

A close-up photograph of a hand reaching out to touch tall, thin grasses. The scene is backlit by a bright sun, creating a warm, golden glow and long shadows. The hand is positioned in the upper left, with fingers gently reaching towards the grasses on the right. The grasses are in sharp focus, showing their delicate structure and seed heads. The background is a soft, out-of-focus landscape with more grasses and a hint of a horizon line under a bright sky.

2024 CLIMATE- AND NATURE- RELATED DISCLOSURES

**IN ALIGNMENT WITH
TCFD AND TNFD**

HUGO BOSS

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Integrating Climate and Nature into Financial Disclosures

HUGO BOSS is publishing its **first combined TCFD** (Taskforce on Climate-related Financial Disclosures) and **TNFD** (Taskforce on Nature-related Financial Disclosures) report, reflecting our ambition to further strengthen our comprehensive ESG approach and our understanding that environmental and nature-related topics are increasingly interconnected. We recognize that both climate change and nature loss present growing risks to our business model, while also offering opportunities to drive innovation and long-term value creation.

At HUGO BOSS, we consider **climate and nature not as isolated topics, but as interdependent systems** that directly impact our operations, value chain, and the communities we engage with. We follow the TCFD's approach in acknowledging the systemic implications of climate change - from rising temperatures and extreme weather events to transition risks driven by policy and market shifts - all of which influence the resilience of ecosystems and the stability of our business environment. At the same time, we embrace the TNFD's perspective, recognizing nature as a complex and interconnected network of terrestrial, freshwater, marine, and atmospheric ecosystems. These ecosystems provide essential functions on which both our business and society depend, including clean water, healthy soils, carbon storage, and the regulation of climate and biodiversity.

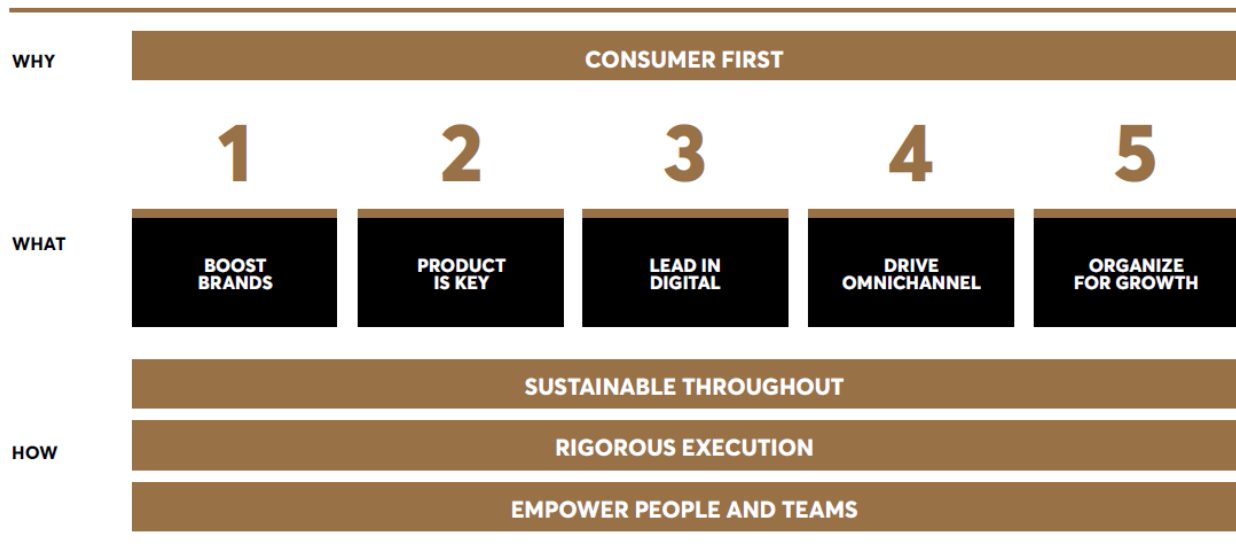
We continuously refine our strategic planning, risk management, and reporting to align with evolving stakeholder expectations and international best practices. By embracing the TNFD alongside our established TCFD reporting, we aim to transparently address **both financial risks and opportunities related to nature and climate**.

This report covers selected parts of the **HUGO BOSS value chain**, focusing in particular on our Tier 4 to Tier 1 suppliers as well as our own operations and product use phases, where relevant risks and dependencies on nature and climate have been identified. Our goal is to further improve transparency across all business areas and to identify targeted levers for mitigation and positive impact.

Governance

HUGO BOSS regards sustainability as an important element of its "CLAIM 5" strategy and thus as an integral part of our business activities. Consequently, being "**Sustainable Throughout**" is firmly embedded in our daily business activities.

GROWTH STRATEGY "CLAIM 5"



line with our commitment to support creating a planet free of waste and pollution, our **Sustainability Strategy** focuses on five key pillars that actively address big industry challenges: increasing circularity, driving digitization & data analytics, leveraging nature-positive materials, fighting microplastics, and pushing towards zero emissions. By embracing these pillars, we are paving the way towards a better and more sustainable future. > [Annual Report 2024, Sustainable Throughout](#)

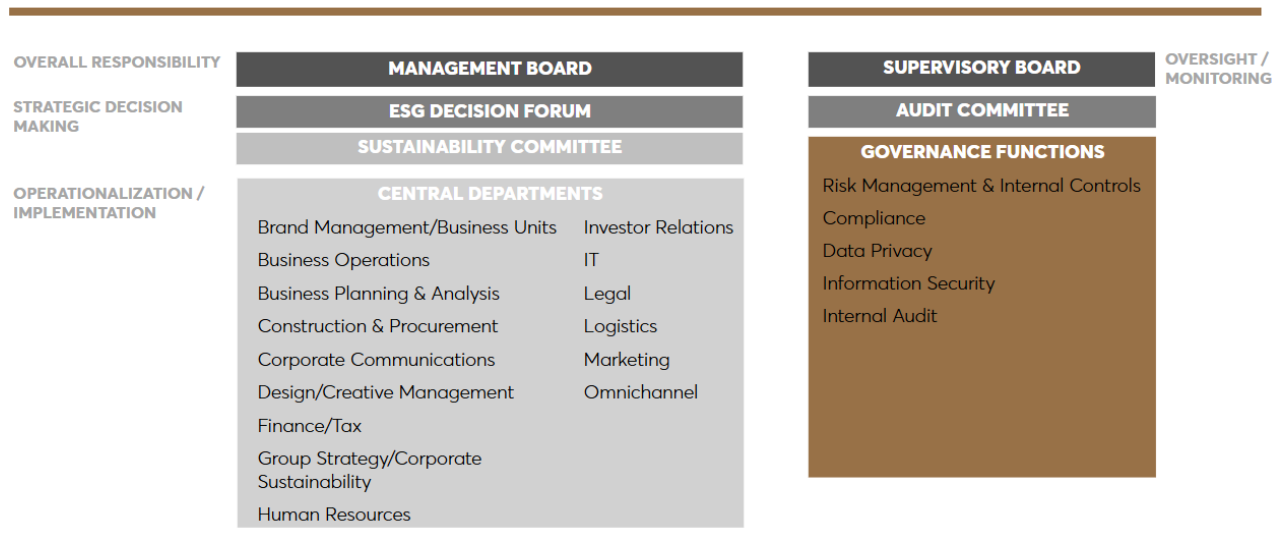
The overall responsibility for the sustainable development of HUGO BOSS lies with the **Managing Board**. This also includes monitoring, managing, and overseeing ESG impacts, risks, and opportunities along the Company's value chain. Strategic responsibility is assigned to the Group Strategy and Corporate Development division, which reports directly to the **Chief Executive Officer (CEO)**. This division is also responsible for the setting of ESG targets and for monitoring progress towards them. The Managing Board and Supervisory Board monitor the objectives set and are regularly informed of the progress achieved. Operational responsibility along the supply chain as well as responsibility for central risk management and internal controls lies with Business Operations. Group Finance & Tax is responsible for Group-wide ESG data collection, consolidation, and validation, while Investor Relations is responsible for ESG reporting. Compliance and human rights issues are addressed by our Compliance & Human Rights department as part of our central Legal division. All four divisions report to the **Chief Financial Officer (CFO)/Chief Operating Officer (COO)**.

The CFO/COO also assumes responsibility for our central **Sustainability Committee**, which consists of representatives of our main business areas involved in sustainability topics and drives relevant decision-

making processes in sustainability. It oversees the implementation of our sustainability strategy and serves as a dialog forum for current developments and best practices. The committee dealt with a variety of issues in 2024, including progress on our sustainability strategy, ESG reporting, and regulatory requirements, including those of the CSRD.

To strengthen the strategic alignment and prioritization of internal sustainability initiatives, HUGO BOSS established the **ESG Decision Forum** in 2024. The Forum convenes on a quarterly basis and supports informed decision-making by evaluating projects against defined criteria such as legal risk (e.g., potential fines and regulatory scope), time risk (urgency and implementation effort), and strategic value (e.g., contribution to ESG targets, stakeholder expectations, and visibility). The ESG Decision Forum is embedded within the broader **sustainability governance structure** of HUGO BOSS.

SUSTAINABILITY GOVERNANCE AT HUGO BOSS



At HUGO BOSS, the **responsibility for identifying and assessing climate- and nature-related risks** is embedded across the organization and follows a structured governance approach. Strategic oversight lies with our central Risk Management department, which is responsible for coordinating the risk assessment process and providing the methodological framework. The actual identification and evaluation of risks are carried out by the relevant functional departments and Group subsidiaries, depending on the specific nature of the risk. For instance, regulatory ESG risks are monitored by the Compliance department, which is part of the central Legal division.

Operational responsibility for managing climate- and nature-related risks is assigned to the respective departments, which are tasked with assessing and mitigating risks within their areas of accountability. Central Risk Management ensures alignment and consistency across the risk management process.

As an integral part of the corporate governance system, the **Internal Audit** department operates independently to provide objective assurance and advisory services aimed at improving business

processes and strengthening internal controls. It supports the oversight functions of both the Managing Board and the Supervisory Board by reviewing the effectiveness of risk mitigating controls, compliance with regulatory requirements, and the integrity of financial reporting. The annual audit plan is coordinated with the Managing Board and the Audit Committee of the Supervisory Board, where key audit topics are defined. Selected departments, such as Risk Management & Internal Controls, are subject to regular audits, with the next audit scheduled for September 2025.

Strategy and Risk Management

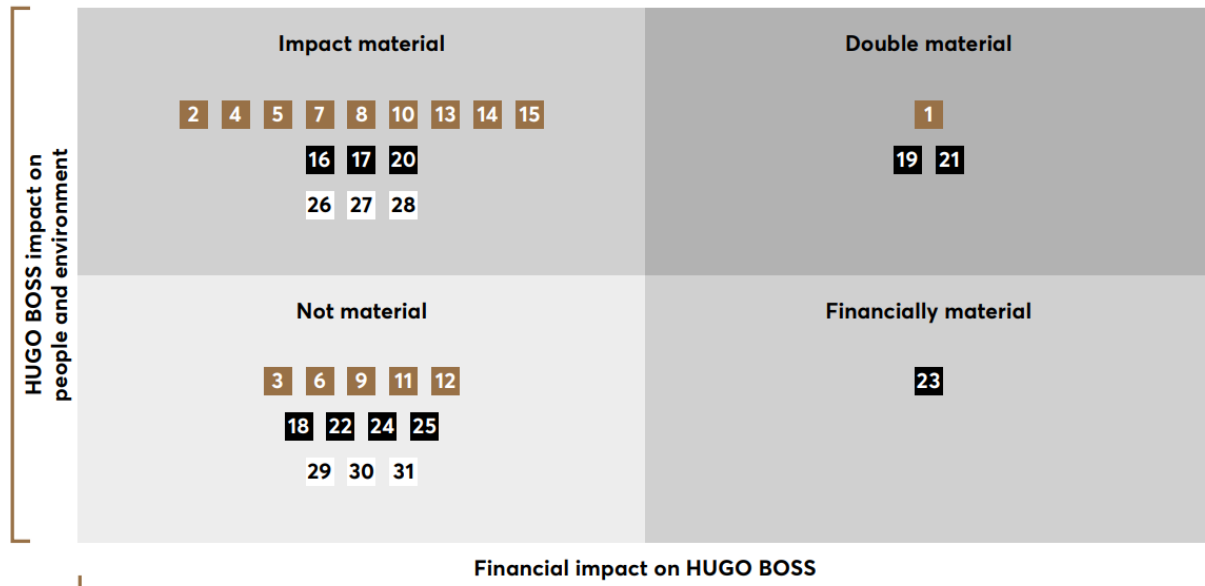
Impact Assessment and Management

HUGO BOSS takes a comprehensive, cross-functional approach to **managing risks and opportunities associated with climate change and nature loss**. This approach shall ensure that financial requirements related to risk mitigation, or the realization of opportunities are systematically identified and addressed. All funding needs are incorporated into the budgeting processes of the respective organizational units and, where applicable, into long-term financial planning. By embedding Climate- and nature-related considerations into financial decision-making, the Company aims to ensure that the necessary resources are allocated to effectively respond to the challenges and opportunities arising from climate change and threats to nature.

In 2024, HUGO BOSS conducted a comprehensive **double materiality assessment (DMA)** in preparation for compliance with the ESRS. Our impact materiality assessment considered the scale, scope, irremediability, and likelihood of impacts being positive or negative as well as actual or potential. Severity took precedence over likelihood for human-rights-related impacts. As part of our financial materiality assessment, we assessed the financial materiality of ESG risks and opportunities, their likelihood, and the nature of financial impacts. As part of these processes, HUGO BOSS has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies by ensuring close collaboration and constant exchange between all parties involved. The process for identifying material impacts, risks, and opportunities adhered to a consistent approach across all ESG topics by systematically considering specific activities, business relationships, geographies, and other factors that may increase the risk of adverse impacts, while also taking into account the specific characteristics of our value chain as well as our key business activities, assets, sites, and regions.

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

OVERVIEW OF MATERIAL ESG TOPICS



Environment

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

Social

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

Governance

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

HUGO BOSS is currently in the process of updating its **climate transition plan**, which sets out the key measures required to achieve the Company's climate targets. The plan includes the identification and prioritization of projects based on their potential impact and feasibility. It also defines the necessary investments to be made by HUGO BOSS, alongside estimated contributions required from suppliers. A detailed year-by-year roadmap shall ensure a structured and transparent approach to delivering on the Company's climate commitments.

Recognizing the **interdependencies between our business activities, climate and nature**, HUGO BOSS is committed to taking meaningful action to protect natural ecosystems. In 2025, the Company took a

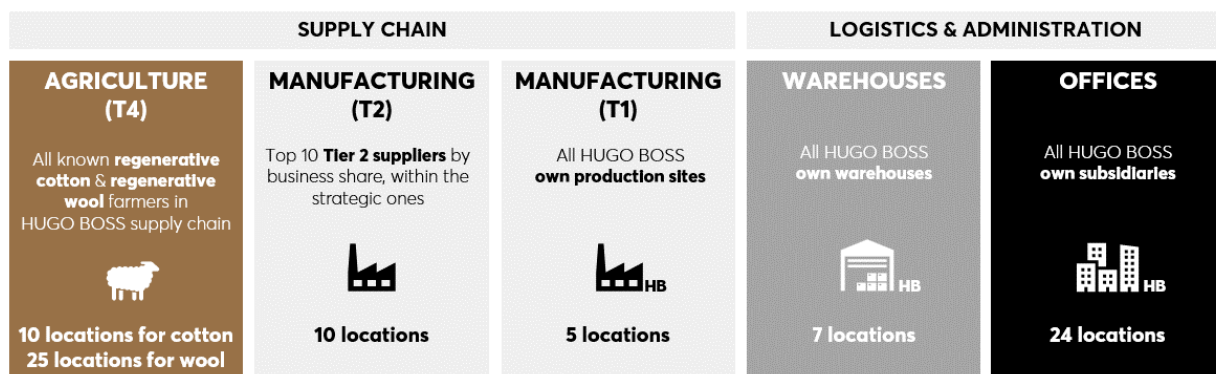
further step by conducting a biodiversity assessment and preparing a corresponding report, aligned with the framework of the Taskforce on Nature-related Financial Disclosures (TNFD).

Impacts related to nature - LEAP assessment

As a core element of the TNFD framework, HUGO BOSS conducted its first biodiversity assessment based on the **LEAP approach**. LEAP stands for: **Locate** your interface with nature, **Evaluate** your dependencies and impacts, **Assess** your risks and opportunities, and **Prepare** to respond and report.

The first step, Locate, focused on **identifying and prioritizing key nature-related issues and business interactions** across the value chain. This included all currently known regenerative farms (Tier 4), selected Tier 2 suppliers, as well as all own production sites (Tier 1), warehouses, and subsidiaries. Retail stores were excluded from this initial scope, as they are typically located in urban environments with limited relevance for biodiversity.

HUGO BOSS has identified five key components of its value chain as most relevant in terms of interface with nature: regenerative farmers (35), selected Tier 2 suppliers (10), own production sites (5 locations), directly operated warehouses (5) and office buildings (24). In total, **81 locations were analyzed**. These were prioritized based on two main criteria: the level of control HUGO BOSS has over the sites and the extent to which their activities interact with or impact nature. Direct operational control over production sites, warehouses, and subsidiaries enables effective management of dependencies and impacts on natural ecosystems. At the same time, regenerative farmers and certain Tier 2 suppliers maintain a close link to natural resources, making them critical for understanding and addressing biodiversity-related risks and dependencies.



HUGO BOSS' **own production sites** are mostly limited to **Tier 1 manufacturing** and do not involve wet processes such as dyeing. For **Tier 2 suppliers**, the assessment focused on the top ten by business volume within the group of strategic and resource-intensive partners. **Strategic** suppliers are those with whom long-term partnerships are intended, while **resource-intensive suppliers** are defined by their use of coal and/or water in production processes.

Going forward, HUGO BOSS aims to expand the scope of the assessment by including additional locations and completing the subsequent steps of the LEAP assessment.

Methodology

To identify **sensitive areas**, HUGO BOSS applied the criteria set out in the TNFD guidance. A location is considered sensitive if it meets at least one of these four criteria:



To ensure a robust assessment, HUGO BOSS evaluated **biodiversity importance** using the Integrated Biodiversity Assessment Tool (IBAT). As a next step toward a more comprehensive approach, **water-related risks** were analyzed using the Aqueduct tool.

IBAT provides geospatial data on Protected Areas (PAs) and Key Biodiversity Areas (KBAs), allowing companies to map selected sites against globally recognized conservation areas. To support a thorough evaluation, buffer zones were applied to each location:

- A 1 km buffer zone for all directly operated sites (production facilities, warehouses, and subsidiaries),
- A 10 km buffer zone for regenerative farms and Tier 2 suppliers.

To further **identify sensitive locations**, HUGO BOSS used the STAR framework within IBAT. STAR evaluates the potential to reduce species extinction risk through targeted conservation and restoration efforts. It includes two components: STAR-T (Threat), which assesses potential gains from mitigating threats such as habitat loss, and STAR-R (Restoration), which estimates the benefits of restoring degraded ecosystems. Locations with STAR-T scores above 0.01 or STAR-R scores above 0.003 (global medians) are considered sensitive and prioritized for impactful biodiversity action.

To **assess location-specific water risks**, the Aqueduct tool was used. It analyzes and maps global water-related challenges using high-quality data and advanced modeling. Through interactive maps and risk indicators – such as water stress and seasonal variability – the tool supports a better understanding of water risks at specific sites.

Results and conclusions

Out of the 81 sites analyzed across the selected segments,

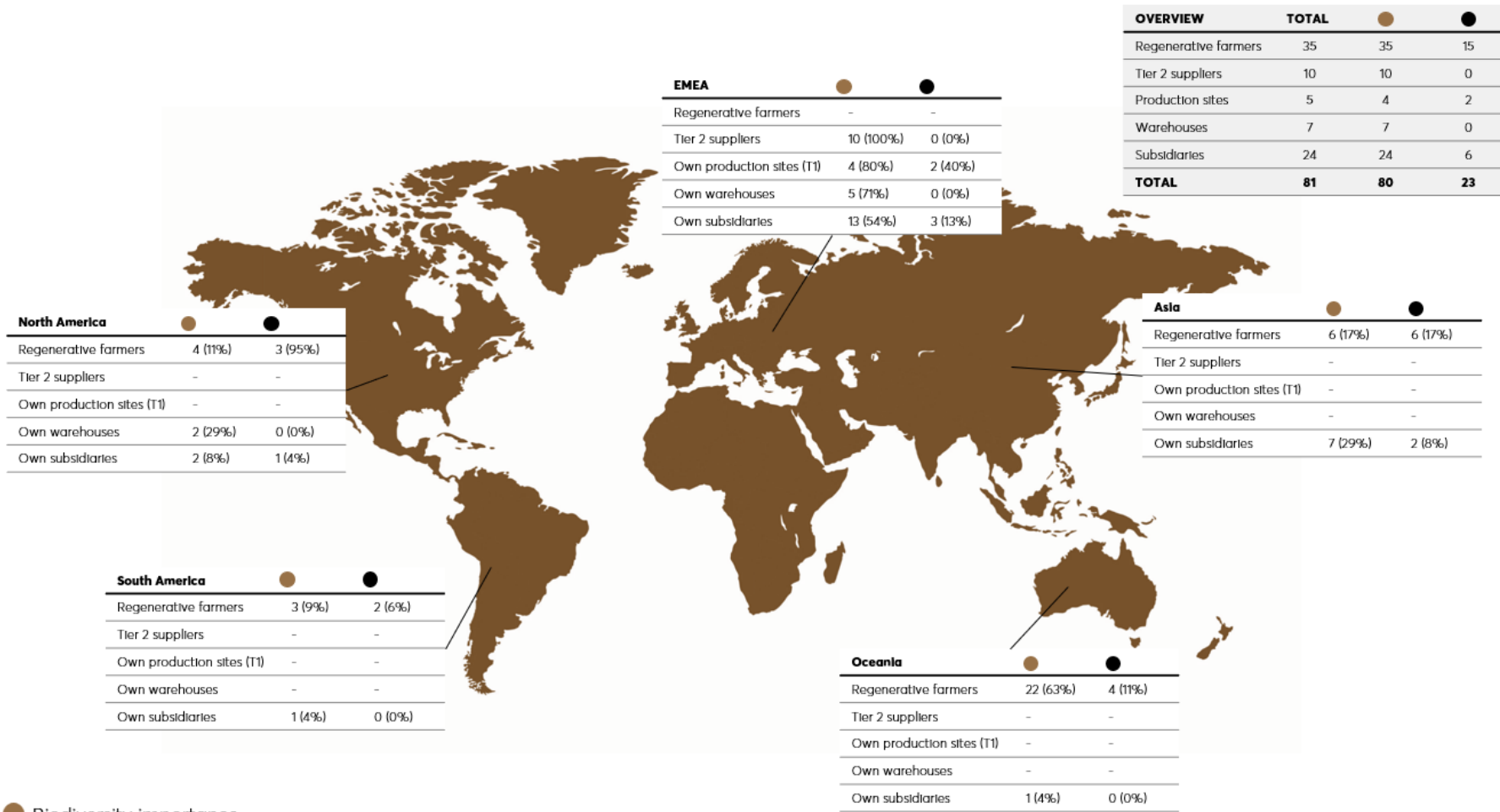
- 80 were classified as sensitive with regard to biodiversity importance,

- 23 were identified as sensitive due to water-related risks.

No negative impact on surrounding biodiversity is currently anticipated at HUGO BOSS' own production sites, warehouses, and subsidiaries, as their operations are considered non-disruptive to local ecosystems. Tier 2 supplier sites, however, may pose a higher potential risk to nearby ecosystems. To address this, HUGO BOSS plans to conduct more detailed assessments at selected locations. Likewise, the Company plans to further evaluate a sample of regenerative farmers to gain deeper insights into their practices and to support the advancement of sustainable, regenerative methods.

The following world map outlines **the distribution of key sensitive locations** across the HUGO BOSS value chain and displays the analyzed sites at a local level with regard to biodiversity importance and high physical water risk.

DISTRIBUTION OF KEY SENSITIVE LOCATIONS ACROSS THE HUGO BOSS VALUE CHAIN



Risk Assessment and Management

HUGO BOSS applies a holistic **Enterprise Risk Management (ERM)** approach that covers all risk categories across the organization and its value chain. This includes climate- and nature-related risks, such as biodiversity loss and its potential impacts on business operations. Risks are categorized to ensure that critical issues are prioritized accordingly.

A detailed depiction of the Company’s risk management system is displayed in the risk report of the 2024 Annual Report. > **Annual Report 2024, Report on Risks and Opportunities**

Due to their complexity, climate- and nature-related risks require a multidisciplinary perspective and are fully integrated into the Group-wide risk management processes. The standardized approach for identifying, assessing, mitigating, and reporting these risks is illustrated in the following chart.

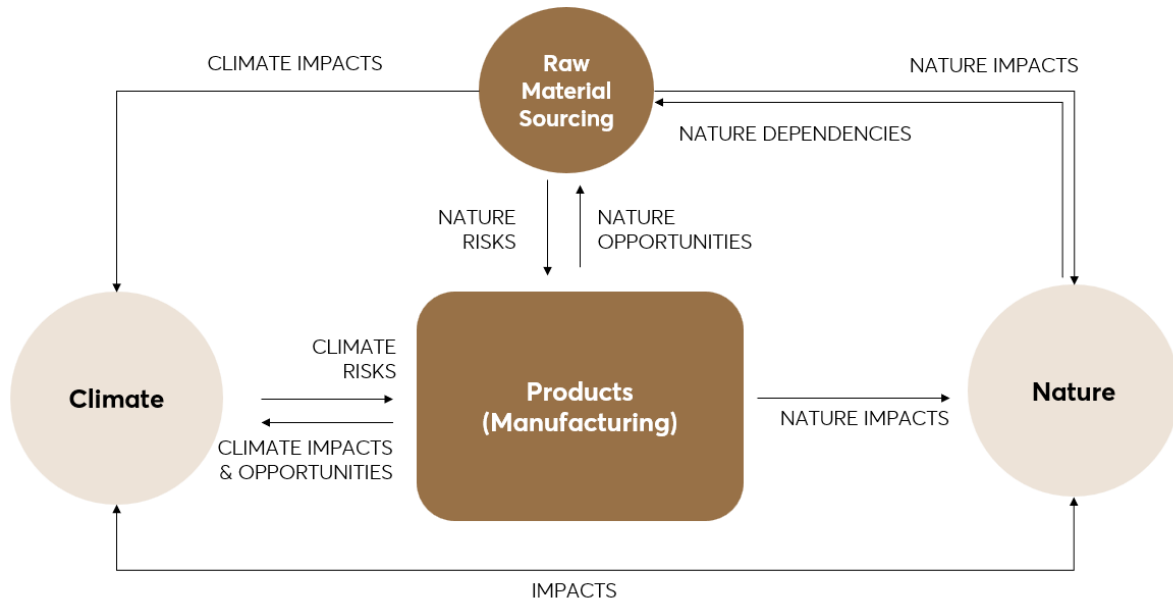
RISK MANAGEMENT

Main Risk categories				
External	Strategic	Financial	Operational	Organizational
Sub-categories with climate related risks				
Nature, current & emerging regulation, technology, legal, market, reputational, acute- & chronic physical				
The Risk Management Process is conducted twice a year and includes all potential risks along the entire value chain (including upstream and downstream activities)				
<ul style="list-style-type: none"> ▪ Short- and medium-term risk impacts are assessed group-wide on a bi-annually basis ▪ Long-term risk impacts are assessed at least once per year and updated, if the environment and calculation parameters change significantly 				

This report focuses on environmental topics, with a particular emphasis on nature and its four realms: land, freshwater, ocean, and atmosphere. It explores how climate change affects nature – and, in turn, how these changes impact HUGO BOSS. The **relationship between nature and business** is bidirectional. Depending on the business model, companies can have adverse effects on the environment along their value chain – for example, through air or water pollution – if appropriate mitigation measures are not in place. At the same time, companies rely on natural capital and environmental assets for value creation, with varying dependencies across different stages of the value chain. As a result, environmental risks may arise from changes in the availability or quality of natural resources. Conversely, opportunities may emerge through innovation, improved practices, or new technologies that reduce environmental impact and strengthen resilience.

Climate- and nature-related risks are initially assessed by the relevant expert departments. Risks are qualitatively **classified as low, medium, or high**, and assigned to a short-, medium-, or long-term timeframe. If a risk is rated medium or high and expected to occur within a relevant period, its potential impact is quantified and considered in decision-making. Short-term risks are managed operationally, while medium- and long-term developments are monitored and inform strategic planning. As part of the risk assessment and management process, HUGO BOSS considers the risks, opportunities, impacts, and dependencies related to climate and nature in connection with its raw material sourcing, products, and manufacturing operations.

INTEGRATED RISK ASSESSMENT



The table below outlines the **most material climate-related risks** identified through the materiality assessment, which is embedded in the Company's Enterprise Risk Management (ERM) system. The process begins with a qualitative assessment and is followed by a quantification of potential impacts on HUGO BOSS. Corresponding mitigation and resilience measures are also summarized for each risk.

Climate change has been identified as a key risk for HUGO BOSS with potential impacts across all time horizons - short (<1 year), medium (1–3 years), and long term (>3 years). **Physical risks** include water scarcity and damage to assets from extreme weather events. **Transition risks** relate to evolving regulations, shifts in consumer preferences, and access to raw materials and labor.

MOST RELEVANT CLIMATE- AND NATURE-RELATED RISKS FOR HUGO BOSS

Risk	Regulatory risk	Reputational risk	Raw materials scarcity	Limited access to labor due to climate change-induced demographic change	Changes in consumer demand due to changes in seasonal weather	Water scarcity and security	Physical business continuity risk (severe climate events)
Consequences	<ul style="list-style-type: none"> Increased pricing of GHG emissions Enhanced reporting obligations Regulation of existing products and services 	<ul style="list-style-type: none"> Shifts in consumer preferences Negative image of the textile industry Increased stakeholder concern or negative stakeholder feedback 	<ul style="list-style-type: none"> Reduced availability of raw materials Changes in raw material prices Lower quality of raw materials 	<ul style="list-style-type: none"> Reduced production capacities Longer product time Political instability Intercommunity violence 	<ul style="list-style-type: none"> Reduced demand for certain product groups in respective regions 	<ul style="list-style-type: none"> Lower yields in raw material production Reduced capacity for water intensive processes like dyeing, tanning, printing and laundering 	<ul style="list-style-type: none"> Damage to buildings and infrastructure Disruption of supply chains
Potential impact	<ul style="list-style-type: none"> Increased operating costs Increased compliance costs Increased costs and/or reduced demand for products and services resulting from fines and judgements 	<ul style="list-style-type: none"> Reduced revenue from decreased demand for goods/services Reduced revenue from negative impacts on workforce management (e.g. employee attraction and retention) Reduced capital availability 	<ul style="list-style-type: none"> Increased production costs and less plannability Decreased production volume leading to loss of sales Loss of social license to operate 	<ul style="list-style-type: none"> Increased labor costs Changed sourcing portfolio Delayed product supply 	<ul style="list-style-type: none"> Loss of sales Loss of margin (if products with smaller margins replace those with higher margins) Increased inventory 	<ul style="list-style-type: none"> Increased production costs Increased regulatory penalties Lost social license to operate Damaged brand image 	<ul style="list-style-type: none"> Increased costs to repair damages Increased insurance premiums/less coverage Increased need for investments Increased business interruptions and delayed product supplies
Time period relevance	Short- to medium-term	Short- to long-term	Short- to long-term	Medium- to long term	Medium- to long-term	Medium- to long-term	Long-term
Mitigation / resilience	<ul style="list-style-type: none"> Embedding sustainability into overall business strategy Constant monitoring of trends and developments that could potentially lead to increasing legal requirements 	<ul style="list-style-type: none"> Public commitment to the targets within the framework of the UNFCCC Fashion Industry Charter for Climate Action Transparent reporting of target achievement and related measures 	<ul style="list-style-type: none"> Constant monitoring of raw material prices and search for alternative materials. Investing in new alternative technologies and raw materials, which contributes to decarbonizing the textile industry. 	<ul style="list-style-type: none"> Balanced regional distribution to avoid dependencies Actively managing and optimizing the sourcing portfolio 	<ul style="list-style-type: none"> Constant monitoring of consumption patterns and consumer preferences Optimized and flexible merchandise management 	<ul style="list-style-type: none"> Improving water efficiency in the Company's direct operations and across the supply chain Decreasing water pollution in the production processes through chemical management along the supply chain Water risk mapping 	<ul style="list-style-type: none"> Monitoring the resilience of own locations regarding severe climate events. Emergency plans to ensure business continuity








Following the top-down identification of key risks, the subsequent analysis focuses on nature- and climate-related impacts and risks at the site-specific level.

Physical Climate Risk Assessment

HUGO BOSS uses specialized, science-based software to assess climate-related risks, including scenario analyses for both **physical and transitional risks**. These analyses are based on the Representative Concentration Pathways (RCPs), a set of greenhouse gas concentration trajectories developed by the Intergovernmental Panel on Climate Change (IPCC). The four RCPs - RCP2.6, RCP4.5, RCP6.0, and RCP8.5 - were used in the IPCC's Fifth Assessment Report (AR5) and represent a range of possible climate futures, depending on the volume of greenhouse gas emissions over time. Each pathway is labeled according to its estimated radiative forcing value by the year 2100. The following table outlines the expected temperature increase, corresponding emissions, and the general implications of each scenario from both a physical and transitional risk perspective.

Emissions pathway RCP (temperature)	8.5 (3.2 – 5.4 °C)	7.0 (2.0 – 3.7 °C)	4.5 (1.7 – 3.2 °C)	2.6 (0.6 – 2.3 °C)
Emissions	High emissions	Moderate-high emissions	Low emissions	Very low emissions
Physical risk impact	Very high	High	Medium	Low
Transitional risk impact	Low	Medium	High	Very high

Overview of analyzed physical risks

Physical risks ¹			
	Temperature extremes		Tropical cyclone
	Fluvial flooding		Drought
	Wildfire		Water stress
	Coastal flooding		

The following tables illustrate the types of physical risks expected to impact the assessed locations, with severity ranked from left to right. The scenario analysis covers all four RCP pathways, with projected impacts shown by decade through 2100. HUGO BOSS applied no minimum threshold for physical risk inclusion, ensuring that even locations with relatively low modeled Average Annual Loss are considered – particularly in relation to fluvial flooding and wildfire risks.

¹ Source of the used symbols is S&P Global

Offices and Warehouses

Headquarters (Germany - Metzingen)	
HUGO BOSS Canada, Inc. (Toronto)	
HUGO BOSS China Retail Co. Ltd. (Shanghai)	
HUGO BOSS Hong Kong Ltd.	
HUGO BOSS Mexico S.A. de C.V. (Miguel Hidalgo)	
HUGO BOSS Ticino S.A. (Switzerland - Coldrerio)	
HUGO BOSS USA Inc. (Savannah)	
Warehouse (Germany - Bad Urach)	
Warehouse (Germany - Filderstadt)	
Warehouse (Germany - Wendlingen)	





Production sites (own & partners Tier 1 & 2)

HUGO BOSS Shoes & Acc. Italia S.p.A. (Italy)	
HUGO BOSS Textile Industry Ltd. (Turkey)	
Supplier Bangladesh	
Supplier Bulgaria	
Supplier Peru	
Supplier Portugal	
Supplier Tunisia	
Supplier Turkey	
Supplier Vietnam	

Farmers dedicated to regenerative materials

Argentina	
Australia	
India	
Tajikistan	
USA	

Point of sales (POS)

POS Dubai	
POS France	
POS Germany	
POS United States	

Physical Climate Risk Adaptation

The most relevant **physical climate-related risk** identified for HUGO BOSS is linked to rising **temperature extremes**. Elevated temperatures can result in various adverse effects that may directly or indirectly impact business performance. Specifically, we have identified four key risk drivers with potential financial implications:

- Increased cooling and energy costs
- Reduced employee productivity
- Potential impacts on revenue
- Accelerated wear of HVAC (Heating, Ventilation, and Air Conditioning) systems

Among these, a decline in employee productivity - potentially linked to heat-related health challenges and increased absenteeism - has emerged as the most financially significant factor across the locations analysed. HUGO BOSS already places a **strong focus on promoting employee health and well-being** as part of its corporate culture. These efforts shall not only contribute to individual health, but also to maintaining high levels of productivity in the workplace. In light of this evolving risk, we encourage local management teams to proactively monitor temperature-related impacts on working conditions, gather regular employee feedback, and – where necessary – implement tailored mitigation measures to safeguard productivity levels and support employee resilience in the face of changing climate conditions.

In addition to risks at corporate locations, raw material sourcing – particularly from cotton-growing regions – is exposed to further climate-related physical risks such as drought and water stress. These environmental changes can have a direct impact on **agricultural productivity** and, in turn, affect the cost and availability of our products. The key potential consequences include:

- Reduced crop yield
- Rising water-related costs
- Impacts on local workforce productivity


HUGO BOSS monitors these developments closely to **secure the timely availability of raw materials** across all value chain stages, with sourcing strategies tailored to the characteristics of each product group. Given the importance of raw material pricing to the overall profitability of our business, Business Operations works in close collaboration with Business Analysis and Planning to safeguard and support our Company's gross margin development.

While other physical climate risks such as rising sea levels or river flooding are present, they are currently considered to be of **lower financial relevance** compared to extreme temperatures. A small number of locations situated in coastal areas with low elevation may face an increased risk from sea level rise, while river flooding could potentially affect a broader set of sites. However, the modelled annual average losses associated with these events remain significantly lower than the anticipated impacts of increasing temperatures.

Opportunities

While climate change and nature loss present significant risks, they also create **opportunities** for companies in the fashion industry. HUGO BOSS is actively pursuing these opportunities, recognizing that the greatest short-term potential lies in innovation and enhanced brand reputation, while longer-term advantages may include cost savings and a more resilient supply of energy and natural resources. In addition, nature-positive approaches - such as regenerative farming and biodiversity protection - are increasingly viewed as strategic levers for innovation, strengthening resilience, and creating long-term value.

CLIMATE- AND NATURE-RELATED OPPORTUNITIES

 <p>Climate and nature-related opportunities</p>	<p>New Innovation Drive new innovation in low-carbon materials, products, services and business models</p>
	<p>Brand benefits Brand and reputational benefits with stakeholders including investors, employees, consumers, policy-makers and NGOs.</p>
	<p>Energy sources Access to more reliable and less volatile energy sources</p>
	<p>Monetary benefits Cost savings from reducing energy consumption and reducing waste</p>

Driving innovation

To further promote the proportion of **more sustainable materials** within its collections, already in 2022, HUGO BOSS entered into a long-term strategic partnership with Swiss innovator HeiQ. Together, we developed AeoniQ, a cellulose yarn that offers similar properties to polyester and polyamide. Having successfully launched its first AeoniQ polo shirts in 2023, BOSS introduced its first sneakers made with AeoniQ in 2024. Moving forward, we will continue to strengthen this partnership by gradually increasing the use of AeoniQ yarn in our brands' collections

In 2025, we co-developed NovaPoly - an **innovative recycled-polyester yarn** - together with Jiaren Chemical Recycling and NBC LLC. Made from post- and pre-consumer textile waste, it is enhanced with an additive that speeds up the degradability of the yarn in comparison to conventional polyester fibers, making it biodegradable in anaerobic active microbial environments. The first BOSS Green styles incorporating NovaPoly are scheduled for a global launch in October 2025. Building on earlier fiber-innovation projects - such as our collaboration on HeiQ AeoniQ - NovaPoly further strengthens our portfolio of alternatives to conventional polyester and polyamide yarns, laying the groundwork for broader circularity across our product range.

To preserve valuable resources for as long as possible, we continue to **advance our efforts in circularity**. By 2030, HUGO BOSS aims for 80% of its apparel products to meet circularity criteria. In 2024, we increased the share of circular products to 33%, up from 17% in 2023, marking a significant step toward this target. A core objective of our circularity approach is to reduce waste across all key stages of the product life cycle. To support this, we place a strong focus on the reuse of surplus materials from production and on extending product longevity through initiatives such as reuse, repair, and resale. In 2024, we launched Eightyards - a new subsidiary dedicated to the resell, reuse, re-, up- and downcycling of surplus materials. Strategically aligned with our commitment to environmentally and resource-friendly production processes, Eightyards officially began operations in 2025. Its aim is to become a key player in repurposing surplus materials not only within the fashion industry, but also beyond.

Stakeholder and customer perception

Our Climate- and nature-related measures play a vital role in strengthening our reputation and positively shaping stakeholder perception. By aligning our actions with globally recognized environmental standards and committing to science-based targets, we demonstrate accountability and transparency - key factors valued by investors and policy-makers alike. Our efforts to reduce emissions, promote biodiversity, and enhance material circularity also resonate strongly with employees and consumers, who increasingly expect brands to act responsibly. In addition, our collaborative approach with NGOs and other relevant stakeholders, for example as part of our Stakeholder Dialog, underscores our commitment to collaboration to drive meaningful, positive change.

Energy consumption and waste reduction

As part of our broader climate and nature strategy, we continue to implement measures that contribute not only to environmental protection but also to operational efficiency. By increasing energy efficiency across our sites and transitioning to renewable energy sources, we are reducing both our overall energy consumption and our exposure to volatile energy markets. In parallel, targeted initiatives to minimize waste - such as improved material utilization and enhanced recycling practices - are helping us lower disposal costs and reduce resource input needs. These efforts create potential cost savings, while also supporting more stable energy sourcing for our operations.

Metrics and Targets

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

GREENHOUSE GAS EMISSIONS (IN T CO₂e)

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

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

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

³ Scope 2 emissions are calculated according to the market-based approach using specific supplier emission factors for certified green electricity. For conventional electricity, specific country emission factors are used. Location-based Scope 2 emissions amounted to 39,146 t in 2024 (2023: 38,848 t).

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

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

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

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

ENERGY FROM FOSSIL AND RENEWABLE SOURCES (IN MWH)

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

Quantitative information about nature and biodiversity is highlighted in our LEAP analysis in the chapter "Impact Assessment and Management".

More information on our climate strategy, targets and measures as well as other nature-related KPIs (e.g. share of recycled materials) can be found in our 2024 Annual Report. > [Annual Report 2024, Combined Non-financial Statement](#)