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HUGO BOSS SUCCESSFULLY ENTERS INTO STRATEGIC PARTNERSHIP WITH HEIQ AEONIQ INNOVATIVE CELLULOSIC FILAMENT YARN TO SUBSTITUTE SYNTHETIC FIBERS

HUGO BOSS has successfully entered into a long-term, strategic partnership with HeiQ AeoniQ LLC – a fully owned subsidiary of Swiss innovator HeiQ Plc – ushering in a new era in promoting sustainability within the fashion industry. A core element of this partnership is a USD 5 million equity investment made by HUGO BOSS – the first of its kind as part of the Company's "CLAIM 5" growth strategy. The investment is supplemented by exclusive partnership arrangements of up to USD 4 million, conditional to achieving certain performance milestones.

HeiQ AeoniQ is a continuous cellulosic filament yarn with performance levels matching polyester and nylon fibers. It constitutes a revolutionary, first-to-market and scalable proprietary apparel technology, which will allow the manufacturing of a sustainable, circular, and closed-loop recyclable cellulosic yarn to ultimately substitute oil-based fibers, such as environmentally persistent polyester and nylon. HeiQ AeoniQ yarns are made out of cellulosic biopolymers, which during growth bind carbon from the atmosphere. The production of HeiQ AeoniQ yarns therefore has one of the best ESG profiles, when compared to conventional yarns and cellulosic products.

The investment in HeiQ AeoniQ perfectly fits in with HUGO BOSS' ambitious sustainability efforts, which are firmly embedded in its "CLAIM 5" strategy. In this context, the Company is aiming to strongly increase the proportion of more sustainable materials within its BOSS and HUGO collections over the coming years. The investment in HeiQ AeoniQ also substantially contributes to the Company's aim of climate neutrality within its own area of responsibility by 2030, and throughout the entire value chain by 2045. Last but not least, it enables HUGO BOSS to make further strides along establishing an end-to-end circular business model, as the Company targets eight out of ten products to become circular by 2030.

"Our exciting partnership with HeiQ represents yet another important milestone on our journey towards becoming the leading premium tech-driven fashion platform worldwide. Consistent with our bold mission statement 'We Love Fashion, We Change Fashion,' this game-changing technology will enable us to further push innovation and sustainability across our brands' offerings, thereby driving measurable impact for the environment and society alike," says Daniel Grieder, CEO of HUGO BOSS.

As of today, synthetic fibers represent one of the most extensively used materials in the global fashion industry and are one of the main causes of microplastic pollution in the oceans. At the same time, global demand for textiles and clothing will continue to increase substantially due to the steadily growing world population. This is where the partnership with HeiQ comes in, as it enables HUGO BOSS to make significant strides in complementing and substituting the currently used polyester and nylon fibers by the cellulosic HeiQ AeoniQ fibers. In doing so, HUGO BOSS will make a vital contribution when it comes to preserving agricultural land, reducing water pollution, and decarbonizing the fashion industry.

"In light of the natural limitation of resources, we have to fundamentally rethink and reconsider the way we source materials. Because if humankind continues on its current path, by 2050 there will be more microplastic in the oceans than fish. At HUGO BOSS, we are committed to contributing to a greener planet and we want to be at the forefront when it comes to driving positive change within the fashion industry," says Daniel Grieder.

HeiQ is strongly engaged in the scale-up and manufacturing of cellulosic manmade fibers for use in various applications. It aims to pursue commercialization in the field of apparel by developing yarns capable of interfacing with the main apparel categories and fabric constructions. The primary use of the raised proceeds will be to scale up and commercialize this innovative technology – something that HUGO BOSS will actively drive and financially support in the years to come. In this context, HeiQ AeoniQ LLC will build its first commercial giga factory in Central Europe in 2024, and is also building a pilot facility for fiber production in 2022.

"We are all the more encouraged by HUGO BOSS becoming an important strategic partner for HeiQ and our innovation platforms. Together, we have every confidence in being able to scale the disruptive potential of our unique bio-based HeiQ AeoniQ technology, which contributes strongly to decarbonizing the textile industry and reducing plastic microfiber in our oceans. This will deliver beyond the mission of improving lives of billions of people to improving the lives of countless aquatic organisms," says Carlo Centonze, co-founder and CEO of HeiQ.

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