

Roadmap 2018

Hugo Boss AG has set a total of 75 targets for the year 2018.

Mandatory targets

Goal for 2018	Statement on baseline
MRSL Communication of the following MRSL with ancillary information to 100% of producers and business partners for implementation and transmission to the supply chain: ZDHC MRSL Communicate the MRSL to all 1st tier suppliers and to all 2nd tier suppliers (incl. nominated) with wet processes. Provide the MRSL via Supplier Portal until end of 2018 and request in the following the acknowledgement as a mandatory document by the business partners.	Extend of communication of MRSL Share of producers in relation to purchase volume (%) 18 % Share of business partners in relation to purchase volume (%) 11 %
MRSL 100% of the products used conform to at least ZDHC MRSL HUGO BOSS is still in the process of rolling out the MRSL to the supply chain. A progress will be aligned with ZDHC requirements and will follow the ZDHC achievements. 1% of the products will be ZDHC MRSL compliant in 2018.	Use of MRSL What percentage of chemical inputs are at least compliant with the ZDHC MRSL?
Wastewater (Producers) Compliance with the following wastewater standard: ZDHC National guidelines HUGO BOSS is a contributor to the ZDHC, therefore we will implement the ZDHC wasterwater requirements for the relevant supply chain partners.	HUGO BOSS joined the ZDHC as a contributor in 2017.
Good Housekeeping Support of producers to improve proper and environmentally sound business management in their supply chain GSCP and ZDHC guidelines are communicated to the most relevant suppliers (with wet processes). Training events are offered by third parties and scheduled by the ZDHC in 2018.	HUGO BOSS communicated that a good housekeeping as a management measure will be relevant for the suppliers.
Contractual relationships Obligation of all producers and business partners to comply with social Partnership goals HUGO BOSS requests its strategic suppliers to integrate the Partnership goals into their own management systems. Continuous activity: All suppliers & future suppliers with direct relationship with HUGO BOSS (1st tier or 2nd tier) have agreed and have signed the HUGO BOSS Social Standards.	HUGO BOSS requests the 1st tier suppliers to agree and sign the Social Standards.



Child Labour and Forced Labour Establishment of a process or procedure to deal with cases of child and/or forced labour (including access to remedy) HUGO BOSS creates a policy that documents the process and procedures in case of child/forced Labor and publish it on its website in 2018.	HUGO BOSS has an internal procedure for the handling of child/forced labor cases.
Capacity building in the area of social standards Support for producers in the implementation of social Partnership goals HUGO BOSS performs trainings on social compliance and social goals for 100% of its producers in 2018.	HUGO BOSS started in 2017 and performed trainings for about 30% of its suppliers until February 2018.
New wool policy Publication of a written policy for new wool, incl. positioning against mulesing HUGO BOSS creates a wool analysis and a commitment document including wool sourcing targets.	
Increased share of sustainable cotton Increased share of sustainable cotton, procured by my organization to 30 % Including organic cotton (as a share of the total amount of cotton) 1 % The share of sustainable cotton is based on the collaboration with better Cotton Initiative and Cotton leads as well as Organic cotton.	HUGO BOSS has defined a cotton commitment on the HUGO BOSS website with its white paper and sourcing targets. http://group.hugoboss.com/de/nachhaltigkeit/produkt/cotton-commitment/
Risk analysis Analysis of the social and environmental risks as well as the potential impacts of the overall business, and prioritisation of the most important risk fields on the basis of several instruments/sources HUGO BOSS already reported some risk based aspects of its business (e.g Natural Capital Evaluation). For 2018 HUGO BOSS has to comply with the CSR-RUG which requires a comprehensive internal and external risk analysis for the overall business activities. These results will guide the future strategy.	HUGO BOSS already reported some risk based aspects of its business (eg Natural Capital evaluation).
Systematic identification of all business partners Systematic identification of all business partners and producers Achievement of complete transparency for all finished goods suppliers concerning social, environmental and economic performance factors as well as their digitally supported supply chains until 2025. In 2018: the nominated suppliers (2nd tiers) have to be documented.	HUGO BOSS has published its 1st tier suppliers and has started to create internal transparency for its 2nd tier suppliers.



Raising awareness

Implementation of measures to raise awareness about sustainable textile production in the following topics:

Freedom of association and collective bargaining
Discrimination
Health and safety
Wages and social benefits
Working hours
Child labour
Forced labour
Use of safe chemicals

MRSL (chemical inputs at stages of processing) RSL (chemical residues on textile product)

Good housekeeping Environmental management system Water and wastewater management

HUGO BOSS performs human rights & working condition trainings incl. basic chemical management for 100% of its producers. The ZDHC MRSL will be provided as a business cooperation document for all producers of HUGO BOSS. ZDHC trainings are offered and conducted for suppliers.

HUGO BOSS performed trainings for about 30% of its producers on social compliance, human rights, Labor rights and basic chemical management.

Recommended targets

Goal for 2018	Statement on baseline
Effective complaints mechanisms Establishment of an effective complaints mechanism HUGO BOSS ensures that all suppliers know about the HUGO BOSS complaint mechanism and trains 100% of the producers on the management systems for complaints.	HUGO BOSS introduced several complaint mechanism as hotline and Ombudsman channel. The trainings for the suppliers were started in 2017 and until February 2018, about 30% were performed.
Supply chain transparency (Publication) Systematic identification and publication of all business partners and producers HUGO BOSS defines a roadmap for the systematic identification and management of its business partners. This approach will include the reasearch for a supply chain transparency tool.	HUGO BOSS published the 1st tier suppliers on its website.
Supply chain transparency (deeper supply chain) Identification of additional actors in the deeper supply chain HUGO BOSS defines a roadmap for the systematic identification and management of its deeper supply chain partners. This approach will include the reasearch for a supply chain transparency tool.	HUGO BOSS published the 1st tier suppliers on its website.
Sub-contracting It is prohibited for producers and business partners to award sub-contracts without authorisation HUGO BOSS will continue to monitor and manage the subcontractors as an unauthorised subcontractor is prohibited according to the guidelines. The guideline for homeworkers will be initiated in 2018.	HUGO BOSS has Social Standards that prohibit the use of unauthorised subcontractors.



Partnership Initiative

Participation in a Partnership Initiative to promote social and environmental Partnership goals in production countries

HUGO BOSS takes part in the Partnership initiative for the systemic improvement of the working conditions at textile factories and spinning mills in the Southern Indian region of Tamil Nadu.

In 2017 the interest in the Partnership initiative for Tamil Nadu was shown.

Voluntary targets

Goal for 2018	Statement on baseline
Commitment to Partnership Goals Adoption of a policy on the topics:	
Use of safe chemicals MRSL (chemical inputs at stages of processing) Good housekeeping	
HUGO BOSS will provide the MRSL as a relevant business document for the cooperation with its partners in 2018.	
Supply chain transparency Expanding the indicators recorded for our business partners and producers	HUGO BOSS has assessed 90% of its strategic suppliers in terms of environmental management.
100% of the strategic finished goods suppliers are assessed in terms of their environmental management.	
Supply chain transparency Expanding the systematic collection of information on our supply chain up to stage:	
Fabric production	
HUGO BOSS works with all internal departments (procurement etc.) to identify the different tier levels of its supply chain and defined an internal roadmap since 2017 to identify partners and the supply chain hot spots. In 2018, the supply chain of wool products and its tier levels will be evaluated.	
Risk and impact analysis Revising our analysis of the risks and potential negative impacts of our business activities	HUGO BOSS performs a risk assessment based on social topics.
HUGO BOSS performs a supplier risk assessment for its suppliers on a regular basis in terms of social and economic risk as part of a due diligence process.	
Natural fibres Collection of further data about the fibres used by our company	First LCAs are created.
Following the finalization of the assessment of the last product group, the information on environmental impacts is used as a basis to develop the corporate strategy, which is designated to mitigate the environmental impact along the supply chain. More details: "Third Whitepaper on Climate Change"	



Natural fibres	Relevant product portfolio
We will prepare a Life-Cycle-Assessment for all fibres used by our organisation	estimated via the company sales
HUGO BOSS publishes LCA result for the natural fibres for the relevant HUGO BOSS product portfolio.	and main materials asea.
Increase of percentage share of the following sustainable natural fibres: Leather: 24 $\%$	HUGO BOSS sourced 23% of its leather from tanning facilities certified according to the LWG
yes	standard in 2017.
Increase of percentage share of the following sustainable natural fibres: Sheep's wool: 90 %	Use of mulesing-free wool in 88% of all pure woolen knitwear since the Fall/Winter collection 2017
yes	the ranywhiter conection 2017
Natural fibres	
Preparation of a list of all countries of origin of new wool used by our organisation, including a breakdown by percentage share	
HUGO BOSS will create a wool commitment document for all aspects of more sustainable procurement of wool.	
Natural fibres Preparation of a Life-Cycle-Assessment for our wool used	HUGO BOSS has performed a life cycle evaluation for one light
HUGO BOSS will publish in 2018 the LCA study for the heavy weighted wool products (Suits).	weighted product of wool (Knitwear).
Natural fibres	
Request information from suppliers concerning the availability of sustainable wool in preparation of increasing the share	
HUGO BOSS will create a wool commitment document for all aspects of more sustainable procurement of wool and include therefore the collection of information by the suppliers.	
Mitigating identified risks	
Adapting our procurement processes to reduce the risks and potential negative impacts of our business activities in the supply chain	
HUGO BOSS works according to the FLA guidelines concerning responsible sourcing, Principle 8. HUGO BOSS creates a policy concerning responsible purchase practices in 2018.	
Mitigating identified risks Integrating sustainability aspects into product development by:	
Choice of raw materials (renewable resources) Avoidance of hazardous substances	
ZDHC will lead HUGO BOSS to take the ZDHC targets into the product development processes. Product sustainability criteria for all materials have been defined and in 2018 we started the implementation of them. E.g. increase the share of sustainable and renewables through initiatives like BCI.	



Mitigating identified risks

Providing training to raise our employees' awareness of social and environmental risks in the supply chain

HUGO BOSS provides internal trainings on different aspects of social topics and human rights as well as for environmental issues. HUGO BOSS will conduct at least two training sessions for employees of the Product Divisions and Brand/Crea colleagues.

Supply chain requirements

Defining and communicating the following requirements to the supply chain in order to prevent or minimise identified risks in connection with our operations:

Use of safe chemicals

MRSL (chemical inputs at stages of processing)

RSL (chemical residues on textile product)

Good housekeeping

Environmental management system

The MRSL will be part of the business cooperation documents between HUGO BOSS and its partners. The RSL is already a mandatory contract element of the business relationships.

Supply chain requirements

Increasing the percentage of our producers and business partners (as measured by purchasing volume) to whom our MRSL is communicated to 25

HUGO BOSS will communicate the MRSL to its suppliers with relevant processes via the Supplier Portal.

Supply chain requirements

Including the requirement to comply with our RSL in the contractual agreements with business partners and producers

Already today, HUGO BOSS requires the RSL as a mandatory contractual agreement.

Supply chain requirements

Increasing the percentage of our producers and business partners (as measured by purchasing volume) with whom compliance with our RSL has been contractually agreed to 100 %

The RSL is already a mandatory contract document for the start of a business collaboration between HUGO BOSS and its partners.

Supply chain requirements

Increase the number of actors in the deeper supply chain that our RSL has been contractually agreed with to 500

HUGO BOSS will request also its nominated suppliers to contractually agree on the RSL. The final number will be available at the end of the year 2018.

Supply chain requirements

Increasing the percentage of producers (as measured by purchasing volume) who already produce an inventory of the chemical inputs used to 5 %

HUGO BOSS requests the inventory upload to the ZDHC gateway from our most relevant suppliers with wet processes.

Extend of communication of MRSL

Number of stakeholders in the deeper supply chains (absolute) 371

100 % of the business relationships have a contractual agreement with the RSL.

Extend of agreement on RSL

Share of producers in relation to purchase volume (%)

Share of business partners in relation to purchase volume (%) 100 %

Extend of agreement on RSL

Number of actors in the deeper supply chain (absolute) 371

Extend of producers, who take inventory

Share of producers in relation to purchase volume (%) 1 %



Supply chain requirements

Communicating the following wastewater guidelines/standards to our supply chain:

HUGO BOSS became a contributor to the ZDHC in 2017.

ZDHC Waste Water Guideline

HUGO BOSS will use several measures to communicate: via trainings, supplier information notification in 2018.

Supply chain requirements

Increasing the percentage of producers and business partners (as measured by purchasing volume) to whom our wastewater guidelines are communicated to 60 %

HUGO BOSS will perform the communication of the wastewater guidelines to the strategic suppliers and request their commitment.

Communicate wastewater guideline in sc

Share of producers in relation to purchase volume (%) 57 %

Share of business partners in relation to purchase volume (%) 11 %

Supply chain requirements

The results of our risk analysis will be considered when selecting suppliers and placing orders

HUGO BOSS will perform the risk analysis for the onboarding process and the release workflow for the selection of suppliers, also in 2018.

Supply chain requirements

Requiring producers and business partners to pass on our requirements within their own supply chain

Introduction of a governance model for the value chain (incl. an in-house code of conduct) for strategic finished goods suppliers and the assumption of responsibility for their own suppliers until 2020

HUGO BOSS communicated the needs to the suppliers for an own governance system during the Partner Days of HUGO BOSS.

Supporting suppliers

Initiation or involvement in a measure that aims to pay living wages for employees in production countries

HUGO BOSS takes part in the Fair Labor Association project in terms of "Fair Compensation".

Supporting suppliers

Helping the supply chain implement our requirements by passing on supporting information and materials relating to:

Freedom of association and collective bargaining
Discrimination
Health and safety
Wages and social benefits
Working hours
Child labour
Forced labour
Environmental management system

Water and wastewater management

HUGO BOSS provides training documentation and guidelines for social requirements to 100% of the direct suppliers and provides the environmental requirements to the relevant suppliers.

HUGO BOSS provides the RSL and the Social Standards document to all its direct suppliers.



HUGO BOSS performed trainings in **Supporting suppliers** Supporting training measures in connection with: Western Europe and China Freedom of association and collective bargaining Discrimination Health and safety Wages and social benefits Working hours Child labour Forced labour Use of safe chemicals MRSL (chemical inputs at stages of processing) RSL (chemical residues on textile product) Good housekeeping Environmental management system Water and wastewater management Offer of sustainability training sessions for 100% of the finished goods suppliers concerning social topics as well as the offer of ZDHC trainings on chemical safety. Sector-wide activities Implementing measures to improve sustainability beyond our own supply chain Initiative of systemic Improvement of Labour Conditions in the Tamil Nadu Textile and Garment Industry in India in the region of Tamil Nadu in cooperation with local stakeholders (including politics, textile companies, NGOs and trade unions). started at July 2018. Implementation of Partnership's social goals Training session on social aspects Organising regular training for employees in connection with: and human rights is performed at least once per year. Freedom of association and collective bargaining Discrimination Health and safety Wages and social benefits Working hours Child labour Forced labour HUGO BOSS provides internal employee trainings on different aspects of social topics and human rights. HUGO BOSS will conduct at least two training sessions for employees of the Product Divisions and Brand/Crea colleagues. Implementation of Partnership's social goals Promoting a corporate culture that is free from discrimination, harassment and mistreatment HUGO BOSS requests the participation of each employee to the online-training on the code of conduct, including anti-discrimination requirements. Implementation of Partnership's social goals **Empowering women** Initiative of systemic Improvement of Labour Conditions in the Tamil Nadu Textile and Garment Industry in India in the region of Tamil Nadu in cooperation with local stakeholders (including politics, textile companies, NGOs and trade unions) with special focus on women.



Implementation of Partnership's social goals Providing childcare and meals for the children of employees	
Implementation of Partnership's environmental Using following MRSL in our own organisation: ZDHC MRSL Start the implementation of the ZDHC MRSL in the HUGO BOSS own Shoe production in 2018.	HUGO BOSS became a contributor of the ZDHC in 2017.
Implementation of Partnership's environmental Reducing water consumption by 40 % Until 2025: Reduction of water consumption in relation to HUGO BOSS Group sales by 40% compared with the base year 2016	195,832 m3
Implementation of Partnership's environmental Reducing energy consumption Until 2025: Reduction of energy consumption in relation to HUGO BOSS Group sales by 30% compared with the base year 2016. The interim target for 2018 is to have a total energy consumption of 113.025 MWh, which would mean a 6% reduction compared to the base year.	02 ENERGY CONSUMPTION WITHIN THE ORGANIZATION BY TYPE INCL. RETAIL ¹ (in MWh) 2017 Direct energy consumption 41,807 Indirect energy consumption 77,404 Total energy consumption 119,211
Implementation of Partnership's environmental Introducing the following internal environmental management system: ISO 14001 Implementation and successful certification of the environmental management system in conformity with ISO 14001 at all of the Group's production sites is already achieved in 2017. Our plan for 2018 is to integrate the ZDHC framework as a chemical management system in our own factory.	
Implementation of Partnership's environmental Optimising our internal instruments, structures or processes to ensure proper and environmentally safe management HUGO BOSS became a contributor to the ZDHC and will follow up the ZDHC gateway as instrument for good housekeeping of chemicals furthermore in 2018.	HUGO BOSS became a contributor to the ZDHC in 2017.
Tracking results in your supply chain Introducing an effective system for inspecting and monitoring the implementation of measures to improve social and environmental conditions in the supply chain HUGO BOSS already performs social and environmental audits which are followed by Corrective Action Plans and will be continued for 2018.	



Tracking results in your supply chain Strengthening/improving our inspecting and monitoring system with the help of:

of:

HUGO BOSS performs audits for 1st tier suppliers.

Self-reporting by our suppliers
Specially performed supplier audits (2nd party)

HUGO BOSS uses Self-assessments by the suppliers for the social risk analysis for 2nd tier suppliers. Also supplier audits by 2nd party are performed for environmental topics as well as social aspects in 2018.

Tracking results in your supply chain Extending the auditing of our suppliers to compliance with our requirements:

Increasing the percentage of our producers (as measured by purchasing volume) that are audited by us (2nd party) to (%) 90~%

Increasing the percentage of our producers (as measured by purchasing volume) that are audited by others (3rd party) to (%) 90%

Sourcing of more than 90% of all goods from suppliers (incl. own production facilities) who achieve a result of satisfying or better in social audits by 2020

Extent of monitoring of the supply chain

Please indicate the share of producers in relation to purchase volume audited by a second party. 84 %

Please indicate the share of producers in relation to purchase volume audited by a third party. No entry

Please indicate the estimated share of stakeholders in relation to overall number of stakeholders in the deeper value chain audited by a second party.

No entry

Please indicate the estimated share of stakeholders in relation to the overall number of stakeholders in the deeper value chain audited by a third party.

No entry

Other No entry

Tracking results in your supply chain Establishing a procedure for dealing with breaches of the requirements by business partners and producers

HUGO BOSS creates a clear guideline for the procedure of dealing with violations of requirements by the producers and business partners for social and environmental topics.



Tracking results in your own facility Training for MRSL in Shoe Introducing a process for continuous monitoring of implementation in our production performed. production facilities in connection with: Use of safe chemicals MRSL (chemical inputs at stages of processing) RSL (chemical residues on textile product) Good housekeeping Environmental management system Water and wastewater management Monitoring process will be introduced by - ZDHC InCheckReport for usage of MRSL compliant chemicals & safe chemicals Chemical residues are tested by ext Labtest & monitored via SAP system WWmgt will be monitored via ZDHC WWmodule Good housekeeping monitored by environm. certificates Access to complaints mechanism HUGO BOSS performed trainings of Helping producers introduce an effective complaint mechanism about 30% for its suppliers until February 2018. Implementation of sustainability training sessions for all finished goods suppliers including complaint mechanism and necessary management systems in general. Access to complaints mechanism Creating a database for auditing the complaint mechanism used by recording the following indicators (in relation to complaints received): Number of complaints received Types of complaint received (e.g. relating to which Partnership goals) HUGO BOSS integrates the producer complaints to its standard internal complaint procedure. Access to complaints mechanism Complaint hotline is communicated Supporting measures that make it easier for potentially affected persons in to the suppliers via communication production facilities to access complaint mechanisms cards. In the event of incidents or claims, in general, the suppliers' employees have the opportunity to contact the responsible person at HUGO BOSS directly via a defined

grievance mechanism or contact an external, independent ombudsman. Scaling up of

complaints is planned in 2018.



Communication on activities and results

Communicating information on activities and results related to the Partnership's goals in connection with the following topics:

Publication of the sustainability report 2017.

Freedom of association and collective bargaining

Discrimination

Health and safety

Wages and social benefits

Working hours

Child labour

Forced labour

Use of safe chemicals

MRSL (chemical inputs at stages of processing)

RSL (chemical residues on textile product)

Good housekeeping

Environmental management system

Water and wastewater management

Recycling

HUGO BOSS will create and publish a sustainability report 2018, beginning of 2019, which will include all kinds to social issues (if relevant) and all kinds of environmental aspects as well as animal welfare (if relevant).

Communication on activities and results

Introducing/extending the communication of information on activities and results related to the Partnership's goals in connection with the following topics:

Sheep farming

HUGO BOSS defined a general target for 2018 that wool and its origin will be evaluated. But in 2018 the focus will be on sheep farming and the traceability of wool. Therefore, HUGO BOSS will develop a wool commitment which will be published in 2018.

Continued targets

Goal for 2018	Statement on baseline
Environmental Management Periodic assessment of the existence and functioning of environmental management systems in its facilities and supply chain The goal is to assess 100% of strategic supplier. Additionally we continuously expand the program to the critical production step (also at 2nd and 3th tier) like Tanneries and Dyeing	
Environmental Management Having suppliers at level "compliant" and the strategic suppliers at level "awareness" and compliant (GSCP level1) within 2020"	
Good Housekeeping Implementation of individual or cooperative measures to support Good Housekeeping All strategic suppliers have to attend a training for the good housekeeping with the focus	
on environmentally safe handling including health & safety instructions and the know-how of good procurement processes.	



Policy Adopting a policy (internal guidelines) on chemicals/ environmental management HUGO BOSS will create, apart from its existing environmental guideline, a policy for the use of chemicals and their phase-out from the production processes. Proper wastewater treatment Producing only domestic wastewater and having the target to reduce water consumption by 20% in relation to sales within 2020 (from 2015) our indirect goal is to reduce also wastewater production by 40% within 2020 Wastewater 2017: after conducted audits for strategic suppliers, the important suppliers have to be audited and need to achieve a "compliant" level. 2020:Having suppliers at level "compliant" and the strategic suppliers at level "awareness" and compliant (GSCP level1) within 2020 Procurement of sustainable natural fibres Enquiry for sustainable natural fibres among producers and business partners HUGO BOSS conducts a survey concerning the use and procurement of cotton and possible types of cotton farming. the identification of "sutainable cotton" will be done with the BCI initiative. Since 2014 is disclosing all consumed natural and synthetic fibres in the sustainability report. Procurement of sustainable natural fibres Stocktaking for recording the total amount of natural fibres and the proportion of sustainable natural fibres HUGO BOSS conducts a detailed survey concerning the use and procurement of cotton, possible types of cotton farming, standards and origin. The target line of June 2017 will be kept. **Policy** Submit a policy in writing with references to corresponding management systems relating to the topic of occupational health and safety in your company A policy for occupational health and safety is created and will be published to the suppliers and internal staff. Promote implementation of social goals Promote the implementation of the Partnership's social goals through excellence programmes for producers and suppliers in the deeper supply chain or other forms of distinction If pilot of financing program is successful it can be rolled-out to more producers within the supply chain of HUGO BOSS. Remedies and compensation Support compensation or rehabilitation measures or the creation of alternatives for victims of child labour and forced labour The creation of an official guideline how to remediate within the factory the incident of

child/ labor or forced labor. Share this with the suppliers for the follow-up.