impacts across its operations with the aim of safeguarding employees and preventing or minimizing any potential adverse impacts. To facilitate reporting, we provide three independent whistleblowing channels: our **Speak Up Channel**, an external **Ombudsperson** service, and our **Compliance department**, complemented by additional local internal channels. These mechanisms allow all employees to report concerns confidentially, anonymously, and free of charge. 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. Awareness is embedded into various aspects of our company culture through a mandatory **compliance training**, where all permanent employees are informed about the availability of our grievance processes, and through **internal information campaigns** aimed at preventing potential negative impacts. Additionally, the Company promotes awareness across its local subsidiaries, own production facilities, and own retail stores by providing 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 overseen by the central Compliance department, ensuring that issues are addressed in line with the Company's commitment to upholding human rights and ethical standards.

Our 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 support continuous improvement. Anonymous feedback on the reporting experience is also encouraged. The grievance mechanisms and remediation processes, including whistleblowing protection against retaliation, are further detailed in the "Governance" section. > **Governance**

Characteristics of our workforce

As of December 31, 2025, HUGO BOSS employed a total of 20,020 employees worldwide on a **headcount basis** (2024: 21,286). This reflects all active employees, including corporate staff, commercial employees, operations workers, learners (working students, apprentices, interns), and temporary support staff (employees with a fixed employment duration of less than one year to cover short-term resource requirements). The decrease of 1,266 headcounts compared to the prior year is mainly reflected across own production, own retail, and corporate functions. On a **full-time equivalent (FTE)** basis, excluding learners and temporary support staff, this corresponds to 17,527 employees as of December 31, 2025 (December 31, 2024: 18,623). The following metrics represent employee data calculated on a headcount basis, as of year-end, unless otherwise stated.

In 2025, HUGO BOSS hired 4,826 **new employees** worldwide (2024: 6,259), while total **employee departures ("leavers")** amounted to 6,127 (2024: 6,667), including inactive employment relationships and excluding learners and temporary support staff. 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, instead of new hires.

HUGO BOSS reports both the total employee turnover rate, which includes all departures regardless of reason, and the employee-related turnover rate, reflecting only voluntary resignations initiated by employees. This distinction allows for a more accurate understanding of overall workforce dynamics as well as employee satisfaction and retention. The resulting **total turnover rate** – total leavers divided by total workforce at year-end – amounted to 32% in 2025, in line with the prior-year level (2024: 32%). At a level of 21%, the **employee-related turnover** decreased slightly year over year (2024: 22%). To gain deeper insights into employee retention, we separately track the employee-related turnover for our global retail operations and corporate functions. In retail, the rate was 31% in 2025 (2024: 32%), while in corporate functions it amounted to 12% (2024: 15%). Our objective remains to further reduce employee-related turnover to below 30% in retail, and below 8% in the corporate functions, both by 2030. **Exit interviews** are conducted to better understand the reasons for departure and inform measures aimed at retention and reducing employee-related turnover.

The following tables provide further characteristics of our workforce in alignment with ESRS S1-6. Metrics are calculated on a headcount basis unless otherwise specified.

EMPLOYEES BY GENDER (HEADCOUNT)

	2025	2024
Female	11,788	12,638
Male	8,231	8,645
Diverse	1	1
Not reported	0	2
Total employees	20,020	21,286

EMPLOYEES BY COUNTRY¹ (HEADCOUNT)

	2025	2024
Germany	4,459	4,581
Turkey	4,458	5,221
Other	11,103	11,484
Total employees	20,020	21,286

¹ This table is oriented towards the ESRS requirements, providing information on countries representing at least 10% of our global workforce. Countries below 10% are classified under the category "Other."

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

	2025				2024			
	Permanent	Temporary ¹	Total	Thereof non-guaranteed hours	Permanent	Temporary ¹	Total	Thereof non-guaranteed hours
Female	10,476	1,312	11,788	1,034	10,989	1,649	12,638	1,044
Male	7,498	733	8,231	1,091	7,782	863	8,645	1,094
Diverse	0	1	1	0	0	1	1	0
Not reported	0	0	0	0	1	1	2	2

¹ Temporary employees including temporary support staff with a fixed employment duration of less than one year to cover short-term resource requirements.

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

	2025				2024			
	Permanent	Temporary ¹	Total	Thereof non-guaranteed hours	Permanent	Temporary ¹	Total	Thereof non-guaranteed hours
EMEA	13,160	1,182	14,342	6	14,056	1,298	15,354	6
Americas	3,010	222	3,232	1,989	3,012	282	3,294	2,019
Asia/Pacific	1,804	642	2,446	130	1,704	934	2,638	115

¹ Temporary employees including temporary support staff with a fixed employment duration of less than one year to cover short-term resource requirements.

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. Within our industry, employees may face longer working hours and heightened pressure, especially during peak seasons, which can affect 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. In addition, 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 maintain an 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, working time management is essential to **ensuring fair working conditions and promoting employee well-being**. HUGO BOSS is committed to upholding legal working hour limits and fostering flexibility through internal policies that support work-life balance.

Actions

We offer our employees a wide range of options to strengthen work-life balance, including **flexible working models** such as individual part-time arrangements, trust-based working hours, and remote work. Most of our employees – both in administrative functions and in production – already benefit from flexible working hours. For example, employees in our own production facility in Izmir (Turkey) are able to reduce accrued overtime or make use 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. In addition, job sharing opportunities, co-leadership roles, and sabbaticals further contribute to a dynamic and efficient, yet flexible work culture.

As we are also committed to strengthening **family friendliness**, HUGO BOSS participates in the Germany-wide cooperation "Success Factor Family." In this context, we are offering a broad variety of family-friendly options, including access to day care. In the U.S. and Canada, employees have free of charge 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

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

Targets

HUGO BOSS is committed to ensuring that **all employees are remunerated at least in line with adequate wage benchmarks** as defined by the ESRS. This ongoing, outcome-oriented target is monitored globally on a semi-annual basis. Adequate wage levels are determined using external pay data and a comprehensive global pay survey that reflects local cost-of-living factors. Where inconsistencies or gaps are identified, HUGO BOSS promptly adjusts compensation to maintain alignment with adequate wage benchmarks.

In fiscal year 2025, **100% of employees within the scope earned in line with the adequate wage benchmark or above** as set forth in the ESRS. Learners and temporary support staff, as well as employees of our Digital Campus in Porto (Portugal) are not included in the scope of this target or its monitoring. This target is embedded in the Company's Fair Pay Commitment and its overarching human rights and fair labor frameworks.

Actions

HUGO BOSS ensures fair and competitive remuneration through a structured, Group-wide compensation system, as set out in our fair pay commitment. Based on regular assessments of all jobs in Germany as well as key international positions, the majority of our employees are remunerated based on job-specific salary bands. In addition to meeting local minimum 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, thereby further improving transparency. This framework is based on 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, including bonuses above the collective bargaining scale, non-cash compensation, and other benefits. It aligns with industry standards and collective bargaining agreements, while incorporating national and regional benchmarks. In Germany, works agreements govern specific 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.

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. Additional **retirement models**, such as partial retirement, enable employees to maintain access to benefits like the company fitness studio and restaurants at our Group headquarters.

To foster long-term employee engagement and enable employees to participate in the Company's success, HUGO BOSS offers an **employee share investment program (SHIP)**, allowing employees to acquire HUGO BOSS shares at regular intervals under favorable conditions.

Freedom of association and collective bargaining

Freedom of association and the right to collective bargaining are **fundamental labor rights** and anchored in HUGO BOSS' employment practices. These rights enable employees to express their views, engage in dialog with management, and negotiate working conditions collectively. Upholding these principles strengthens mutual trust, fosters a constructive workplace culture, and supports long-term employee engagement across our global operations.

Targets

HUGO BOSS is firmly committed to respecting and upholding employees' rights to freedom of association and 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 the European Economic Area (EEA), Germany is currently the only country where HUGO BOSS meets the ESRS reporting threshold of 50 or more employees representing at least 10% of the total workforce. For this reason, and in line with the transitional provisions under the ESRS, reporting for 2025 focuses on **Germany**. In Germany, **all employees are covered by collective bargaining agreements** and represented by workers' representatives. Therefore, the percentage of HUGO BOSS employees covered by collective bargaining agreements is at 22%.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS (IN %)

Coverage rate	Collective bargaining coverage in EEA
0–19%	
20–39%	
40–59%	
60–79%	
80–100%	Germany

1 Data on collective bargaining coverage is collected globally through an annual survey as of December 31 and calculated in line with the ESRS methodology (share of employees covered relative to total employees, based on year-end headcount).

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. As a global company, HUGO BOSS has trade unions and employee representation bodies in different countries, complying with statutory regulations.

In **Germany**, social dialog is facilitated by a close collaboration between the elected works council of HUGO BOSS AG and the Managing Board. This collaboration facilitates constructive negotiations on a wide range of workforce-related topics and has resulted in a variety of works agreements, covering areas such as health protection, flexible working models, childcare support, family assistance programs, and anniversary bonuses. Also in **Turkey**, elected employee representatives provide structured channels for employees to raise concerns and engage in dialog on working conditions. In **Mexico**, specialized worker-management committees focus on health, safety, and workplace conditions, while in **France**, the Social and Economic Committee (Comité Social et Économique, CSE) represents various employee categories and holds regular meetings with local management to discuss workplace issues.

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, where every individual feels valued, respected, and empowered to thrive and contribute their unique perspectives.

HUGO BOSS is committed to **tackling gender pay disparities**, ensuring that promotions and compensation decisions are transparent and merit-based, and removing barriers to career advancement based on gender. Increasing transparency in our career development and compensation frameworks is a key driver for fostering a more equitable workplace. At the same time, we maintain a **zero-tolerance policy against discrimination, harassment, and violence** in the workplace. Our policies and preventive measures are designed to safeguard our inclusive culture and 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 **training and development**, enabling employees – regardless of their background or role – to continuously enhance their skills, grow within the Company, and contribute to our

shared success. By driving these initiatives, we are not only fostering an inclusive culture but also empowering our employees to reach their full potential, supporting continued growth and success of both our people and the Company.

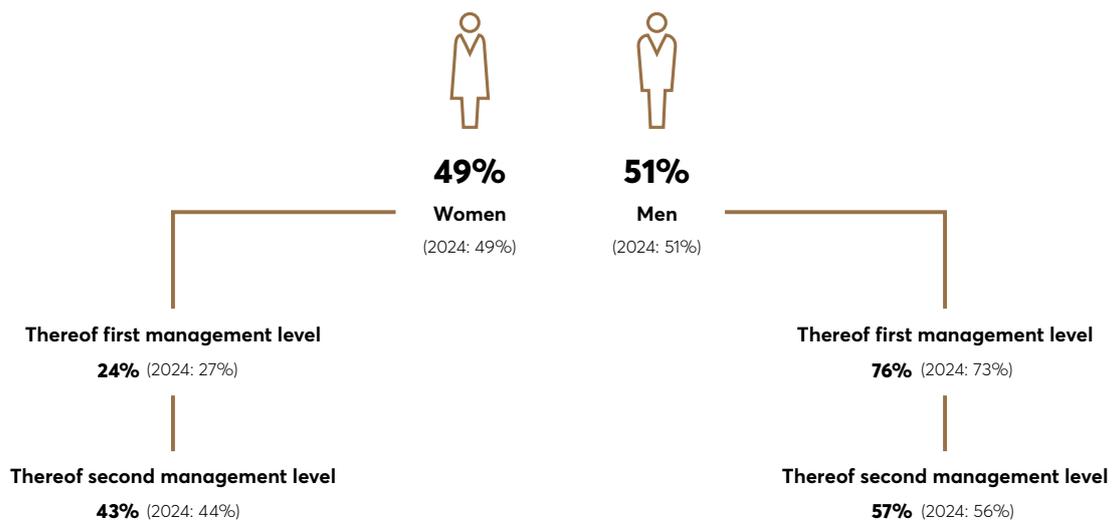
Diversity, equity, and inclusion (DE&I)

At HUGO BOSS, DE&I are central to our journey of **reshaping fashion**, forming a core part of our company culture. We are committed to fostering an inclusive and equitable environment where diverse perspectives drive creativity and innovation.

Targets

HUGO BOSS is committed to promoting **gender equality across all organizational levels**. As of December 31, 2025, women represented 59% of our workforce, continuing to form the majority (2024: 59%). Across all management levels, 49% of positions were held by women, unchanged from the prior year (2024: 49%).

EMPLOYEES IN TOP MANAGEMENT AND SECOND MANAGEMENT LEVELS



HUGO BOSS has defined targets to increase the representation of women in management positions. The Company aims to achieve a share of **at least 40% women in top management positions** (first management level below the Managing Board) and **at least 50% women in the second management level** by 2030. As of December 31, 2025, women accounted for 24% of top management positions and 43% of second management positions (December 31, 2024: 27% and 44%, respectively). These targets replace former time-bound targets with a target year of 2025, which were not fully achieved. Based on the progress made to date and the remaining gap to the defined thresholds, the Managing Board approved the continuation of the targets with an extended target year of 2030. HUGO BOSS remains committed to increasing the representation of women in leadership positions and will continue to implement measures to support progress toward these targets, with specific initiatives described in the Actions section below.

EMPLOYEES BY AGE GROUP (HEADCOUNT AND SHARE)

	2025		2024	
	Headcount	Share (%)	Headcount	Share (%)
<30 years	5,699	29	6,581	31
30 to 50 years	11,710	58	12,205	57
>50 years	2,611	13	2,500	12
Total employees	20,020	100	21,286	100

In addition to gender representation, we closely monitor the **age structure** of our workforce to ensure a balanced mix across generations. This balanced age distribution reflects the dynamic blend of emerging talent and experienced professionals that drives HUGO BOSS forward.

HUGO BOSS also measures equity and inclusion through its annual employee survey. For **equity**, HUGO BOSS has set a target of achieving an 85% agreement rate on the equity index by 2030. This index reflects employees' perceptions of fair treatment through several survey statements, including "People here are treated fairly regardless of their race, age, gender, and sexual orientation." In 2025, 87% of employees viewed HUGO BOSS as an equitable workplace (2024: 80%). Respectively, **inclusion** is measured via the survey question "I can be myself here," with a goal of 79% agreement by 2030. In 2025, already 81% of employees agreed they feel included within the Company (2024: 74%).

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 embed 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 workstreams 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 provide our employees with regular **DE&I trainings**, including programs designed to address unconscious biases and foster inclusive, effective decision-making. In 2025, HUGO BOSS ensured that all employees received mandatory DE&I and unconscious bias training, conducted on an 18-month cycle. Recognizing the importance of inclusive leadership in shaping company culture, HUGO BOSS provides dedicated unconscious bias training within its leadership development programs. Targeted awareness training on non-discrimination policies and practices is provided to middle and upper management, particularly during promotion and performance calibration rounds.

Gender equality remains a priority, supported by ongoing initiatives to strengthen representation of women 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 to support the development of high-potential female leaders with active management support. Initially focused at a select group of high-potential female employees, the program's strong positive reception has led to plans for a broader roll-out across the Group, scheduled for 2026. DE&I principles are also embedded into daily operations and **recruitment**, with inclusive job descriptions, postings, and hiring practices designed to attract diverse talent and minimize unconscious bias.

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. Our overarching goal is to embed gender equality into our company culture, ensuring balanced representation in leadership and across all functions.

Gender equality and equal pay for work of equal value

At HUGO BOSS, we recognize that gender equality encompasses **fair compensation, equitable career advancement, and balanced leadership opportunities**. HUGO BOSS strives to ensure that all employees, regardless of gender, are entitled to the same rights, opportunities, and access to resources.

Targets

HUGO BOSS is committed to upholding its **Fair Pay Commitment** and works to ensure that compensation is free from discrimination based on gender and any other characteristic. Our objective is to ensure equal pay for equal work across all roles and levels within the Company.

For fiscal year 2025, HUGO BOSS reports an **adjusted gender pay gap** of 2.2%, as a key indicator of compensation equity within the Group. This metric follows a HUGO BOSS-specific methodology and measures the difference between the average total annual compensation of male and female employees, relative to the average total annual compensation of male employees. It accounts for type of employee (hierarchy) and location (city) to reflect pay differences among comparable roles and is based on total direct compensation data as of October 31, 2025. The dataset covers all employees except learners, temporary support staff, and employees at the HUGO BOSS Digital Campus in Porto (Portugal). The total direct compensation consists of the base salary incl. cash allowances, as well as target values defined by variable compensation consisting of short-term incentive (STI), long-term incentive (LTI), and employee profit-sharing (EPS). Variable, non-contractually fixed compensation components as well as benefits of kind, overtime and overtime compensations are excluded. For employees in retail functions, commissions are included based on actual earnings rather than target values, reflecting the performance-driven nature of retail roles. For these functions, commission earned in October is annualized to twelve months.

Actions

Creating a workplace environment that promotes gender equality and prevents discrimination begins with **raising awareness**. HUGO BOSS has implemented dedicated training programs to educate employees on issues of bias, discrimination, and gender equality. The Company's broader commitment to gender equality is reinforced by signing the **UN Women's Empowerment Principles**, which provide guidance on promoting gender equality in business. These initiatives are closely linked to our broader HR strategies, including career development, promotions, and performance management, ensuring training insights and analyses inform our workforce planning and talent development.

All employees are entitled to **fair compensation in line with market conditions**, also benefitting from a range of additional support, including health insurance, maternity and parental leave, and financial support for external training, in accordance with HUGO BOSS' fair pay commitment. **Gender-specific analyses of compensation differences** among employees in comparable positions are conducted on a regular basis, leveraging our standardized grading system. 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, particularly when re-entering the workforce after parental leave, through initiatives like our **"Open Doors for Women"** program in Izmir (Turkey). The program provides mentorship, career development opportunities, and support networks, helping to break down barriers and equip women with the tools for success.

Measures against violence and harassment in the workplace

At HUGO BOSS, we are dedicated to fostering a working environment where every employee is valued for their individuality and can freely express themselves without fear of discrimination, violence, or harassment. All employees are expected to treat each other with **respect and dignity**, regardless of age, gender, race, sexual orientation, disability, nationality, faith, political opinion, or any other personal characteristic. 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 **safe and respectful workplace** is supported by respective policies and a zero-tolerance approach towards violence and harassment.

Targets

HUGO BOSS is committed to a **zero-tolerance approach to 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. It is our objective to ensure that these standards are consistently upheld across our operations.

In fiscal year 2025, a total of **159 potential incidents** were reported **through the Company's whistleblowing channels**. Of these, **20 incidents related to discrimination**, including harassment, were reported across the Group's workforce (2024: 12 incidents). Both figures include all complaints filed through our whistleblowing channel, ombudsperson, and confirmations from our central and regional HR functions. As in the prior year, no complaints were filed with National Contact Points (NCPs) for OECD Multinational Enterprises through the available confidential internal channels.

In fiscal year 2025, as in the prior year, HUGO BOSS was **not aware of any severe human rights violations** within its own workforce, including child labor, forced labor, human trafficking, or breaches of the UN Guiding Principles or 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 through targeted prevention measures. To address discrimination, violence, and harassment, we conduct regular compliance training that includes a dedicated **anti-discrimination e-learning module**. The course educates employees on recognizing, preventing, and addressing violence and harassment in the workplace, while reinforcing our zero-tolerance stance. It is reviewed annually and updated as needed to reflect evolving business needs and regulatory requirements.

Training and skills development

Our employees' expertise and commitment are vital for achieving our strategic and financial objectives. As global competition and business complexity intensify, the demand for skilled and adaptable employees continues to grow. To meet this challenge, HUGO BOSS places strong emphasis on **targeted training and individual development opportunities** that enhance both our employer attractiveness and employee retention. Through a variety of training formats, we empower employees to grow personally and professionally, fostering engagement, strengthening skills, and empowering them to actively contribute to the Company's long-term success.

Actions

HUGO BOSS is committed to fostering a robust leadership culture and to providing comprehensive development opportunities for its global workforce. Structured HR development programs, such as the **Employee Development Program (EDP)** for professionals and managers, are designed to promote employees based on their competencies, broaden 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**, supporting 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. In 2025, we continued offering formats such as **"Tiny Training,"** a one-hour training session on relevant topics, and **Global Learning Week**, which promotes knowledge-sharing and collaboration led by internal experts worldwide. At our production and logistics sites, **face-to-face training** and **workplace briefings** remain 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 impact on both our Company's performance and employee engagement. Regular workshops anchor this mindset within our organization, fostering a common understanding of leadership. 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 expected to act as enablers, create strong team connections, and ensure equal opportunities for all.

HUGO BOSS also supports students and apprentices by partnering with universities and vocational institutions globally. These collaborations enable us to offer **work-study programs** and **apprenticeships** in industrial, technical, and commercial fields, addressing the growing demand for skilled professionals.

Internal mobility is another key factor in talent retention. Our internal career platform **"GLOBAL JOBS"** and the employee referral program **"HUGO BOSS Spotted"** provide transparency and growth opportunities across departments and divisions. At the same time, the annual **Performance & Development Dialog (PDD)** provides structured feedback and individualized development planning. Supported by an online tool, data is collected on employee performance, potential, and development needs, enabling objective evaluations, mid-year reviews, and peer feedback. This process helps employees realize their potential while promoting long-term retention.

Workers in the Value Chain

HUGO BOSS recognizes that its operations and sourcing activities may be linked to potential impacts on **workers in the upstream value chain**. These risks may arise at Tier 1 and also further upstream in labor-intensive regions, where systemic challenges such as job insecurity, low wages, excessive working hours, restricted freedom of association and social dialog, gender disparities, human rights risks, particularly with regard to child and forced labor as well as health and safety hazards persist in parts of the industry.

In accordance with the **EU "quick-fix" relief** applicable for fiscal year 2025, HUGO BOSS applies selected reporting reliefs under ESRS S2. While S2 has been assessed as material, the disclosures presented in this chapter focus on the Group's key policies, actions, targets and metrics relating to Tier 1. Suppliers classified in Tier 2 and beyond are not covered in this chapter, even though these tiers include direct suppliers.

Policies related to workers in the value chain

HUGO BOSS has embedded its human-rights and labor-standards commitments within a comprehensive policy framework. This mainly includes the **Supplier Code of Conduct (SCoC)**, the **Human Rights Statement and Policy**, and the **Child Labor and Forced Labor Policy**. Together, these policies define expectations toward all business partners and production sites, covering aspects such as working hours, fair wages, freedom of association, health and safety, and access to grievance mechanisms. The SCoC, related policies, or equivalent standards form part of the contractual framework with all our direct suppliers. Further details on the Human Rights Policy are provided in the Own Workforce chapter, and on the SCoC in the Governance chapter. > [Own Workforce](#), > [Governance](#)

Targets and metrics related to workers in the value chain

HUGO BOSS has established an ongoing target to ensure that at least **90% of business volume is sourced from Tier 1 suppliers (including own production) that achieve one of the two highest social-compliance performance levels ("good" or "satisfactory")** within the Company's five-level grading framework. The rating "good" refers to suppliers that have established necessary activities for safe and fair working conditions within their management systems and take their own social responsibility very well. The rating "satisfactory" refers to suppliers recognizing the need for activities for safe and fair working conditions and have defined measures to support their implementation. Compliance performance is verified on a regular basis through audits, self-assessments, or recognized external social-compliance standards. In fiscal year 2025, the Company already achieved a share of 94% (2024: 93%), reflecting continued progress in strengthening social and labor standards across its Tier 1 supply base. This ongoing target replaces two former time-bound targets ahead of schedule, which would have expired in 2025. While substantial progress was made, the defined thresholds of 100% sourcing from Tier 1 suppliers achieving one of the two highest performance levels and 80% sourcing from suppliers achieving the highest performance level were not fully achieved.

Actions related to workers in the value chain

We take a **risk-based approach** to auditing Tier 1 suppliers (including own production) and implement Corrective Action Plans where non-compliances arise. Through our Sustainable Supply Chain (SSC) program, we systematically monitor supplier adherence to the SCoC's principles as part of our broader **Human Rights Due Diligence process**. This process also covers the identification and assessment of salient labor risks beyond Tier 1 in the wider upstream value chain.

We foster **long-term partnerships** with our suppliers to support continuous improvement in working conditions and social compliance. To strengthen capabilities on the ground, we also engage suppliers through training, worker-voice channels, and access to grievance mechanisms. In addition, we actively collaborate with **external stakeholders** – including NGOs, trade unions, and multi-stakeholder initiatives such as the Fair Labor Association (FLA) and the International Accord for Health and Safety in the Textile and Garment Industry as well as the Bangladesh Accord on Fire and Building Safety – to drive systemic improvements in labor standards across the apparel industry.

Further information on our **management of relationships with suppliers**, our **whistleblowing policy**, **grievance mechanisms**, and **payment practices** is provided in the Governance chapter. Additional details on our approach towards suppliers and workers in the value chain can also be found on our Group website.

> [Governance](#)

Consumers and end-users

In an increasingly digital environment, safeguarding **consumer privacy** and ensuring the **ethical use of data** are critical to maintaining trust and long-term customer relationships. **Data protection** upholds the individual's right to their personal information and is therefore a central requirement for our digital business model, especially as customer data grows in importance. Any breach of data protection laws or data privacy violations can directly affect the data subjects, and may pose significant compliance, financial, and reputational risks for HUGO BOSS.

In line with the **EU "quick-fix" relief** for fiscal year 2025, the Company applies selected reporting reliefs under ESRS S4. Accordingly, although S4 has been assessed as material, this chapter presents summarized disclosures focusing on key policies, actions, targets and metrics.

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 through dedicated privacy policies, including the group-wide **Data Protection Policy** and the **Data Breach Compliant Policy**. These policies inform consumers and end-users about the collection and processing of personal data via our own online store hugoboss.com, our customer loyalty program, mobile applications, and our Group website, and outline GDPR rights such as access, rectification, erasure, restriction of processing, data portability, and the right to object. The policies, accessible in our online store and on the Group website, apply to all personal data processed across our Company. Consumers and end-users can report potential data breaches through secure channels, including contacting our Data Protection Officer directly, submitting concerns via email, or contacting an external ombudsperson, with the option of anonymous reporting. Our **Data Protection Officer** reports to the Chief Compliance Officer, who reports directly to the CFO/COO. He monitors compliance with these policies and serves as the primary contact for all related matters.

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 2025, one data protection-related matter in Germany was confirmed by the competent authorities or courts, without resulting in any sanctions. This review was initiated by the responsible German supervisory authority in 2024 following a customer complaint relating to the receipt of marketing content and was concluded in 2025 without further action. No other data protection-related matters were identified by courts or authorities.

Actions related to consumers and end-users

To strengthen information security, HUGO BOSS uses an **information security and analysis system** that enables real-time monitoring of potential incidents and data breaches. The Company maintains an ISO/IEC 27001 certified information security management system and operates a **Security Operation Center (SOC)** to ensure continuous monitoring of its IT-landscape. HUGO BOSS also regularly reviews applicable data protection laws across all relevant jurisdictions. A tailored risk assessment matrix, aligned with the Company's business structures in each country, shall support a targeted and efficient approach to managing regulatory risks.

Internal processes and systems for handling personal data are **continuously monitored and refined** to ensure compliance with legal data protection requirements. These ongoing improvements aim to prevent data misuse and theft. **Contingency plans** are in place to enable the prompt implementation of technical and organizational countermeasures in the event of legal violations. Employees handling personal data receive **regular training**, including a mandatory GDPR e-learning program for those processing the personal data of EU data subjects, ensuring continued awareness of data protection responsibilities.

Governance

The following tables provide an overview of HUGO BOSS' **main targets in the area of governance**. For each target, the tables set out the target description, the respective target year, and the current progress. The targets provide a structured framework for translating our business conduct impacts into measurable objectives.

ANIMAL WELFARE

Target	Target year	2025	2024
Source 100% of main natural materials from preferred sources ¹	2030	48%	32% ²
Source 100% mulesing-free wool	2030	68%	53%

¹ As defined in the HUGO BOSS Material Strategy, materials from preferred sourced are either recycled, sourced from regenerative agriculture, or adhering to other recognized external standards.

² Not part of the voluntary limited assurance engagement in accordance with ISAE 3000 (Revised).

ANTI-CORRUPTION

Target	Target year	2025	2024
Prevent any violations related to corruption and bribery	Ongoing	No violations	No violations

Business conduct

Good corporate governance is an integral part of HUGO BOSS and a guiding principle encompassing all areas of the Company. It is a key factor for long-term business success and sustainable value creation. The Managing Board and Supervisory Board are committed to ensuring the Company's continuity while promoting responsible, transparent, and forward-looking corporate governance. In doing so, 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. The following section outlines information partially applying the ESRS G1 disclosure requirements and addresses the business conduct topics identified as material as part of the double materiality assessment. Further details 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 legal and ethical standards while minimizing workplace conflicts. Effective **whistleblowing mechanisms** further strengthen our governance framework, providing secure channels for employees and external 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**. Although only a small share of our brands' collections contains

animal-derived materials such as leather, wool, and down, we are dedicated to maintaining transparency and implementing robust control mechanisms to uphold high welfare standards throughout our supply chain. Additionally, HUGO BOSS prioritizes the prevention and detection of **corruption and bribery**, embedding dedicated 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. Inadequate supplier relationship management and irresponsible **payment practices** may place financial and operational pressure on suppliers, potentially affecting cash-flow stability and undermining trust across the value chain. HUGO BOSS therefore seeks to support fair, transparent, and resilient supplier partnerships, including through dedicated programs designed to strengthen suppliers' financial stability and long-term collaboration.

Corporate culture

At HUGO BOSS, our **value-based corporate culture** (company culture) is the foundation of employee engagement, driving innovation, and achieving long-term 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 strengthening the Company's reputation and long-term performance. Embedded in the execution of our Group strategy CLAIM 5 TOUCHDOWN, 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. To ensure these principles are consistently upheld, HUGO BOSS implements targeted engagement initiatives. This also includes a mandatory **e-learning module**, to be completed every 18 months, educating employees on ethical conduct and reinforcing our core values. Leadership also plays a pivotal role in fostering our company culture, with leaders at HUGO BOSS acting as role models, empowering their teams, while embodying these values.

HUGO BOSS regularly evaluates its company culture through an **annual employee survey** to assess how our core values are actively lived and to identify key drivers of our Company's work ethic. Results are shared with the Managing Board, senior management, and the wider organization to inform strategic planning and further embed our values into daily operations. > [Own Workforce](#)

Policies related to business conduct

HUGO BOSS has established Group-wide principles of conduct in its Code of Conduct and related Group policies, forming the basis for ensuring the legality of employee activities. The **Code of Conduct** serves as the foundation of our compliance framework, reflecting our Company's core values and behaviors. It provides clear guidance on interactions amongst colleagues, external stakeholders, including customers, suppliers, and other business partners, setting a binding framework for ethical business conduct, covering a wide range of topics.

TOPICS COVERED BY THE HUGO BOSS CODE OF CONDUCT

 <p>Topics covered by the HUGO BOSS Code of Conduct</p>	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**, that safeguard 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 multiple languages, the Code was last updated in 2025, aimed for publication in 2026. Oversight of compliance with the Code is the responsibility of the Managing Board. > **Own Workforce**

HUGO BOSS extends its ethical, environmental, and labor standards across its value chain through its **Supplier Code of Conduct (SCoC)**, which defines binding minimum standards for all suppliers (incl. own production) and their further upstream suppliers. Contractual compliance or an equivalent standard is a prerequisite for collaboration. The Code covers key areas such as human rights, labor standards, environmental protection, and anti-corruption. It prohibits child and forced labor, mandates fair wages and decent working conditions, limits working hours where national laws are absent, and safeguards freedom of association and collective bargaining. Available in over 30 languages, a one-page version is displayed at production sites and includes QR-code access to our grievance mechanisms. This shall ensure that business practices meet our expectations, particularly in regions where national legislation or its enforcement may be insufficient. To ensure awareness and compliance, 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. We continuously monitor compliance through annual self-assessments, social audits, and recognized third-party certifications, supported by supplier training on relevant ESG topics.

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 cases related to human rights, corruption and bribery, fraud, or theft. The policy outlines the available grievance channels and the procedural steps for handling reported incidents. It is reviewed annually, with the latest update in 2025 clarifying incident categories, specifying roles and responsibilities within the Compliance department, and strengthening Managing Board oversight through a formalized reporting process for high-risk incidents. The policy applies to all employees and extends protection to external stakeholders, including business partners, workers in the value chain, and customers. It shall guarantee confidentiality and protection for whistleblowers, affected individuals, and employees involved in investigations.

HUGO BOSS provides its employees and external stakeholders with independent internal and external channels to confidentially and, if needed, anonymously report potential misconduct or legal violations. These include our **Speak Up Channel**, an external **Ombudsperson**, and the central **Compliance department**. The Speak Up Channel is accessible worldwide through online access and a toll-free hotline in over 50 languages. Detailed information on all reporting mechanisms is available on the Company's intranet and corporate website, ensuring transparency and accessibility for all stakeholders. As an additional safeguard, the Speak Up Channel includes follow-up prompts asking whether individuals have experienced any form of retaliation after submitting a report. This allows the Compliance department to monitor and address potential concerns promptly. Employees may also report concerns directly to their supervisors or compliance officers at the subsidiary or Group level. Overall, this setup shall help mitigating risks related to unethical behavior, legal non-compliance, and potential reputational harm.

HUGO BOSS regularly trains employees to strengthen ethical awareness and compliance culture. A Group-wide **online compliance training**, mandatory for defined target groups and available to all employees, is conducted at least every 18 months. The training covers key topics such as our company values, the Code of Conduct, anti-corruption, anti-money laundering, data protection, information security, antitrust, conflict of interest, animal welfare, and whistleblowing. Employees managing compliance cases receive specialized training, including internal investigation workshops. In 2025, HUGO BOSS launched the in-person training initiative **"How to Act Like a BOSS,"** developed in response to specific cases identified through the whistleblowing process. The initiative reinforces ethical conduct and awareness of the Code of Conduct and will be gradually rolled out across departments.

The Compliance department maintains comprehensive documentation of all investigations and evaluates the **effectiveness of whistleblowing channels** at least annually. In 2025, a structured root-cause analysis was introduced to identify recurring patterns and derive targeted improvements. Feedback from internal and external stakeholders is incorporated to ensure the system remains effective and aligned with its purpose.

Animal welfare

HUGO BOSS is committed to upholding high standards of animal welfare and species protection throughout its operations. Our **Animal Welfare Policy**, last updated in 2025 and publicly available, 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, setting minimum requirements to safeguard both the physical and mental well-being of animals involved in the supply chain. We maintain ongoing dialog with leading animal welfare NGOs, including FOUR PAWS and PETA, to ensure continuous improvement and alignment with evolving best practices. HUGO BOSS rejects **animal testing** for all products, including licensed goods and extends this commitment to new material and product development. Our Animal Welfare Policy applies to all Group companies, with deviations only permitted where national regulations conflict, provided that the essential principles and purpose are maintained. Non-compliance may result in legal or labor-related consequences. To translate these commitments into practice, our Group-wide **Material Strategy** specifies preferred sources for animal-derived materials and defines related targets. It guides both employees and suppliers in the consistent selection of materials either verified through third-party certifications or following recognized standards across the supply chain.

Targets related to animal welfare

HUGO BOSS has established clear standards and targets for sourcing animal-derived materials, reflecting its commitment to sustainability and animal welfare across fabrics and linings. **Leather** shall be sourced exclusively as a by-product, in particular of the food industry, including sheep, goat, cow, and buffalo. **Exotic leathers and farmed fur** have been banned since 2016, and we also refrain from using **angora**. For **wool**, our Animal Welfare Policy emphasizes species-appropriate husbandry, gentle shearing, and the avoidance of harmful practices such as live lamb cutting (mulesing). HUGO BOSS is committed to sourcing 100% mulesing-free wool (including recycled wool) by 2030, having already reached a share of 68% in 2025 (2024: 53%). This goal aligns with our overarching target of sourcing 100% of main natural materials from preferred sources as defined in our Material Strategy by 2030. Regenerative agriculture is our first choice for wool, combining mulesing prohibition with additional welfare aspects such as grass feeding and minimized animal transport, verified by standards such as AuthenticoR or ZQ Regenerative Index (ZQRX). The overarching target also covers cashmere, mohair, and down, which must be sourced from certified or recycled sources. **Mohair** is exclusively certified under the Responsible Mohair Standard (RMS), while **down** is sourced from DOWNPASS-certified or recycled material, precluding no live plucking or forced feeding. In addition, to further reduce reliance on animal-derived materials, HUGO BOSS develops and tests **vegan alternatives** where they maintain environmental and functional standards. For further information on our material use, please refer to the "Resource Use and Circular Economy" section. > [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.

Management of relationships with suppliers

HUGO BOSS is committed to fostering accountable business conduct across its value chain. Certain purchasing practices, such as short-term planning, last-minute changes in order specifications, or late payments, may impact suppliers' working conditions and financial stability. To mitigate these risks and align sourcing practices with our human rights commitments, HUGO BOSS introduced a **Guideline on Responsible Purchasing Practices (RPP)** in 2025, approved by the Managing Board. This internal guideline applies to all employees involved in product development and ordering, including sourcing, design and creative, planning, procurement, and pricing functions, and is binding as a self-commitment. It is limited to production-related activities, while non-production materials and services are governed by a separate, dedicated guideline.

Aligned with **internationally recognized frameworks**, including the Common Framework for Responsible Purchasing Practices (CFRPP) and the OECD Guidelines on Due Diligence Guidance for Responsible Business Conduct, our RPP outlines five core principles centered on internal integration and reporting, equal partnership, collaborative production planning and orders, fair payment terms, and costing. It applies to all our Tier 1 and direct Tier 2 suppliers, regardless of size – including small and medium-sized enterprises (SMEs) – and aims to strengthen their capacity for efficient production planning, stable employment, and compliance with social and environmental standards.

To further embed responsible purchasing practices, HUGO BOSS conducted targeted **training and awareness programs** for sourcing and operations teams as part of the onboarding process. The Company also participates in the multi-stakeholder Learning and Implementation Community (LIC) on responsible purchasing practices, which provides a platform for companies, NGOs, and other stakeholders to share insights and best practices for improving purchasing behavior and mitigating risks in global supply chains.

Supplier relationships are governed by our **Supplier Code of Conduct (SCoC)**, described in detail above. The SCoC defines minimum standards on human rights, labor conditions, and environmental protection. Compliance with the SCoC or an equivalent standard is a prerequisite for collaboration and forms the foundation of our approach to responsible sourcing. Additional information on supplier-related environmental policies can be found in the "Climate Change" section. > [Climate Change](#)

Prevention and detection of corruption and bribery

HUGO BOSS expects all employees to act lawfully in day-to-day business operations. At 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.

Policies related to the prevention and detection of corruption and bribery

All employees are required to comply with the Group-wide **Code of Conduct** and supplementary specific compliance rules, such as our **Anti-Corruption Policy**. Last revised in fiscal year 2025, the policy regulates, among other aspects, the acceptance and granting of gifts and invitations and addresses key corruption-related risk areas. It also defines clear procedures for reporting suspected violations. Both the publicly accessible Code of Conduct and the internal policies are subject to regular review and are updated as needed, particularly in response to changes in legal and regulatory 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 system. 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 and bribery, which may result not only in reputational and financial risk but may also lead to personal consequences under criminal and labor law. In fiscal year 2025, **no violations** related to corruption and bribery were identified by authorities or courts (2024: no violations).

Actions related to the prevention and detection of corruption and bribery

In 2025, the **Compliance Management System** was further enhanced using a risk-based approach, with a focus on updating policies, advancing the whistleblowing system and case management, and reviewing the compliance risk assessment approach in the area of anti-corruption by an external auditor.

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 anti-corruption.

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 measures in place to protect whistleblowers from retaliation. This system underscores the Company's commitment to fostering a transparent and accountable corporate culture.

Payment practices

HUGO BOSS strives for **transparent and responsible payment practices** toward all suppliers to support stable business relationships and financial resilience across the value chain. The metrics provided in this section cover Tier 1 and direct Tier 2 suppliers for the Group's product-related sourcing, while indirect procurement is out of scope.

The Group's **standard payment term** is 90–100 days from invoice receipt date for Tier 1 suppliers and 100–120 days for direct Tier 2 suppliers. In 2025, 84% of invoices measured by sourcing volume were aligned with these standard terms (+/- 3 working days), while the average time to pay invoices was 97 days from the contractual due date for Tier 1 suppliers and 115 days for direct Tier 2 suppliers. Payments are processed centrally through standardized systems designed to ensure accuracy, timeliness, and traceability. In 2025, there were no legal proceedings related to late payments to suppliers.

To further strengthen suppliers' liquidity and financial stability, HUGO BOSS operates a voluntary **Supplier Financing Program**. The program is operated in collaboration with selected financial partners and enables eligible suppliers to receive early payment of approved invoices at favorable financing conditions, providing faster access to receivables and ensuring solvency during challenging periods. In 2025, measured by sourcing volume, 65% of direct suppliers, including Tier 1 and direct Tier 2 suppliers, participated in the program, with payments received on average within 21 days of invoice submission – significantly shorter than the standard payment term. This initiative contributes to strengthening suppliers' resilience and supports their ability to meet key obligations, such as paying wages on time and investing in compliance measures, thereby promoting responsible business conduct across the value chain.