






Roadmap 2019

Hugo Boss AG

has set the following targets for the year 2019:

	Mandatory targets:	7
	Recommended targets:	0
	Already achieved goals:	3
	Not achieved, continued goals:	24
	Voluntary targets	5

Mandatory and recommended targets

Policy statement

Corruption prevention policy

Target demand: Commitment to a zero tolerance towards all forms of corruption including extortion and bribery in the own organisation



Target already met

Please refer to HUGO BOSS Corporate Governance Statement: <https://group.hugoboss.com/en/company/corporate-governance/corporate-governance-statement/> and to the HUGO BOSS Code of Conduct

Identify your own risks and impacts

Coverage of suppliers within supply chain

Target demand: Identification of additional actors in the deeper supply chain



Unachieved, continued target from 2018

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.

Cross topic

Risk-based selection of suppliers & procurement

Target demand: Selection of suppliers and award of contracts taking into account the identified social risks and potential negative impacts



Target already met

all Finished Goods Suppliers of HUGO BOSS regularly undergo a Supplier Risk Assessment considering different internal & external financial, economic and country related evaluations. New partners run through a standardized, multi-stage process before they are added to the HUGO BOSS supplier portfolio

Social standards

Promotion of living wages

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



HUGO BOSS will take part in the Partnership Initiative that aims to improve wages in production countries and committed to Involvement in the basic module.

Chemical and environmental management

Reduction of hazardous chemicals

Target demand: Measures to increase ZDHC conformity of the used chemical products in the supply chain



In order to get the full commitment until end of 2019 to implement the ZDHC MRSL , further trainings on the ZDHC program will be provided to our suppliers.

Exclusion of hazardous chemicals

Target demand: 100% of the products used conform to at least ZDHC MRSL



Unachieved, continued target from 2018

HUGO BOSS is still rolling out the ZDHC MRSL towards own production sites. In 2019 our main own production site will be trained on ZDHC program and we plan to finish by latest end of 2020.

Integration in the supply chain

Orderly & environmentally responsible housekeeping

Target demand: Support of producers in the supply chain to improve proper and environmentally sound business management



Trainings on environmental management will be intensified for the strategic suppliers in order to reach GSCP level 1 (or equivalent) in 2020.

Communication of wastewater guidelines

Target demand: Communication of the wastewater standard to 100% of producers and business partners



In 2019, HUGO BOSS will communicate the ZDHC requirements for waste-water towards all relevant suppliers with wet-processes.

Compliance with wastewater guidelines

Target demand: Compliance with the following wastewater standard:



Unachieved, continued target from 2018

- 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.

Natural fibers**Increase sustainable cotton**

Increase share of sustainable cotton to 45 %
Including organic cotton (as a share of the total amount of cotton) 1 %



By 2020 we go for 50% sustainable cotton whereas for 2025 increase to 90%. 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

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



Target already met

To verify that the suppliers comply with the HUGO BOSS Social Standards, social audits are regularly conducted having a CAP and follow-up-process subsequently. Since 2015, the environment program of GSCP has provided the basis to record and improve the environmental conditions in its supply chain.

Access to effective complaint mechanisms

Target demand: Initiation or involvement in a measure that aims to improve employee access to complaints mechanisms



Besides the fact, that HUGO BOSS already has a functioning grievance mechanism in place, HUGO BOSS is involved in the Partnership actions towards a potential PI to improve the quality and harmonisation of complaints mechanisms throughout the industry.

Disclosure of manufactures & business partners

Target demand: Systematic identification and publication of all business partners and producers



Unachieved, continued target from 2018

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.

Raising awareness regarding sustainable textiles

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



Continuation of internal "awareness events", increasing of customer communication in regard to sustainable products; the yearly Stakeholder Dialogue will give external Stakeholders the opportunity to address awareness topics directly; the Supplier Newsletter will provide updates to the supply chain

Raising awareness regarding sustainable textiles

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

Unachieved, continued target from 2018



- 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

All suppliers are regularly updated on relevant chemical management topics. A monthly newsletter with special topics on the ZDHC program will be provided to all our suppliers relevant for this program.

Voluntary targets

Communicating implementation of goals

Target demand: Using external reporting formats for communication of information on activities and results related to the Partnership's goals:

Target set as replacement



- a) Sustainability report (separately or as part of an annual report)
GRI 4

The goals of the partnership are integral part of the Sustainability Reporting of HUGO BOSS.

Original target:

Providing childcare and meals for the children of employees

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):



Unachieved, continued target from 2018

- 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.

Access to effective complaint mechanisms

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



Unachieved, continued target from 2018

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.

Information recorded for producers

Target demand: Expanding the indicators recorded for our business partners and producers

Unachieved, continued target from 2018



100% of the strategic finished goods suppliers are assessed in terms of their environmental management.

Revising the risk analysis

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

HUGO BOSS will assess its purchasing practices using the ACT Tool in the context of the Partnership Initiative on Living Wages.

**Increased share of wool**

Target demand: Increased share of wool

Increased share of sustainable virgin wool to 89 %

Including organic virgin wool (as a share of the total amount of virgin wool) 0 %

**Improving our monitoring system**

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

d) Supplier audits performed by others (3rd party)

HUGO BOSS will perform a revision of the existing Social Compliance Programm in 2019.

**Procedure in the event of breaches**

Target demand: Establishing a procedure for dealing with breaches of the requirements by business partners and producers

Unachieved, continued target from 2018



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.

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

Unachieved, continued target from 2018



HUGO BOSS works according to the FLA guidelines concerning responsible sourcing, Principle 8. HUGO BOSS creates a policy concerning responsible purchase practices 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

Unachieved, continued target from 2018



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.

Sustainability in product development

Target demand: Integrating sustainability aspects into product development by:

- a) Choice of raw materials (renewable resources)
- f) Recyclability



As part of our public target to the circular economy every HUGO BOSS design brief starting with the Spring/Summer 2020 will be based on regular training sessions on circularity, recyclability and the use of sustainable materials.

Expanding the requirements

Target demand: Expanding our requirements to the supply chain to include:

Target set as replacement

In 2019 HUGO BOSS will communicate directly to all relevant suppliers the way how the ZDHC WW Guideline should be implemented.



Original target:

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.

Producers who produce an inventory

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.

**Communicating wastewater guidelines**

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

Unachieved, continued target from 2018



a) ZDHC Waste Water Guideline

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

Risk-based selection of suppliers & procurement

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

Unachieved, continued target from 2018



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

Producers who produce an inventory

Target demand: C.2.1.3.1. Producers who produce an inventory
Increasing the percentage of producers (as measured by purchasing volume) who produce an inventory of the chemical inputs used to 5 %
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.

**Living wage project**

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

Unachieved, continued target from 2018



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

Training for employees

Target demand: Organising regular training for employees in connection with:

Unachieved, continued target from 2018



- 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

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.

Environmental management system

Target demand: Introducing the following internal environmental management system:

Unachieved, continued target from 2018



b) 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.

Optimising good housekeeping instruments

Target demand: Optimising our internal instruments, structures or processes to ensure proper and environmentally safe management

Target set as replacement



For the environmental audits on facilities with wet-processes the verification shall be performed according to the ZDHC Audit protocol.

Original target:

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.

Old targets

Social standards

Promote excellence programmes for producers

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



Unachieved, continued target from 2017

If pilot of financing program is successful it can be rolled-out to more producers within the supply chain of HUGO BOSS.

Chemical and environmental management

Assessment environmental management systems

Target demand: Periodic assessment of the existence and functioning of environmental management systems in its facilities and supply chain



Unachieved, continued target from 2017

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.

Corporate Policy

Target demand: Adopting a policy (internal guidelines) on chemicals/ environmental management



Unachieved, continued target from 2017

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.

Wastewater

Unachieved, continued target from 2017



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