

HUGO BOSS

Environmental Policy

HUGO BOSS assumes responsibility for future generations. This entails that we also pursue ambitious targets in the area of environmental protection. This provides the driving force for continuous improvement in the environmental performance of our products and processes.

The principles defined in the environmental policy form the basis for minimizing the Company's impact on climate change, conserve natural resources, reduce environmental pollution (e.g. water pollution and microplastics) and contribute to preserve biodiversity. Particular attention is paid to our global supply chain.

Responsibility for group-wide environmental protection is with the Managing Board of HUGO BOSS AG and applies to all employees of the Company.

The involvement of employees in the implementation of the environmental policy is crucial to its success. The motivation of all employees to actively participate in the process in order to share knowledge, both within the Company and with our partners, to promote environmental awareness and conscious behavior is of fundamental importance.

Our approach

Living environmental responsibility means to continuously working on improvements in all stages of our value chain and in every phase of the life cycle of our products.

To maximize our effort in environmental protection, HUGO BOSS cooperates with various organizations such as the United Nations Framework Convention on Climate Change (UNFCCC), the Zero Discharge of Hazardous Chemicals (ZDHC) program, the Better Cotton Initiative (BCI) and the United Nations Industrial Development Organization (UNIDO). The Company is also a signatory of the Circular Fashion System Commitment of the Global Fashion Agenda (GFA). In addition, generally recognized standards such as ISO 14001, ISO 14041 or ISO 50001 are applied to endorse environmental protection in an efficient way.

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HUGO BOSS continuously reviews the relevance of the various environmental risks arising from its activities directly but also the impact of its partners in the supply chain in order to adapt the various environmental programs to it.

We therefore pursue environmental activities

- at HUGO BOSS locations,
- in logistics,
- with our upstream and downstream partners in the value chain,
- along the entire life cycle of our products.

HUGO BOSS locations

For our environmental management we apply the internationally recognized standards of DIN EN ISO 14001 and 50001 to achieve a continuous improvement of the environmental performance. Appropriate certifications are carried out at a large number of locations. A central management tool for the analysis of environmental data, which is implemented throughout the Group, supports the uniform and efficient methods for protecting natural resources.

At HUGO BOSS, successful environmental management at our own sites means that

- we consider sustainable aspects as an integral part of all project phases from planning to execution of our sites. For the construction of own Non-Retail locations, we strive for recognized sustainability certifications whenever possible. Selected newly opened or renovated key retail stores are also certified by internationally recognized certification systems such as LEED or BREEAM.
- we always consider potentials of energy reduction measures during renovation and reconstruction work.
- we increase consistently the share of renewable energy sources in our electricity consumption and generate our own renewable energy.
- we continuously reduce our environmental footprint in our own production facilities by applying effective resource conservation programs and by avoiding any form of environmental pollution in conformity with the standard ISO 14001.
- we reduce the consumption of water, consumables and raw materials through an optimized use and targeted trainings.

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- we reduce the volume of waste through a consistent focus on avoidance, recycling and reuse and ensure that our waste is properly separated.
- when we purchase non-production materials, we select those consumables with the lowest environmental impacts and give preference to local suppliers wherever this is possible within the scope of our high standards of quality and in view of the available supply with reasonable commercial pricing.
- when we have tender processes with suppliers for non-production relevant materials, we review whether the suppliers have an accredited environmental management system.
- we train our employees with regard to the environmental impacts of their activities and corresponding improvement measures.

Logistics

The HUGO BOSS logistics processes are geared towards sustainability and follow the approach of making optimal use of all resources employed. For all transport, processes along our value chain there are clear requirements for our logistics partners in order to jointly achieve a continuous reduction of the resulting environmental impacts.

Therefore,

- we adopt best practices in order to implement continuous improvement processes to support best our medium and long-term targets.
- we evaluate our transport routes and structures with the assistance of tailor-made tools and increase the efficiency of our transport vehicles through regular reviews and adjustment to match the most appropriate means of transport to reduce CO2 emissions.
- when we select the logistics service providers, we give preference to transport companies which have a clear commitment to sustainability and continuous improvement processes, and who are able to provide evidence of relevant environmental certificates.
- a large proportion of the cardboard is reused, the packaging we procure ourselves is FSC® -certified (FSC® N002527), or foil with a high proportion of recycled material is used to protect our hanging goods.

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Partners in the value chain

We work together with our partners in striving towards minimizing the environmental impacts arising in the global supply chain.

For this objective:

- we expect our partners to comply with at least local and national statutory regulations and to create the necessary awareness at their locations in order to continuously reduce their environmental impacts.
- we carry out a regular review of all our suppliers in the form of self-assessments or on-site audits by external, recognized environmental auditors.
- we cooperate with industry initiatives such as the United Nations Framework Convention on Climate Change (UNFCCC), the Zero Discharge of Hazardous Chemicals (ZDHC) program or the Better Cotton Initiative (BCI) to jointly mitigate climate change and the impact of chemicals.

We utilize the environmental standards of the Global Social Compliance Programme (GSCP) as a basis for evaluating environmental performances in the supply chain, enhanced with the protocol of the ZDHC program. All suppliers are assessed in accordance with a uniform evaluation matrix and classified in a corresponding performance level. Based on this categorization, an action plan is worked out for each supplier with the goal of improving the performance level.

As part of this assessment, suppliers are required to provide information on their environmental performances in the following areas:

Environmental Management Systems

The implementation of an environmental management system is an important prerequisite for creating the necessary awareness. We expect the assignment of clear responsibilities, the introduction of management structures as well as controls and training courses. Also, this includes continuous monitoring and regular communication of consumptions.

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Energy consumption and emissions of greenhouse gases

Suppliers are required to identify and monitor all relevant sources of energy and emissions of greenhouse gases. Suppliers should strive to set up a program for reducing energy consumption and emissions. HUGO BOSS expects its suppliers to commit to continuously pursue energy efficiency measures and renewable energy.

Water consumption

Suppliers shall monitor their water consumption and optimize it by putting appropriate strategies into practice. Water abstractions from surface or groundwater must correspond at least to national or local requirements. Suppliers with production processes that involve intensive use of water are particularly requested to minimize their use of water on a continuous basis.

Chemical and wastewater management

If production processes require the use of chemicals or other substances that pose a threat to people or the environment, then suppliers should ensure that a hazardous substance management system regulates how they are used and handled as well as stored and transported. National provisions must be complied with. If alternative substances are available that are less harmful to the environment and health, suppliers are encouraged to use these. The suppliers are requested to comply with the requirements of the ZDHC Manufacturing Restricted Substance List (MRSL).

By using chemicals and other substances, suppliers are committed to monitoring wastewater streams and to identifying possible contaminations. This must be done in accordance with statutory requirements. Controls must be carried out at regular intervals.

Waste management

HUGO BOSS urges its suppliers to minimize waste continuously and to dispose of the resulting waste according to local statutory requirements. Suppliers are expected to consider strategies for avoiding or reducing waste and for recycling.

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Other environmental aspects

Depending on the supplier's location and specific production processes, in addition to the environmental aspects that are listed above, national or local provisions may apply to air emissions, land use management, protection of biodiversity, noise, odor emissions and other environmental aspects.

Products

In the process of product development, we take care to ensure an environmentally compatible design. The aim is for innovative processes and materials to contribute to maximum quality benchmarks for our premium products and minimizing environmental impacts over the entire production life cycle. By means of clear HUGO BOSS guidelines, specifications for raw materials and manufacturing processes are already made in the product development phase. Specific training courses are offered for employees, e.g. for products that can be used in a circular fashion system. Sustainability thus becomes an integral part of the design concept.

Therefore:

- we are continuously expanding our central database on the environmental impacts of materials and processes in cooperation with research institutes, universities, suppliers, and experts, in order to support product development with environmentally relevant data and facts.
- we specifically apply the results of our own Life Cycle Assessments (LCA) in order to follow a holistic, lower-impact product approach and optimize the development process.
- we reduce the number of developed samples and reduce the efforts of the design phase through increased use of virtual development systems such as 3D visualization.
- we deploy "functional treatments" targeted and use technologies based on an enhanced approach with a lower impact on the environment.
- we use a high proportion of pure and natural raw materials in combination with clear labeling to ensure that our products cause minimal environmental impacts at the end of their life cycle.

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We conserve renewable and non-renewable resources when using our materials by:

- continuous review of the use of alternative materials that are characterized by reduced water consumption, a lower carbon footprint or less impact on biodiversity.
- increased use of high-quality recycling materials.
- optimization of the use of materials in product planning and the avoidance of waste in production.
- whenever possible, separate processing of production waste for appropriate reuse.

We increase efficiency in the manufacturing of our products by:

- bringing innovative technologies on stream in close cooperation with our partners, in particular in the areas of printing, washing, dyeing and finishing.
- promoting "closed loop" processes and reuse of residual raw materials in upcoming collections.
- avoiding harmful or incompatible substances with our updated "Restricted Substances List" (RSL) and having tests carried out for this at accredited testing laboratories.

We increase the longevity of our products by:

- durable yarns that meet the high quality standards of HUGO BOSS.
- optimization measures in the product design alongside clear washing instructions, which permit a lower-impact care of the product.
- numerous and regular checks for HUGO BOSS quality standards by specific laboratory tests.

We reduce the environmental impacts of our packaging materials by:

- ensuring the best possible reuse and recovery when the packaging is redesigned and by achieving a general reduction in the use of packaging materials.
- increased use of recycled and certified materials.
- optimizing the weight, dimensions and reusability of materials for logistic purposes.

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Continuous dialog

The textile supply chain is characterized by a high level of complexity. This can also result in partially changed requirements in the area of environmental protection, which we strive to resolve through dialog with our stakeholder groups and appropriate adjustments of our environmental activities.

We regularly inform the various stakeholder groups about our environmental strategy, initiatives and achievements. For this purpose, we collect environmental data, we check the data against our targets, optimize the relevant processes, and report the results with the aim of highlighting progress and explaining discrepancies.

We actively engage with internal and external experts in order to incorporate their knowledge and assessments in the optimization of our environmental achievements. We regard the provision of a continuous flow of information for our employees and ongoing training as a key responsibility and essential enabler for continuously reducing our environmental impacts over the entire value chain.

Metzingen, May 18, 2020



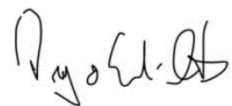
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