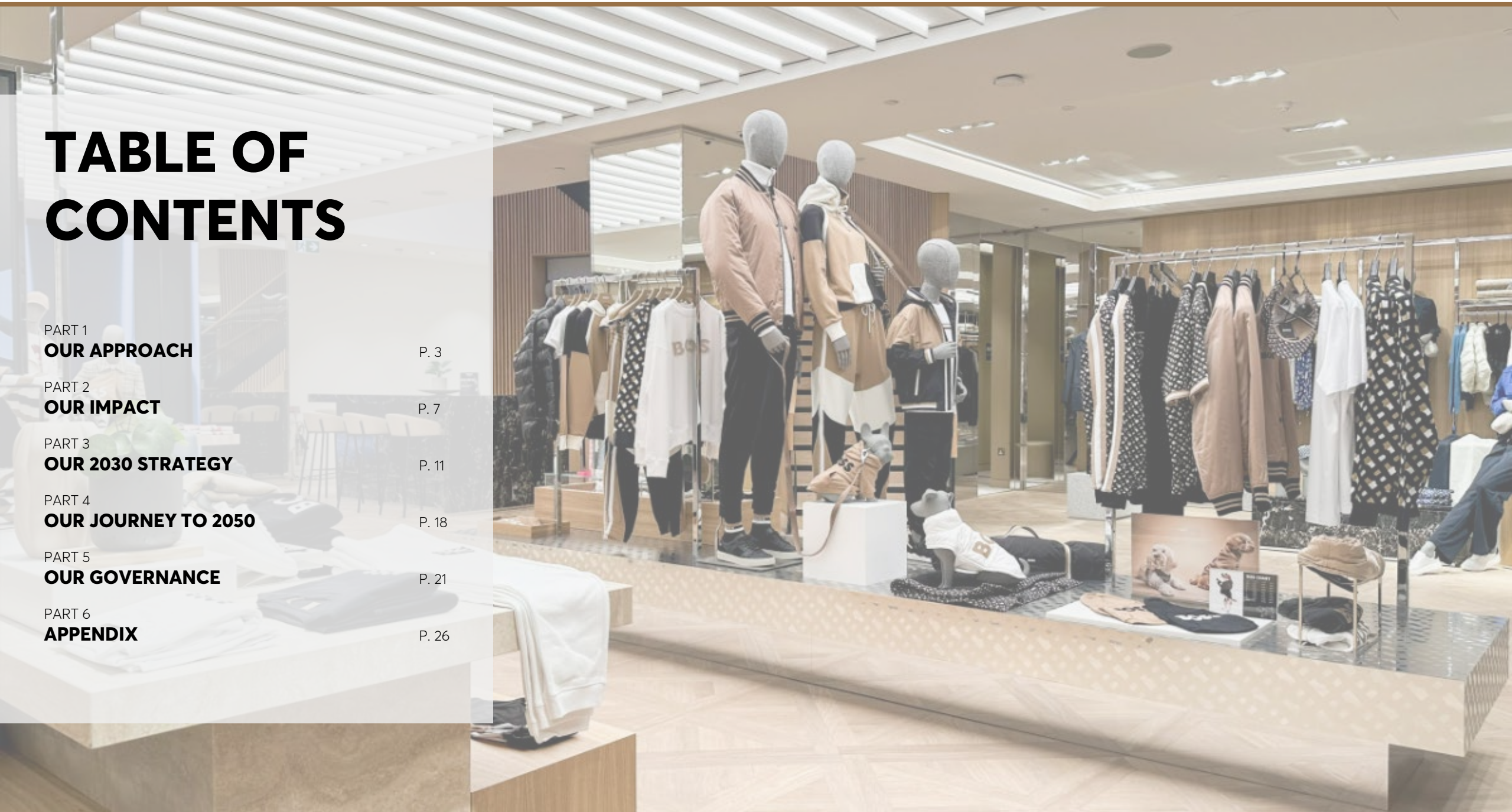
CLIMATE TRANSITION PLAN

HUGO BOSS

MAY 2026

TABLE OF CONTENTS



OUR APPROACH

PART 1

OUR APPROACH

At HUGO BOSS, we recognize that climate and environmental impacts are critical issues for businesses across all industries, and are closely linked to our own operations. We acknowledge the footprint of the fashion industry and our role within it. A **clear sense of responsibility** guides our ambition to accelerate change by integrating climate-conscious practices into our daily operations. Through this, we aim **to reduce our environmental footprint**, mitigate related risks, and strengthen the long-term resilience of our business.

Our sustainability journey began **more than 10 years ago** with a holistic approach and transparent reporting on key topics, such as **governance, environment** (including climate), **supply chain**, and **product responsibility**. Building on this foundation, we validated our first science-based targets in 2020 and, since 2018, we have been part of the Fashion Industry Charter for Climate Action, working with our peers towards net-zero emissions by 2050 in line with limiting global warming to 1.5°C.

We continuously refined our GHG accounting methodology and updated our science-based targets to a 50% reduction ambition across all scopes in 2025. Since 2026, climate-related performance indicators have also been integrated into the compensation scheme of the HUGO BOSS Managing Board.
These milestones reflect our continuous commitment towards sustainability, in line with our motto **FOR A BOLD AND BETTER FUTURE.**

> "We feel responsible for protecting our planet and securing a future worth living for future generations. That is why we are continually moving forward on this path. Because we love fashion, and we change fashion."

Dorothee Günther,
SVP Group Strategy & Corporate Development

WHY WE HAVE A CLIMATE TRANSITION PLAN

Our climate transition plan is the foundation for the **transparency and credibility** of our climate ambitions, underscoring our commitment to reducing GHG emissions across our value chain. It is our strategic action plan for achieving our 2030 and 2050 targets. Publishing our climate transition plan supports us in responding to the rising expectations of our stakeholders for **clear proof of action** and staying compliant with evolving regulations, underlining that sustainability is firmly embedded in what we do at our company. Following the publication of our first climate transition plan in Q2 2025, we have developed an updated and more detailed version that realigns our decarbonization measures with our latest validated science-based targets (validation in Q4 2025).

Our present climate transition plan is guided by the following core principles:

- **Aligned with science:** our climate targets are science-based, and the overall climate approach is aligned with the Paris Agreement.
- **Data-driven:** our GHG figures are based on robust, data-driven calculation methodologies.
- **Embedded in the business:** the plan is integrated into our core business processes and strategic decision-making, guiding how we run our own operations, work with partners across the value chain, and develop products for our customers.
- **Continuously evolving:** this is a living document, regularly reviewed and updated at least every three years — as recommended by the Fashion Industry Charter for Climate Action — to reflect regulatory changes, market and investor expectations, progress in decarbonization technologies, and value chain insights. Each review will be discussed internally with the relevant departments, to jointly assess progress and define any necessary adjustments.

OUR CLIMATE TARGETS

SCOPE 1-2 TARGET

We aim to reduce scope 1–2 GHG emissions by **50%** by 2030, based on a 2024 baseline.
In 2025 we achieved a reduction of **19%**.

SCOPE 3 TARGET

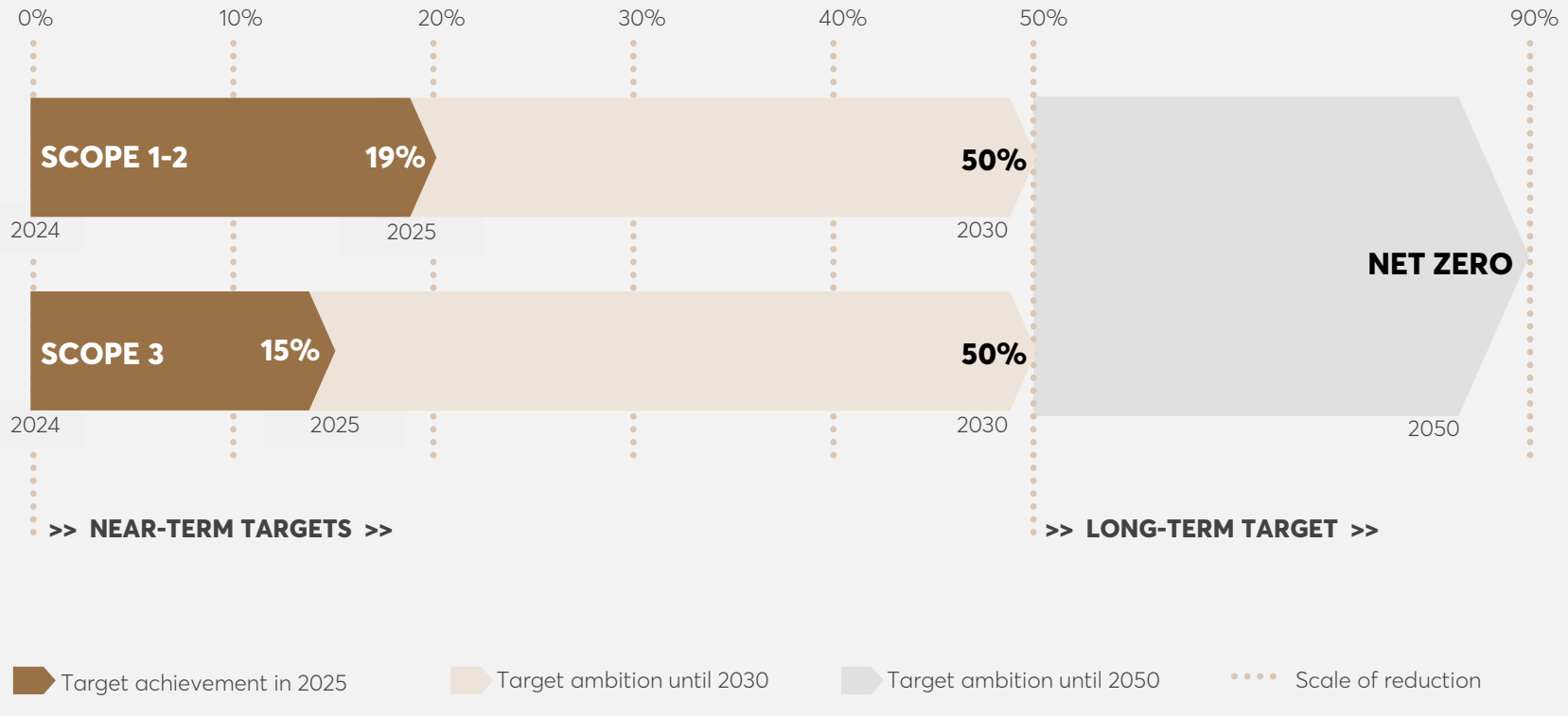
We aim to reduce scope 3 GHG emissions by **50%** by 2030, based on a 2024 baseline.
In 2025 we achieved a reduction of **15%.**

Both scope 1-2 and scope 3 targets are science-based targets, validated by the Science Based Targets initiative (SBTi).

NET-ZERO TARGET

We aim to achieve net-zero GHG emissions by 2050, in scope 1, 2 and scope 3 GHG emissions.

Scope 3 target includes the following categories: purchased goods and services (category 1) and upstream transport and distribution (category 4).
The revalidation of the science-based targets happened in October 2025, 5 years after from the first validation within the Science Based Target initiative (SBTi) in 2020.

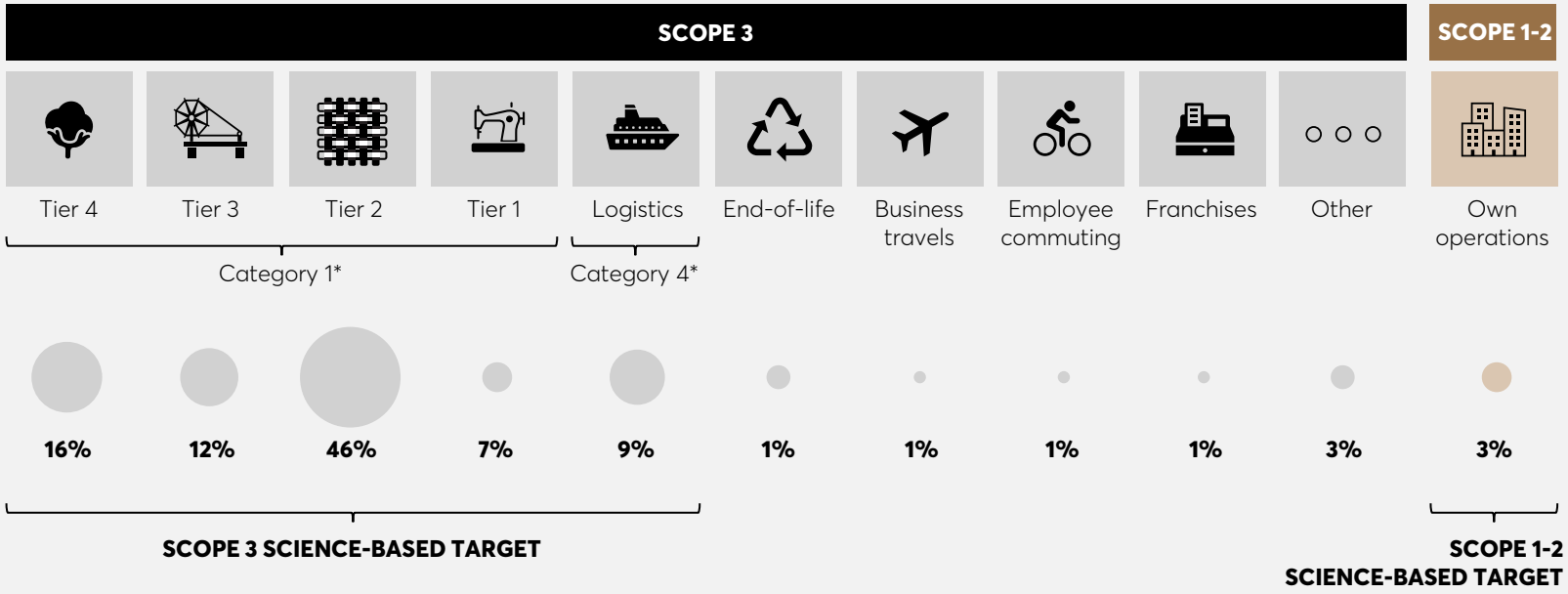


OUR IMPACT

PART 2

OUR IMPACT UNPACKED

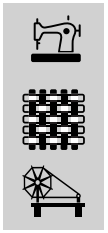
We are committed to transparently accounting for our GHG emissions across the entire value chain, in line with the latest scientific standards and the GHG Protocol. As this is an ongoing journey, we have developed calculation tools that prioritize primary data and work closely with our supply chain to enhance **transparency and accountability** in data reporting. Where primary data is not yet available, we rely on industry averages and the latest scientific studies. We regularly review and refine our calculations to ensure the highest possible level of accuracy in our disclosures.



Tier 4-3-2-1 refer to the stages of the supply chain. | Data refers to total scope 1-2-3 GHG emissions in 2024.
*Category 1, *Purchased goods and services*, and category 4, *Upstream transportation and distribution*, are standard categories defined by the GHG Protocol.

GHG EMISSIONS ANNUALLY REPORTED AND ACCOUNTED IN OUR SBT

According to the Science Based Targets initiative (SBTi), our scope 1-2 target covers 100% of our known scope 1-2 GHG emissions (in base year 2024), exceeding the SBTi minimum requirement of 95%. Our scope 3 target covers 94% of our known scope 3 GHG emissions (in base year 2024), surpassing the SBTi minimum requirement of 67%.



SUPPLY CHAIN | TIER 1: FINISHED PRODUCT MANUFACTURING, TIER 2: MATERIAL MANUFACTURING, TIER 3: INTERMEDIATE MATERIAL PROCESSING
Our products are manufactured in factories where raw materials are transformed into finished goods through multiple production stages, such as spinning, fabric formation, dyeing, cutting, sewing, and final assembly. The most energy-intensive processes (e.g. wet processes) rely on machinery that consumes electricity and other forms of energy, including heat and steam. When this energy is not sourced from renewables, its use contributes to the release of GHG emissions.

SUPPLY CHAIN | TIER 4: RAW MATERIAL PRODUCTION & PRIMARY PROCESSING
The GHG emissions generated in the production of our raw materials (such as cotton, wool, skins and hides and synthetics) stem, for example, from the energy required for agricultural practices, scouring and ginning, as well as from energy- and chemical-intensive processes such as polymerization.

LOGISTICS
Our products are distributed globally using different transport modes depending on distance and lead times — including air, sea, and road. The associated fuel consumption contributes to GHG emissions.

OWN OPERATIONS
Our business activities — including administration, own production, retail stores, warehousing and own vehicles — require electricity, energy or fuel. When sourced from non-renewable sources, such as fossil fuels, this consumption results in GHG emissions.

GHG EMISSIONS ANNUALLY REPORTED BUT NOT ACCOUNTED IN SBT

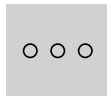
In line with the GHG Protocol's principle of transparency, HUGO BOSS also evaluates and reports annually on the remaining scope 3 categories that are not formally included in our science-based target. This ensures a comprehensive and transparent view of our value chain GHG emissions.

END-OF-LIFE
The end-of-life GHG emissions are generated after product disposal, in treatments such as landfilling, incineration or recycling.

BUSINESS TRAVEL
The business trips of our employees contribute to GHG emissions, particularly when air travel is involved.

EMPLOYEE COMMUTING
Employee commuting to their working locations generates GHG emissions, as various means of transport still rely on fossil fuels.

FRANCHISES
It includes GHG emissions from stores and activities run by franchise partners. In line with SBTi guidance, we also include the GHG emissions from licensed products in this category.



OTHER
Other minor GHG emissions are primarily associated with the production of capital goods purchased by our company (such as IT equipment and machinery), as well as the treatment of the waste generated during operations.

 SBT: science-based targets.

OUR SBT BASELINE GHG EMISSIONS

HUGO BOSS' absolute GHG emissions included in the SBT in **2024**:

723,255 tCO_2e

The GHG emissions included in the SBT arise from the following sources:

SCOPE 1 EMISSIONS

Scope 1 GHG emissions are produced from sources that are **owned or directly controlled by our company**. This includes, for example, emissions released from the energy use in our administrative buildings, own production sites, or from our **company vehicles**.

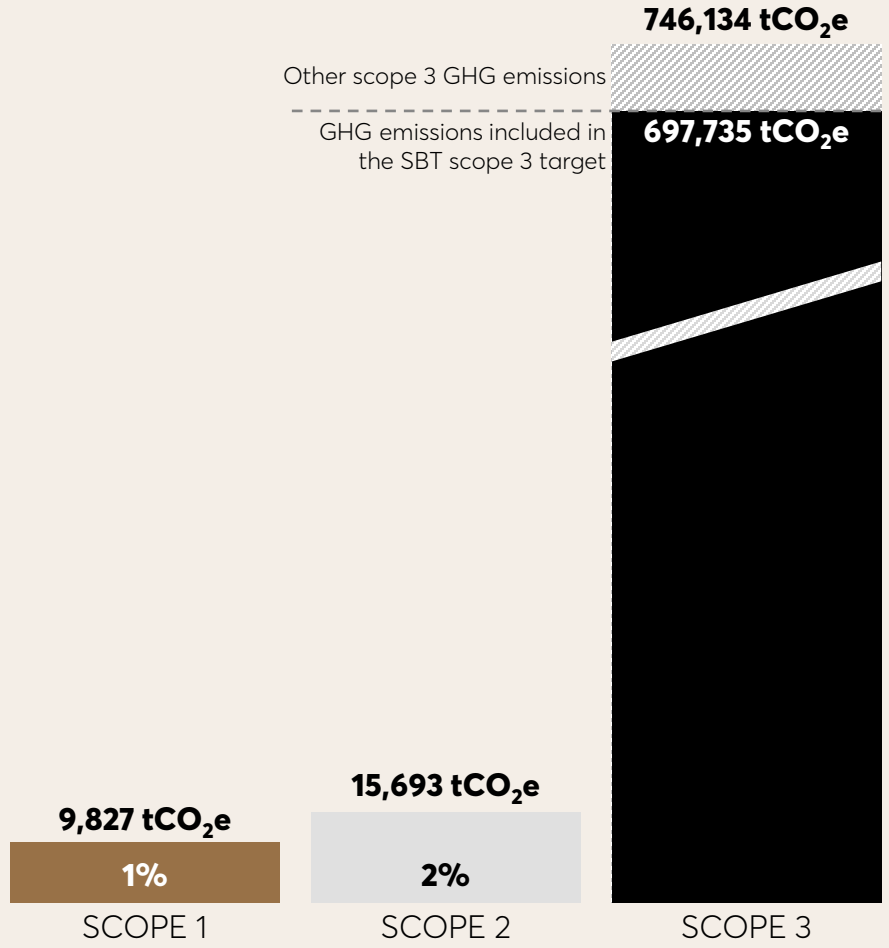
SCOPE 2 EMISSIONS

Scope 2 GHG emissions are indirect emissions released from the production of energy, **purchased and consumed by our company**. These typically arise from the production of electricity, steam, heating, and cooling that our company buys from external providers.

SCOPE 3 EMISSIONS

The scope 3 GHG emissions included in our SBT target are other indirect GHG emissions that occur in the **upstream value chain.**

They include GHG emissions related to the **manufacturing** of our products, the **sourcing** of raw materials and their transportation and distribution.



Data refers to total scope 1-2-3 SBT target emissions, in 2024.

OUR 2030 STRATEGY

PART 3

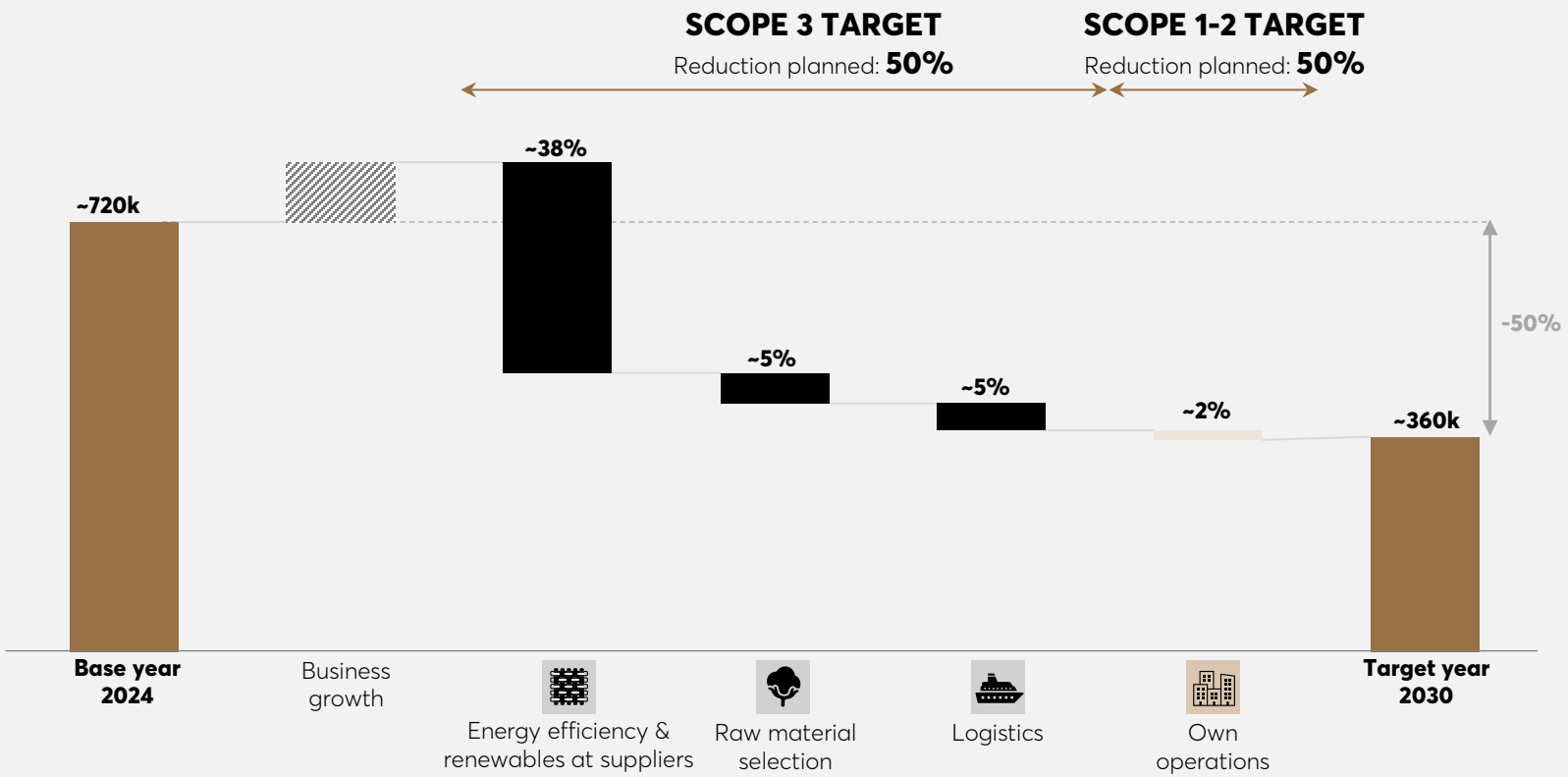
OUR TRANSITION PLAN FOR SCOPE 1-2-3 TARGETS

In 2025, we updated our science-based targets and raised our level of ambition for scope 3. To achieve **a 50% reduction across all scopes**, we have accordingly updated our climate transition plan in 2026.

The climate transition plan accounts for projected business growth between 2024 and 2030, and defines specific measures to reduce GHG emissions across scope 1, 2, and 3, guiding the transition from the base year level of approximately 720k tCO_2e to the 2030 target of 360k tCO_2e.

Figures are expressed in tCO_2e

- GHG emissions in scope 1-2 and scope 3* targets
- Impact of scope 3 reduction measures
- Impact of scope 1-2 reduction measures



*Scope 3 target includes the following categories: purchased goods and services (category 1) and upstream transport and distribution (category 4).

Data refers to total scope 1-2-3 SBT target emissions, and It is based, among others, on assumptions such as the expected availability of energy from renewable sources for strategic selected suppliers, the increased access to closed-loop recycled polyester and polyamide, the expansion of regenerative agriculture for cotton and wool, and the broader availability of sea freight transportation. However, data can change over time.

Planned decarbonization measures in:

ENERGY EFFICIENCY & RENEWABLES

AT SUPPLIERS (Scope 3, category 1, tier 3-2-1)

CLIMATE TARGET SETTING
Strategic suppliers are encouraged to **set their own climate targets**. These targets are expected to be backed up by feasible and impactful decarbonization plans that are specifically tailored to facility's unique needs. The decarbonization plans aim to guide the **implementation of measures** to reduce GHG emissions at the facility level. HUGO BOSS will support this process through training and guidance and monitor progress against the supplier targets.

COAL PHASE-OUT & FUEL SWITCH
As part of its involvement in the Fashion Industry Charter for Climate Action, HUGO BOSS is committed to **eliminating coal usage** in its supply chain by 2030. As part of its sourcing approach, HUGO BOSS seeks to ensure that newly onboarded manufacturing sites do not rely on on-site coal-fired power generation. The Company engages with its direct supply-chain partners to support the transition to solutions operating on **lower-carbon energy sources** compared to conventional options, while considering the transition feasibility, and the local conditions.

ENERGY EFFICIENCY
HUGO BOSS recognizes that one of the most effective ways to reduce GHG emissions is to **reduce energy consumption**. In general, lower energy use directly results in lower GHG emissions. Improving energy efficiency across our supply chain is therefore a key focus of our decarbonization strategy. This includes encouraging suppliers to adopt **energy-efficient systems and machinery** that deliver the same or higher manufacturing outcomes while using less energy.

RENEWABLE ENERGY
HUGO BOSS will collaborate with key suppliers to increase the uptake of electricity from renewable sources by promoting **on-site generation**, and **off-site renewable sourcing** such as power purchase agreements where feasible. Where direct renewable solutions are not yet available, credible energy attribute certificates (EACs/IRECs) may be used as a temporary measure.

Further activities in:

ENERGY EFFICIENCY & RENEWABLES

AT SUPPLIERS (Scope 3, category 1, tier 3-2-1)

We recognize that the decarbonization measures outlined on the previous page should be implemented from our suppliers. To enable this and contribute effectively, we are focusing on the following key activities.

INTEGRATION INTO BUSINESS
HUGO BOSS will integrate climate considerations moreover into **business decisions**, by further aligning and empowering relevant internal functions. Clear climate frameworks on risks and opportunities (e.g. including **internal guidelines and trainings** on sourcing strategy and business allocation, and **key performance indicators**) will support decision-making processes to steer emission reductions across the company and throughout the supply chain.

DATA TRANSPARENCY
HUGO BOSS continuously **expands primary data** at the facility level, prioritizing key tier 1 and tier 2 partners. Data is fundamental to support the identification of the GHG emissions hotspots, and the prioritization of the decarbonisation measures. Currently, HUGO BOSS relies on the Higg Facility Environmental Module (Higg FEM) as a tool to collect relevant suppliers' environmental data.

SUPPLIER ENGAGEMENT
We plan to build technical and managerial capacity at our suppliers in areas such as energy management, climate accounting, and decarbonisation planning, via **tailored training programs**. These activities support the **uptake of best practices** that enable continuous improvement in supplier GHG emissions performance.

To support suppliers in reducing the climate impact directly at their facilities, HUGO BOSS started a collaboration with Apparel Impact Institute (Aii) in 2025. Through this collaboration, suppliers gain **greater transparency** over their GHG emissions, **strengthen GHG emissions management** capabilities, and **identify relevant and tailored decarbonization measures** at facility level, such as coal-phase out, energy efficiency improvements and the transition to renewable energy sources.

Planned decarbonization measures in:

RAW MATERIALS

(Scope 3, category 1, tier 4)

We also place a strong focus on reducing the climate impact of raw materials, as this represents one of the largest contribution areas within our scope 3 target. For this reason, we have defined clear and measurable approaches for raw material sourcing as a key lever of our climate transition.

LEVERAGE BETTER NATURAL MATERIALS

Our approach prioritizes the use of natural materials from preferred sources, with a strong emphasis on **cotton and wool from regenerative agriculture**. By sourcing these materials from regenerative systems, we aim to reduce GHG emissions while simultaneously supporting improved soil health, biodiversity protection, and greater resilience of agricultural systems. This focus reflects our intention to address climate impacts upstream at farm level, where interventions can deliver long-term environmental benefits beyond carbon alone.

SHIFT TO BETTER POLYESTER & POLYAMIDE

For polyester and polyamide — where technical performance remains essential for certain products — we focus on sourcing from **preferred options, including closed-loop recycling systems**. These approaches help to reduce dependence on virgin fossil-based feedstocks and enable the recycling of existing textile materials, thereby lowering the overall GHG emissions intensity of our synthetic material portfolio.

Further information are provided in the *HUGO BOSS Material Strategy* available on the company website.

Planned decarbonization measures in:

LOGISTICS

(Scope 3, category 4)

AIRFREIGHT REDUCTION
A key focus for reducing the climate impact of upstream transportation and distribution is the systematic reduction of airfreight. This is achieved through improved demand forecasting, earlier procurement planning, and a shift to sea and rail transport wherever feasible.

NEAR-SHORING
Near-shoring and regional sourcing strategies will be expanded to **shorten transport distances** and lower transport-related GHG emissions.

ALTERNATIVE LOW-CARBON FUELS
To further decarbonize unavoidable transport, we will plan to scale up the use of **low-carbon transport solutions**, including the gradual introduction of biofuels and other **more sustainable fuel alternatives** in cooperation with logistics service providers, particularly for ocean and road freight.

Planned decarbonization measures in:

OWN OPERATIONS

(Scope 1-2)

EXPANSION OF THE USE OF ELECTRICITY FROM RENEWABLE SOURCES
HUGO BOSS plans to further expand the use of electricity from renewable sources at its remaining subsidiaries. The goal is to **use only electricity from renewable sources** across the entire Group by the end of 2030. In 2026, as part of the expansion of the distribution center in Filderstadt (Germany), the existing photovoltaic system will also be expanded. This is expected to generate an additional 800 MWh of electricity from renewable sources annually.

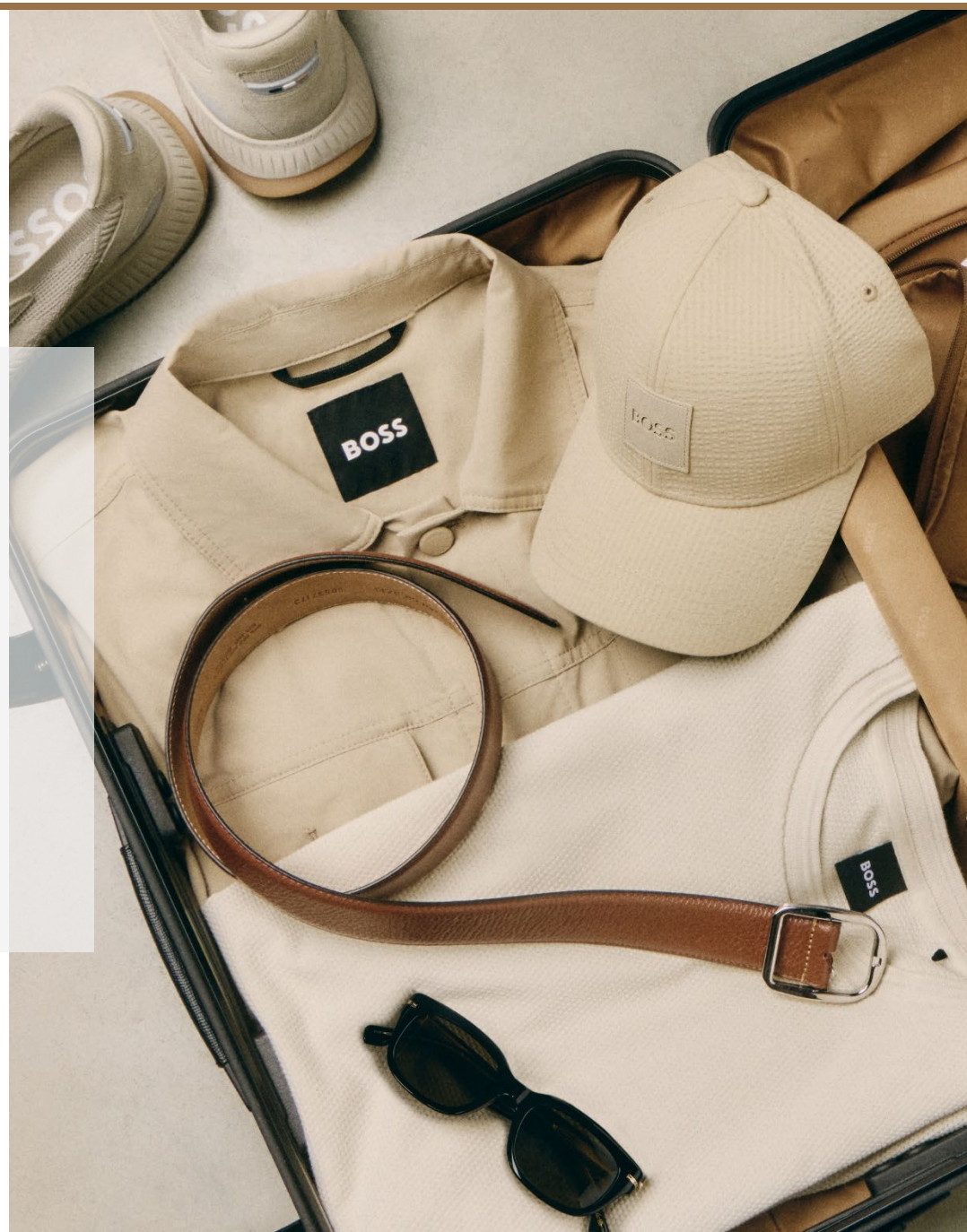
ENERGY EFFICIENCY MEASURES
We are planning to integrate further energy efficiency measures at our own locations, including **LED lighting projects** and **smart control systems** that support a more efficient operation of our facilities.

FUEL SWITCH
In addition, we are planning the gradual replacement of fossil heating systems with more **sustainable alternatives, like biomass** (in Turkey).

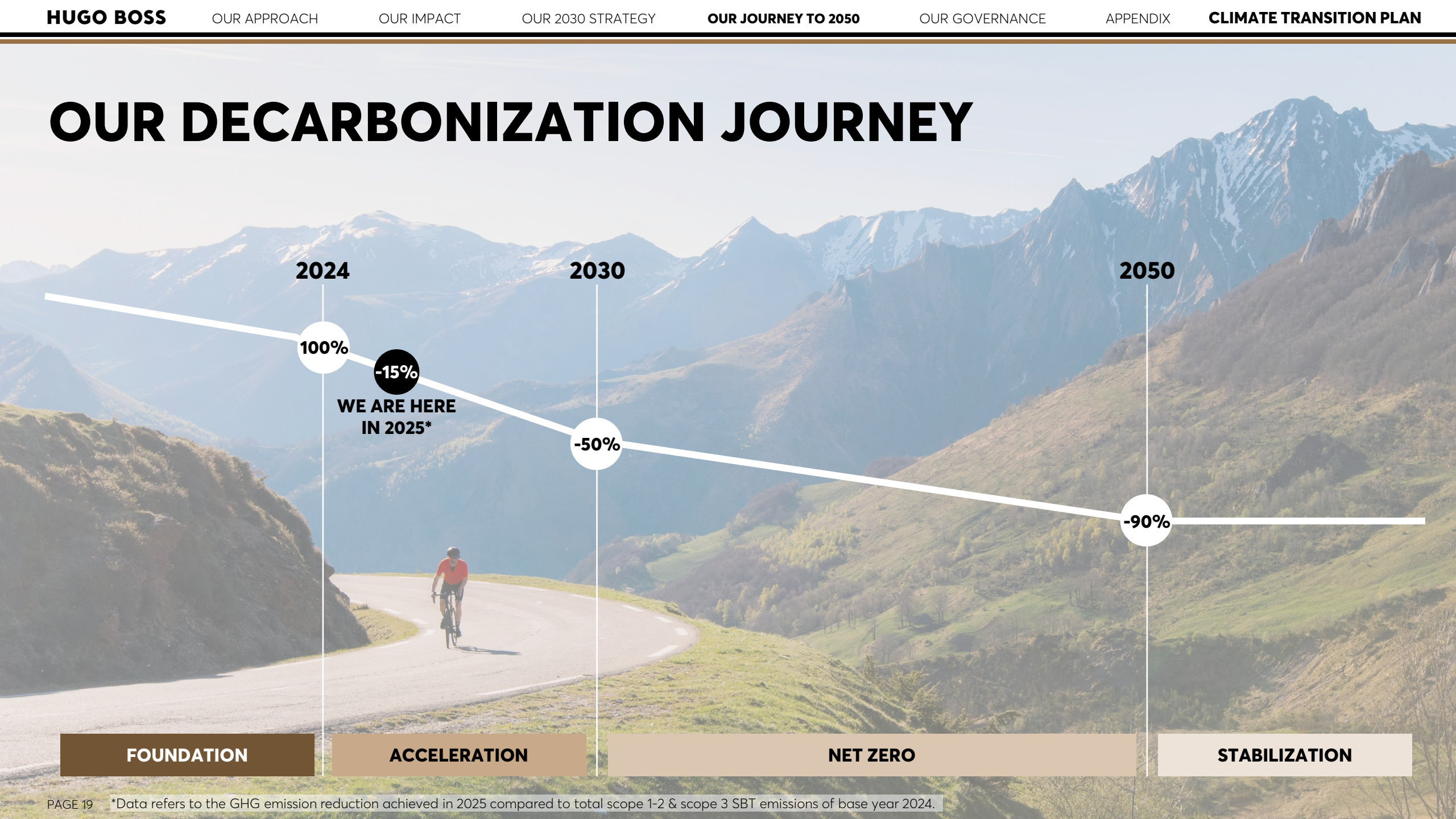
CHARGING INFRASTRUCTURE OFFER
At the same time, by offering charging infrastructure at selected HUGO BOSS locations, we aim to **facilitate the uptake of electric mobility**. This measure may contribute to a further reduction of the Company GHG emissions.

OUR JOURNEY TO 2050

PART 4



OUR DECARBONIZATION JOURNEY



*Data refers to the GHG emission reduction achieved in 2025 compared to total scope 1-2 & scope 3 SBT emissions of base year 2024.

OUR CLIMATE TRANSITION PHASES

Our strategic focus, and a strong foundation built over the years have set our current and future pathway. We are maintaining an open and flexible approach, regularly assessing and integrating new regulatory requirements, technologies, and innovations, while aligning and collaborating closely with our industry peers.

FOUNDATION

HUGO BOSS set **its first science-based targets in 2020**, and since then, we have worked intensively to reduce our GHG emissions and establish **solid, robust methodologies for collecting and accounting data** in an accurate, comprehensive, and standards-aligned way.

ACCELERATION

On the way towards our 2030 targets, we focus on the impact on both our own facilities and our supply chain. Together with partners, peers, and industry stakeholders, we are fostering progress and continuously adapt to the **latest regulations and standards**.

While business growth may temporarily increase GHG emissions in the coming years, we are working to **embed environmental considerations into our growth strategy**. We also continue to be aware of the challenges and the limited timeframe.

NET ZERO

We aim to become **net zero by 2050** through a combination of ongoing and new measures, guided by emerging technologies and innovations. We will approach our 2050 target **by setting mid-term targets** (e.g. five years) that allow a continuous refinement of our roadmap in line with the most up-to-date available opportunities.

Future challenges are not yet fully foreseeable, but we maintain an **open and adaptive approach** that allows us to respond to the evolving needs of the fashion sector, and support the decarbonization of our industry.

STABILIZATION

Reaching net zero is a major milestone, but we know our efforts will not stop there.

We seek to prevent increases in GHG emissions and, where possible, to further reduce our impact. In line with the *SBTi Corporate Net-Zero Standard*, HUGO BOSS aims to reduce its absolute GHG emissions in scope 1-2-3 by **at least 90% by 2050**.

Any remaining GHG emissions are intended to be addressed through investments in high-quality **carbon offset projects**, in line with applicable standards and best practices.

OUR GOVERNANCE

PART 5

OUR GOVERNANCE

The overall responsibility for the sustainable development of HUGO BOSS lies with the **Managing Board.** This also includes monitoring, managing, and overseeing ESG impacts, risks, and opportunities along the Company's value chain. The Managing Board is also responsible for the overall **climate strategy and climate targets**.

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 setting ESG targets and for monitoring progress towards them. The Managing Board and Supervisory Board monitor the set objectives 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**.

The **CFO/COO** also assumes responsibility for our central **Sustainability Committee**, which consists of representatives of our main business areas involved in sustainability topics and drives relevant decision-making processes in sustainability. It oversees the implementation of our sustainability strategy – including our climate strategy – and serves as a dialog forum for current developments and best practices.

OUR FINANCE

Achieving our climate objectives requires more than strategic clarity and operational excellence. We systematically identify the necessary financial resources required to support these climate-related initiatives. The funding to finance the climate transition identified by HUGO BOSS is intended to be driven largely by **operational cash flows**.

Investments in decarbonization measures within our **own operations** are planned, prioritized, and **financed directly** by HUGO BOSS.

To advance decarbonization across our **upstream supply chain,** HUGO BOSS has established a collaboration with Apparel Impact Institute (Aii). Through this partnership, HUGO BOSS allocates **dedicated funding** to support consultancy services for decarbonization measures at our suppliers' facilities, selected based on objective internal criteria.

In parallel, we are exploring **additional enabling mechanisms** to further support our suppliers on their decarbonization journey.

We are committed to supporting our partners to advance their sustainability performance, and to contributing to this progress both professionally and financially.

CLIMATE RELATED RISKS

HUGO BOSS takes a structured and company-wide approach to managing the risks and opportunities arising from climate change. The financial implications of these risks and opportunities are systematically identified and integrated in the budgets of the relevant departments and, where needed, in long-term financial planning. This ensures that the necessary resources are available to respond effectively to environmental challenges and opportunities. We consider this approach essential to **transparently support decision-making** and to enable a more effective response to the challenges and impacts of climate change.

HOW WE ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES

In 2024, HUGO BOSS carried out a **double materiality assessment** (DMA) to prepare for ESRS reporting requirements. This assessment was updated in 2025. It examined how the Company impacts the environment and society, and how environmental, social, and governance (ESG) topics can in turn affect HUGO BOSS financially. Our analyses are based on the Representative Concentration Pathways (RCPs), a set of greenhouse gas concentration scenarios developed by the Intergovernmental Panel on Climate Change (IPCC).

KEY PHYSICAL CLIMATE RISKS

Rising temperature: among the physical climate risks assessed, extreme temperatures are currently considered the **most financially relevant** for HUGO BOSS. Rising temperatures can lead to higher energy and cooling costs, lower employee productivity, potential impacts on revenue, and faster wear of heating and cooling systems. Among these factors, reduced employee productivity — for example due to heat-related health issues and higher absenteeism — is regarded as the most significant driver. Employee health and well-being are already a key focus at HUGO BOSS and are essential for maintaining high productivity. Local management is therefore encouraged to monitor heat-related impacts on working conditions, collect regular feedback from employees, and introduce appropriate measures where necessary to support resilience and safeguard performance.

Raw material scarcity risk: Climate change also affects raw material sourcing, particularly in **cotton-growing regions exposed to drought and water stress.** These conditions can reduce crop yields, increase water-related costs, and affect the productivity of the local workforce. As a result, they may influence **the cost and availability of products**, potentially leading to lower production volumes and loss of sales. To mitigate this risk, HUGO BOSS plans to continuously monitor raw materials prices, explore alternative materials, and invest in innovative technologies and new fibres solutions that also contribute to decarbonizing the textile industry.

Water scarcity: water scarcity can lead to lower yields in raw material production and reduced capacity for water intensive processes such as **dyeing, tanning, printing, and laundering**. This may result in **higher productions costs**, increased regulatory penalties, potential loss of social license to operate, and damaged brand image. To address this risk, HUGO BOSS aims to improve water efficiency in its own operations and along the supply chain, reduce water pollution through robust chemical management, and conduct systematic water risk mapping.

KEY TRANSITION CLIMATE RISKS

Regulatory risk: as climate and environmental regulations evolve, HUGO BOSS may face higher prices on GHG emissions, expanded reporting requirements and new or adapted rules affecting products and services. These developments can lead to **increased operating and compliance costs**, as well as potential demand shifts or penalties in case of non-compliance. To mitigate regulatory risk, HUGO BOSS continues to embed sustainability into its overall business strategy, and closely monitors regulatory trends and developments that could result in stricter legal requirements.

Reputational risk: Public scrutiny of the textile and fashion industry is increasing, and stakeholder expectations are evolving. A **perceived lack of action** on climate-related topics could lead to negative image, changes in consumer preferences, and higher stakeholder concern. This may **reduce revenue, affect workforce engagement, and limit access to capital**. HUGO BOSS addresses reputational risk through clear and science-based climate commitments aligned with industry standards, including the Fashion Industry Charter for Climate Action. The Company also reports transparently on its targets, progress, and related measures.

Further information are provided in the *Climate- and Nature-Related Disclosures* and in the *Annual Report* available on the company website.

SHAPING THE TRANSITION TOGETHER

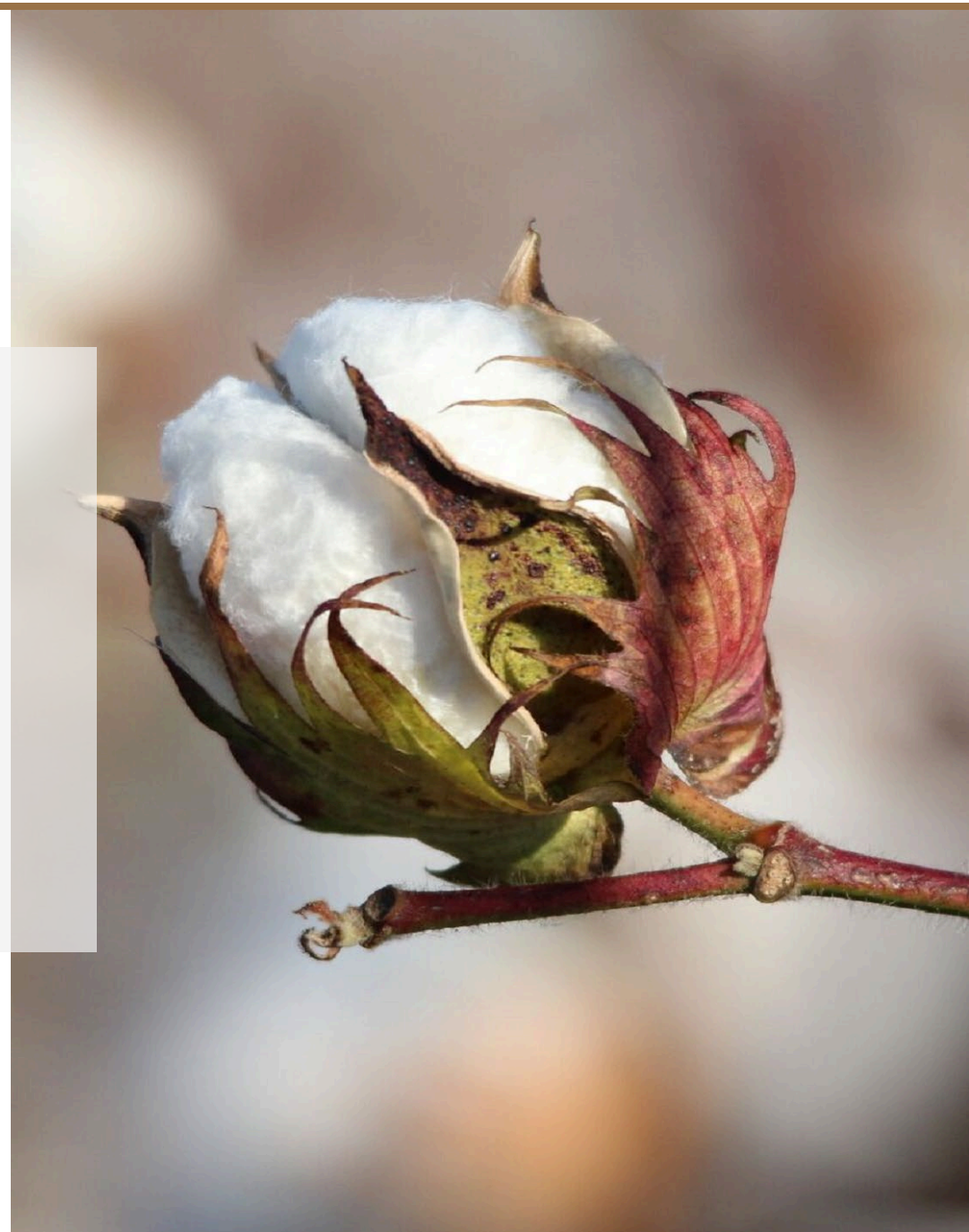
FASHION CHARTER
Together with other brands and fashion suppliers, we have been a signatory of the Fashion Industry Charter for Climate Action **since 2018**. Through this commitment, we aim not only to contribute to change, but to actively help drive it, supporting the sector's pathway to net-zero GHG emissions by 2050, in line with **limiting global warming to 1.5°C**.

A JUST TRANSITION
As a company operating within a global supply chain, with many production locations in the Global South, where communities already experience some of the most severe impacts of climate change, **we recognize our responsibility to drive meaningful decarbonization.**

Our climate action should benefit everyone across our value chain, aiming at ensuring that progress toward a low-carbon future does not place additional strain on the communities who are the most exposed and vulnerable to climate-related impact. This belief is reflected in our understanding of a just transition: a **shift to a more sustainable economy** that is also supportive of the people and local communities whose livelihoods are interconnected with our business. We recognize that we are still in the **early stages** of fully understanding the interconnections between the climate crisis and human rights.

APPENDIX

PART 6



GLOSSARY OF TERMS

Apparel Impact Institute (Aii): it is a non-profit organization that removes the technical, financial, and alignment barriers that suppliers face to accelerate industry decarbonization at scale.

Carbon offsetting: carbon offset means "reducing" GHG emissions outside the company's value chain. The company's GHG emissions are neutralized by supporting projects that avoid or remove GHG emissions elsewhere.

Climate transition plan: a climate transition plan is a point-in-time document that communicates the company's climate strategy and targets to investors and other external stakeholders. While important as a summary document, it is only a snapshot of the broader sustainability strategy.

Fashion Industry Charter for Climate Action: it is a United Nations–led initiative that brings together fashion brands, suppliers, and other stakeholders to drive the fashion industry to net-zero GHG emissions no later than 2050, in line with keeping global warming below 1.5 degrees.

Greenhouse gas emissions (GHG): GHG emissions are gases released into the atmosphere that contribute to global warming and climate change. They include, for example, carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O); and come from activities such as burning fossil fuels for energy and transport, industrial production, agriculture, and waste management.

Higg Facility Environmental Module (Higg FEM): it is part of the Higg Index suite governed and stewarded by Cascale. Manufacturing facilities can use the Higg FEM assessment to annually measure and report their environmental impacts across key operational areas such as energy use, water consumption, GHG emissions, waste, and chemicals.

Net-zero emissions: net-zero emissions means that, over a defined period of time, all GHG emissions released into the atmosphere are counterbalanced by an equivalent amount of GHG emissions removed.

Physical climate risks: they refer to the direct impact of climate change on people, assets, and operations. They include effects such as more frequent and intense heatwaves, storms, floods, droughts, water scarcity, or rising sea levels. These events can damage buildings and infrastructure, disrupt supply chains, reduce agricultural yields, and affect employee health and productivity.

Science Based Target initiative (SBTi): the Science Based Targets initiative is an international partnership that helps companies set science-based climate targets. It provides methods and guidelines, reviews companies' targets, and officially approves them when the scientific criteria are met.

Science-based targets (SBT): science-based targets are climate goals set by companies to reduce their GHG emissions by a specific amount within a defined timeframe. They are designed in line with the latest climate science to ensure that the planned GHG emission reductions contribute to the Paris Agreement goal of limiting global warming to 1.5°C.

Scope 1 GHG emissions: scope 1 accounts for direct GHG emissions that occur from sources that are owned or directly controlled by a company. This includes, for example, GHG emissions generated from fuel combustion in company-own administrative buildings, production sites and fleet operations.

Scope 2 GHG emissions: scope 2 accounts for indirect GHG emissions that occur from the generation of purchased energy consumed by a company. The GHG emissions typically arise from the production of electricity, steam, heating, and cooling that companies buy from external providers.

Scope 3 GHG emissions: scope 3 accounts for other indirect GHG emissions that occur across a company's value chain, both upstream and downstream. They include GHG emissions related to, among others, the manufacturing of products, sourcing of raw materials, their transportation and distribution, as well as their end-of-life treatment.

Tier 1: Finished product manufacturing: this tier covers the assembly and manufacturing of final products.

Tier 2: Material manufacturing: at this tier, activities include the production and finishing of materials (e.g. fabrics, trimmings), that go directly into finished products.

Tier 3: Intermediate material processing: this tier comprises the processing of raw materials into yarn and equivalent state.

Tier 4: Raw material production & primary processing: this tier covers the extraction and/or farming of primary raw materials from the earth, plants or animals (e.g. cotton, wool, skins and hides) as well as the production of synthetic materials through industrial processess (e.g. polyester and polyamide).

Transition climate risks: they arise from the shift to a low-carbon and more sustainable economy. They are linked to changes in laws and regulations (for example carbon pricing or stricter environmental standards), new technologies (such as low-emission solutions replacing older technologies), and evolving markets and customer expectations (including higher demand for sustainable products).

Worldly: it is the sustainability and supply chain intelligence platform that hosts Cascale's Higg Index and provides data, analytics, and insights to help brands and suppliers manage, analyze, and improve environmental and social performance across their supply chains.

Additional information

DISCLAIMER

This document contains future-oriented statements that are based on our **current level of knowledge and understanding** of the climate topic and reflect our present assumptions, expectations and projections at the time of publication. Such statements are made in good faith and are informed by internal analyses, currently available data and recognized methodological frameworks, where applicable. Future-oriented statements are inherently subject to **several unknown and unpredictable risks**, uncertainties and other factors — many of which are beyond our control — that may cause actual developments, results or outcomes to differ materially from those expressed or implied. As a result, the events or results described in such statements may not occur as anticipated or may not occur at all.

Readers should therefore not place undue reliance on these future-oriented statements. They are valid only as of the time at which they are made, **do not constitute guarantees of future results** or legally binding commitments, and remain subject to change considering new information, regulatory developments or future events. These future-oriented statements are intended to support transparency regarding our strategic direction and ambition, and do not alter existing legal obligations.

The document will be reviewed on a regular basis. Any future-oriented statements will be adjusted in line with the level of knowledge and understanding available at the time of each update.

The future-oriented statements in this document can be identified, among others, by terms such as "expects", "aims", "plans", "may", "will", "believes", "anticipates" or variations of such words as well as references to targets, ambitions, roadmaps, pathways or similar expressions.

In addition, the figures presented in this document (absolute GHG emissions and target achievement rates) are derived from the HUGO BOSS Annual Report 2025, which is subject to a **third-party limited assurance**. The climate targets are **validated by the Science-Based Targets initiative**. The SBTi validation is limited strictly to the targets and does not extend to verification of the climate transition plan or its execution.

CLIMATE TRANSITION PLAN