

Mandatory and recommended targets of the year 2018

Policy statement

Sustainable new wool policy



Target demand: 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.

Assessment of relevant risks



Target demand: 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.

Identify your own risks and impacts

Identification of manufactures & business partner



Target demand: 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.

Coverage of suppliers within supply chain



Target demand: 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.

Explanation
 Research for a supply chain transparency tool was started in 2018, but set on hold due to the fact, that it was decided to change the Vendor Management Tool to an integrated cloud based IT solution. It will be checked in 2019 (during implementation phase of new tool), if requirements can be covered by the new Vendor Management tool in addition.

Cross topic

Prohibition of subcontracts



Target demand: 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.

Social standards

Commitment of manufactures to social standards



Target demand: 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.

Capacity building regarding social standards



Target demand: 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.

Explanation
 The training concept will be further developed in 2019 and additional training channels and formats will be added. In future, the training will form part of the onboarding process and must be completed by the suppliers at regular intervals.

Chemical and environmental management

Communication of chemical guidelines

Target demand: 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.

Orderly & environmentally responsible housekeeping

Target demand: 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.

Exclusion of hazardous chemicals

Target demand: 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.

Explanation

Our main focus for the usage of MRSL compliant chemical products are on facilities with wet processes like dye-mill or tanneries, which can be found in our supply-chain, but not in own production sites. Nevertheless, ZDHC trainings also for HUGO BOSS own production sites started in 2018 and will be continued for the next years. The implementation of ZDHC MRSL in the HUGO BOSS supply-chain as well as in own production sites is ongoing.

Compliance with wastewater guidelines

Target demand: Compliance with the following wastewater standard:



- a) ZDHC
- e) National guidelines

HUGO BOSS is a contributor to the ZDHC, therefore we will implement the ZDHC wastewater requirements for the relevant supply chain partners.

Explanation

98% of HUGO BOSS active Finished Goods suppliers are compliant with national waste water requirements. In 2018, tanneries of HUGO BOSS participated in a pilot for waste water testing according to the ZDHC Waste Water Guidelines. As one result of the pilot, the ZDHC Waste Water Guideline for leather will be reworked in 2019. The ZDHC Waste Water Guideline for textiles are used by some HUGO BOSS suppliers. In 2019 we will enforce this process.

Natural fibers

Increase sustainable cotton

Target demand: 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.

Explanation

HUGO BOSS increased its share of sustainable cotton in 2019 to 40%. The target of 1% organic cotton could not be reached. The share reached 0,7% in 2018. The issue with organic cotton is quality (contamination and staple length) that's why we see difficulties to increase its share. HUGO BOSS is active in the Egyptian sustainable cotton project that also includes organic cotton.

Implementation of effective complaint mechanisms

Target demand: 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.

Procedures to manage child & forced labor

Target demand: 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.

Disclosure of manufactures & business partners

Target demand: 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.

Explanation

Research for a supply chain transparency tool was started in 2018, but set on hold due to the fact, that it was decided to change the Vendor Management Tool to an integrated cloud based IT solution. It will be checked in 2019 (during implementation phase of new tool), if requirements can be covered by the new Vendor Management tool in addition.

Raising awareness regarding sustainable textiles

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

- a) Freedom of association and collective bargaining
- b) Discrimination
- c) Health and safety
- d) Wages and social benefits
- f) Working hours
- g) Child labour
- h) Forced labour
- j) Use of safe chemicals
 - a) MRSL (chemical inputs at stages of processing)
 - b) RSL (chemical residues on textile product)
- k) Good housekeeping
- l) Environmental management system
- m) 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.

Explanation

In 2018, all suppliers that represent a purchasing volume of 95% were trained in face-to-face trainings on basic chemical management included in a general training that covered also topics like human rights & working conditions. Since we see the main impact of chemicals on environment at wet-process suppliers, we will turn the focus to that group in 2019.

Participation in Partnership initiative

Target demand: 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.

Voluntary targets of the year 2018

Communicating activities

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

- a) Freedom of association and collective bargaining
- b) Discrimination
- c) Health and safety
- d) Wages and social benefits
- f) Working hours
- g) Child labour
- h) Forced labour
- j) Use of safe chemicals
 - a) MRSL (chemical inputs at stages of processing)
 - b) RSL (chemical residues on textile product)
- k) Good housekeeping
- l) Environmental management system
- m) Water and wastewater management
- p) 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).

Extended communication of activities

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

- t) 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.

Explanation

In 2018 a traceable wool collection was created together with REDA and ZQ Merino in order to test the application of traceability in the wool sector

Adoption of an internal policy

Target demand: Adoption of a policy on the topics:

- j) Use of safe chemicals
 - a) MRSL (chemical inputs at stages of processing)
- k) Good housekeeping




HUGO BOSS will provide the MRSL as a relevant business document for the cooperation with its partners in 2018.


Revising the risk analysis


Target demand: Revising our analysis of the risks and potential negative impacts of our business activities





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.


<p>Recorded data in the deeper supply chain</p> <p>Target demand: Expanding the systematic collection of information on our supply chain up to stage:</p> <p>d) Fabric production</p> <p> 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.</p>	<p>Explanation</p> <p>Please read the 3rd Natural Capital Evaluation for in depth information</p>
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<p>Information recorded for producers</p> <p>Target demand: Expanding the indicators recorded for our business partners and producers</p> <p> 100% of the strategic finished goods suppliers are assessed in terms of their environmental management.</p>	<p>Explanation</p> <p>84% of HUGO BOSS strategic finished goods vendors received an audit until end of 2018. 16% were not audited, due to small business volumes or problem in audit planning.</p>
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<p>Data on fibres</p> <p>Target demand: Collection of further data about the fibres used by our company</p> <p> 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"</p>	<p>Explanation</p> <p>The results of this work is also part of the UNFCCC partnership to combat climate change</p>
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<p>LCA</p> <p>Target demand: We will prepare a Life-Cycle-Assessment for all fibres used by our organisation</p> <p> HUGO BOSS publishes LCA result for the natural fibres for the relevant HUGO BOSS product portfolio.</p>	<p>Explanation</p> <p>HUGO BOSS was also the major contributor of the World Apparel & Footwear Life Cycle Assessment Database (https://quantis-intl.com/tools/databases/waldb-apparel-footwear/) with over 200 Life Cycle Inventories</p>
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<p>Increase of sustainable natural fibres</p> <p>Target demand: Increase of percentage share of the following sustainable natural fibres: Leather: 24 %</p> <p> yes</p>

<p>List new wool</p> <p>Target demand: Preparation of a list of all countries of origin of new wool used by our organisation, including a breakdown by percentage share</p> <p> HUGO BOSS will create a wool commitment document for all aspects of more sustainable procurement of wool.</p>

<p>LCA wool</p> <p>Target demand: Preparation of a Life-Cycle-Assessment for our wool used</p> <p> HUGO BOSS will publish in 2018 the LCA study for the heavy weighted wool products (Suits).</p>

<p>Request to supplier</p> <p>Target demand: Request information from suppliers concerning the availability of sustainable wool in preparation of increasing the share</p> <p> 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.</p>

<p>Increase of sustainable natural fibres</p> <p>Target demand: Increase of percentage share of the following sustainable natural fibres: Virgin wool: 90 %</p> <p> yes</p>

Supporting a complaint mechanism

Target demand: Helping producers introduce an effective complaint mechanism



Implementation of sustainability training sessions for all finished goods suppliers including complaint mechanism and necessary management systems in general.

Recording information about complaints

Target demand: Creating a database for auditing the complaint mechanism used by recording the following indicators (in relation to complaints received):



- a) Number of complaints received
- c) Types of complaint received (e.g. relating to which Partnership goals)

HUGO BOSS integrates the producer complaints to its standard internal complaint procedure.

Explanation

HUGO BOSS collects all information about complaints, that are received via different channels and from separate sources still in different departments. The integration into the standard complaint procedure could not be managed due to organisational changes and changed responsibilities in 2018.

Access to effective complaint mechanisms

Target demand: Supporting measures that make it easier for potentially affected persons in production facilities to access complaint mechanisms



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.

Explanation

Existing and offered grievance mechanisms as the HUGO BOSS communication cards and the FLA complaint process (both being explained during the HUGO BOSS Supplier trainings) could not manage to raise numbers of complaints being received in 2018. HUGO BOSS therefore is engaging in the Partnerships actions to build up an initiative for the improvement of grievance mechanisms within the textile industry.

Procedure in the event of breaches

Target demand: 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.

Explanation

Creation of guideline for breach handling had to be postponed due to personnel changes in internal organisation and consequent lack of capacity.

Monitoring & auditing of guidelines

Target demand: 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.

Extending the auditing of suppliers

Target demand: 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

Explanation

<https://geschaeftsbericht-2018.hugoboss.com/lagebericht/nichtfinanzielle-erklaerung/menschenrechte.html>

Improving our monitoring system

Target demand: Strengthening/improving our inspecting and monitoring system with the help of:



- b) Self-reporting by our suppliers
- c) 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.

Process monitoring in production facilities

Target demand: Introducing a process for continuous monitoring of implementation in our production facilities in connection with:



- j) Use of safe chemicals
 - a) MRSL (chemical inputs at stages of processing)
 - b) RSL (chemical residues on textile product)
- k) Good housekeeping
- l) Environmental management system
- m) 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

Communicating wastewater guidelines

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

- a) ZDHC Waste Water Guideline



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

Explanation

HUGO BOSS committed to the ZDHC programme and communicated this via the website. In 2019 the strategy for implementing WWG will be defined.

RSL requirement in contracts

Target demand: 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.

Contractually agree on RSL

Target demand: C.2.1.2.1.a. Contractually agree on RSL

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.

Wastewater guidelines: producers

Target demand: C.2.1.5.1.a. Wastewater guidelines: producers

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.

Explanation

From 2019 on we redirected the focus for implementing WW Guidelines: From strategic suppliers without wet processes to suppliers with wet processes in their facilities. From these suppliers approximately 16% are providing WW reports according to ZDHC WW Guidelines via the ZDHC Gateway.

Requirement to pass on requirements

Target demand: 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

RSL deeper supply chain

Target demand: 2.1.2.1.b. RSL deeper supply chain

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.



Communicate requirements to the supply chain

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



- a) Use of safe chemicals
 - a) MRSL (chemical inputs at stages of processing)
 - b) RSL (chemical residues on textile product)
- b) Good housekeeping
- c) 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.

Communicating MRSL to producers

Target demand: C.2.1.1.1. Communicating MRSL to producers

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.

Risk-based selection of suppliers & procurement










Target demand: 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.

Explanation

The Risk Analysis for the onboarding process and the release workflow for selection of suppliers has been postponed to 2019 to be in line with the new Vendor Management IT Tool solution that is implemented in 2019.

<p>Producers who produce an inventory</p> <p>Target demand: C.2.1.3.1. Producers who produce an inventory 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.</p> 	<p>Explanation</p> <p>In 2018 we participated in a pilot for the InCheck Reports in the ZDHC Gateway-Chemical Module. The received InCheck Reports are followed up by us. In 2019, we will create a HUGO BOSS ZDHC Roadmap, for reaching the targets within ZDHC program. Within this ZDHC Brand Leader Program, the metrics and the way of measuring them should be defined.</p>
<p>Training for employees</p> <p>Target demand: Organising regular training for employees in connection with:</p> <ul style="list-style-type: none"> a) Freedom of association and collective bargaining b) Discrimination c) Health and safety d) Wages and social benefits e) Working hours f) Child labour g) Forced labour <p>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.</p> 	<p>Explanation</p> <p>In 2018 HUGO BOSS could only hold 1 training session for employees of Sourcing related departments (Product Division / Brand / Creative), due to organizational changes and changed responsibilities.</p>
<p>Setting up childcare provision</p> <p>Target demand: Providing childcare and meals for the children of employees</p> 	<p>Explanation</p> <p>The extend of this target setting is not clearly defined and therefore it cannot be said, that the target is achieved. A full coverage of childcare and meals for employees children cannot be guaranteed.</p>
<p>Corporate culture free from discrimination</p> <p>Target demand: Promoting a corporate culture that is free from discrimination, harassment and mistreatment</p> <p>HUGO BOSS requests the participation of each employee to the online-training on the code of conduct, including anti-discrimination requirements.</p> 	<p>Explanation</p> <p>please find information about Code of Conduct training of employees within the Sustainability Report 2018, p. 12, 2nd paragraph)</p>
<p>Empowering women</p> <p>Target demand: Empowering women</p> <p>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.</p> 	
<p>Environmental management system</p> <p>Target demand: Introducing the following internal environmental management system:</p> <ul style="list-style-type: none"> b) ISO 14001 <p>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.</p> 	<p>Explanation</p> <p>We started the implementation of the ZDHC Programm in our factory with the training and adjusting the chemical input. Since I have no proof now, I would like to leave the target on not met and work on the proof this year.</p>
<p>Using an MRSL in our own organisation</p> <p>Target demand: Using following MRSL in our own organisation:</p> <p>ZDHC MRSL</p> <p>Start the implementation of the ZDHC MRSL in the HUGO BOSS own Shoe production in 2018.</p> 	
<p>Reducing water consumption</p> <p>Target demand: C.6.4.b. Reducing water consumption 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</p> 	
<p>Optimising good housekeeping instruments</p> <p>Target demand: Optimising our internal instruments, structures or processes to ensure proper and environmentally safe management</p> <p>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.</p> 	<p>Explanation</p> <p>ZDHC Gateway is instrument , amongst others, for waste water reports. For better verification a good housekeeping is following the ZDHC Audit protocol for audits.</p>

Reducing energy consumption

Target demand: 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.

Adapting procurement processes

Target demand: 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.

Explanation

A separate policy on responsible sourcing was started, but could not be finished in 2018.

Training employees with regard to risks

Target demand: 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.

Explanation

HUGO BOSS conducted one training session for employees of the Product Divisions and Brand/Crea colleagues.

Sustainability in product development

Target demand: Integrating sustainability aspects into product development by:



- a) Choice of raw materials (renewable resources)
- e) 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.

Explanation

Training for circularity and use of sust. materials for all employees in the design and procurement is reflected in the Sustainability Report on HUGO BOSS Website. Responsible Collections are launched.

Supporting training measures

Target demand: Supporting training measures in connection with:



- a) Freedom of association and collective bargaining
- b) Discrimination
- c) Health and safety
- d) Wages and social benefits
- f) Working hours
- g) Child labour
- h) Forced labour
- j) Use of safe chemicals
 - a) MRSL (chemical inputs at stages of processing)
 - b) RSL (chemical residues on textile product)
- k) Good housekeeping
- l) Environmental management system
- m) 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.

Living wage project

Target demand: 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".

Explanation

FLA project on "fair compensation" has been postponed internally due to lack of capacity.

Support implementation in SC

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



- a) Freedom of association and collective bargaining
- b) Discrimination
- c) Health and safety
- d) Wages and social benefits
- f) Working hours
- g) Child labour
- h) Forced labour
- l) Environmental management system
- m) 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.









Sector-wide engagement

Target demand: 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.

Old targets of the year 2017

Social standards	<p>Policy occupational health and safety</p> <p>Target demand: Submit a policy in writing with references to corresponding management systems relating to the topic of occupational health and safety in your company</p> <p> A policy for occupational health and safety is created and will be published to the suppliers and internal staff.</p>	
	<p>Promote excellence programmes for producers</p> <p>Target demand: 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</p> <p> If pilot of financing program is successful it can be rolled-out to more producers within the supply chain of HUGO BOSS.</p>	<p>Explanation an awarding system for suppliers that would promote the implementation of Partnership Goals needs to be included in existing Supplier Management and Rating processes. This needs to be done in line with the implementation of the new HUGO BOSS Vendor Management IT solution and its corresponding adapted processes.</p>
	<p>Compensation measures child labour/forced labour</p> <p>Target demand: Support compensation or rehabilitation measures or the creation of alternatives for victims of child labour and forced labour</p> <p> 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.</p>	
Chemical and environmental management	<p>Individual/ Cooperative measures</p> <p>Target demand: Implementation of individual or cooperative measures to support Good Housekeeping</p> <p> 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.</p>	
	<p>Assessment environmental management systems</p> <p>Target demand: Periodic assessment of the existence and functioning of environmental management systems in its facilities and supply chain</p> <p> 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 mills.</p>	<p>Explanation See B.1.1: 84% of HUGO BOSS strategic finished goods vendors received an audit until end of 2018. 16% were not audited, due to small business volumes or problem in audit planning.</p>
	<p>Corporate Policy</p> <p>Target demand: Adopting a policy (internal guidelines) on chemicals/ environmental management</p> <p> 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.</p>	<p>Explanation Due to lack of resources the policy was not finalized in 2018.</p>
Natural fibers	<p>Wastewater</p> <p>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</p> <p></p>	<p>Explanation In 2018, 98% of active Finished Goods suppliers , based on number of suppliers achieved a "compliant" level. For strategic suppliers, the degree of fulfilling the target of level 1 reached 13% in 2018. For 2019, HUGO BOSS will enforce the trainings activities as well as the following up of the corrective actions at the suppliers in order to increase the fulfilment rate.</p>
	<p>Stocktaking</p> <p>Target demand: Stocktaking for recording the total amount of natural fibres and the proportion of sustainable natural fibres</p> <p> 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.</p>	

Enquiry for the supply of sustain. natural fibres

Target demand: 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 "sustainable cotton" will be done with the BCI initiative. Since 2014, it is disclosing all consumed natural and synthetic fibres in the sustainability report.