HUGO BOSS

PACKAGING GUIDELINE

August 2020
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INTRODUCTION

The HUGO BOSS Sustainable Packaging Guideline supports all departments and functions that are involved in packaging development or sourcing decisions. Purpose of this guideline is to ensure the efforts in making HUGO BOSS packaging more sustainable are aligned and contribute to the corporate targets.

Packaging requirements vary depending on the type of usage – whilst transport packaging is designed to protect the product and (apart from ECom) usually is invisible to the customer, other components such as hangtags or shopping bags also have a dedicated marketing purpose. Packaging options thus need to be evaluated case-by-case, whilst bearing in mind the overarching sustainability principles and targets. Leaving other factors such as cost, availability, technical feasibility, optical qualities, etc. aside, the HUGO BOSS packaging guideline is based on a set of decision criteria including recognized sustainability standards, recyclability and legal regulations.

As a matter of fact this guidance will evolve over time influenced by new scientific findings and research results, market innovations, changing legal regulations etc. The standards and certifications referenced in this guidance reflect the current status quo rather than being a comprehensive list.
HUGO BOSS PACKAGING MATERIALS USED IN 2019
PAPER AS KEY DRIVER

Packaging material overall:
› 84% renewable resources
› 16% non-renewable resources

Paper packaging:
› 60% recycled content -> thereof 97% FSC®-certified
› 40% virgin content -> thereof 54% FSC®-certified

Plastic packaging:
› 31% recycled content

Source: Sustainability Report 2019
KEY EVALUATION CRITERIA FOR MATERIAL OPTIONS
REDDUCING IMPACTS ON THE PLANET

1. **Natural resource protection due to responsible forestry**
   Driven by the heavy use of cellulose the protection of important primeval and rain forests by applying high and widely recognized standards is a key priority.

2. **Reduction of further environmental impacts**
   Negative impact on the climate, a notable water consumption, resource depletion and the loss of biodiversity and habitats due to deforestation were defined as critical criteria to be considered.

3. **Circularity enhanced by recyclable materials**
   Besides direct environmental impacts also recyclability plays a central role and directly correlates with the licensing fees to be paid. The use of environmentally friendly materials with high recycling potential is stipulated by the European packaging and packaging waste directive (94/62/EC).
PACKAGING TARGETS 2025

In 2020 we’ve set ourselves explicit targets for the first time to reduce the environmental impact of our packaging by using less and sustainably sourced materials. At the same time, we are committed to further qualify and roll-out scalable closed loop re-use or recycling models, such as e.g. the sustainable hanger cycle.

<table>
<thead>
<tr>
<th>Target</th>
<th>KPI</th>
<th>Status quo 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 % increase in reused transport packaging in inbound logistics</td>
<td>Total cartons re-used / total weight</td>
<td>844 t boxes reused</td>
</tr>
<tr>
<td>10 % reduction of single-use* plastic used in packaging</td>
<td>Total plastic packaging weight / no. of units sold</td>
<td>First target update 2020</td>
</tr>
<tr>
<td>5 % reduction of packaging paper</td>
<td>Total paper packaging weight / no. of units sold</td>
<td>First target update 2020</td>
</tr>
<tr>
<td>30 % reduction of metal in packaging</td>
<td>Total metal packaging weight / no. of units sold</td>
<td>First target update 2020</td>
</tr>
<tr>
<td>100 % of plastic packaging is made of recycled or other</td>
<td>Recycled content / total plastic packaging weight</td>
<td>31%</td>
</tr>
<tr>
<td>sustainably sourced material</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 % of packaging paper comes from sustainably managed</td>
<td>Sustainable content / total paper packaging weight</td>
<td>82%</td>
</tr>
<tr>
<td>forests and/ or is made of recycled material</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;80 % of the packaging paper comes from recycled material</td>
<td>Recycled content / total paper packaging weight</td>
<td>60%</td>
</tr>
</tbody>
</table>

* currently all plastic packaging excl. hangers & suit bags
PACKAGING MATERIAL GUIDANCE
PAPER / CELLULOSE

- Paper has a unique advantage of biodegrading and thus avoiding landfill. The use of non-certified virgin paper, however, may offset this by dramatically harming forest ecosystems. We thus commit to use i) certified sustainable sources to minimize the risks of deforestation and biodiversity loss and/or ii) recycled material, to reduce carbon footprint and water usage. Meanwhile there are numerous paper alternatives available, e.g. made from grass, molded pulp or cultivated cotton residues that might be relevant options in selected cases.
- For the sake of recyclability additives like laminations, adhesives, prints, inks etc. need to be evaluated carefully.

<table>
<thead>
<tr>
<th>Pref.</th>
<th>Paper alternative</th>
<th>Certifications</th>
<th>Minimum material standards</th>
<th>Additional criteria &amp; guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>RECYCLED from certified sustainable sources</td>
<td>› Use of widely recognized certificates and standards to ensure paper comes from sustainably managed forests in order to minimize impacts on the planet</td>
<td>› Only RECYCLABLE paper by 2022, no more composites</td>
<td>› Non-deinked recycled paper</td>
</tr>
<tr>
<td>✓</td>
<td>RECYCLED generic</td>
<td></td>
<td>› Compliance with current RSL (Restricted Substances for Packaging)</td>
<td>› No dark coloring (esp. carbon black)</td>
</tr>
<tr>
<td>✓</td>
<td>Virgin from certified sustainable sources</td>
<td></td>
<td></td>
<td>› Water-based ink</td>
</tr>
<tr>
<td>x</td>
<td>Virgin generic</td>
<td>✓ preferred choice</td>
<td>(✓) back-up choice</td>
<td>› Water-soluble adhesives</td>
</tr>
</tbody>
</table>
### PACKAGING MATERIAL GUIDANCE

#### PLASTIC

- Non-biodegradable waste has become the second biggest environmental issues next to climate change. Plastic packaging thus must be reduced on-going and optimal recyclability is an essential standard to be respected; re-usable alternatives should be considered whenever possible.
- The use of recycled plastic from certified sources can help offsetting the negative impacts. Despite the good intention behind bio-degradable alternatives, the lack of adequate recycling infrastructures still hinders their success in practice.
- Watch-out: so called oxo-degradable plastics that will be banned by EU law as of 2021 must not be used at all.

<table>
<thead>
<tr>
<th>Pref.</th>
<th>Plastic alternative</th>
<th>Certifications</th>
<th>Minimum material standards</th>
<th>Additional criteria &amp; guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>RECYCLED certified</td>
<td>› Use of widely recognized standards or 3rd party certificates to ensure materials are responsibly sourced and to confirm the proportion of recycled/ sustainable content</td>
<td>› RECYCLABLE and/ or RE-USABLE ‥ Compliance with current RSL (Restricted Substances for Packaging)</td>
<td>› Widely-used plastics, e.g. PE, PP or PET ‥ Transparency vs. dark coloring or metallization ‥ Minimized use of additives (e.g. anti mold) ‥ Water-soluble adhesives</td>
</tr>
<tr>
<td>(✓)</td>
<td>RECYCLED generic</td>
<td>‥ Virgin (conventional)</td>
<td>‥ No PVC</td>
<td></td>
</tr>
<tr>
<td>✓</td>
<td>BIO-BASED certified (non-biodegradable)</td>
<td>‥ Biodegradable / Compostable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>x</td>
<td>Oxo-degradable</td>
<td>‥ preferred choice ‥ (✓) back-up choice ‥ x not to be used</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Other packaging materials used by HUGO BOSS, such as cotton, leather, beech wood or metals show considerably higher environmental impacts than paper or plastic. When quantities are relevant, suitable substitutes should be considered – especially for packaging that is not designed for re-use.

Due to these other materials representing <1% of all HUGO BOSS packaging no specific standards have been defined, yet the following applies overall:

- Minimum material standards: Compliance with current RSL (Restricted Substances for Packaging)
- Additional guidance: Recycled and/ or sustainably sourced content should be used whenever possible.
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