

HUGO BOSS

HUGO BOSS Supplier Code of Conduct / HUGO BOSS Social Standards

Preamble

The HUGO BOSS Supplier Code of Conduct expresses the general standards relating to observing and complying with business ethics, human rights, labor and social standards as well as environmental standards. The requirements are based on the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organization (ILO) and the Guidelines of the Organisation for Economic Co-operation and Development (OECD) for Multinational Enterprises. Furthermore, they consider the principles of the Fashion Industry Charter for Climate Action under the UN Framework Convention on Climate Change (UNFCCC). The specifications should be regarded as basic rights and obligations for all suppliers of HUGO BOSS and their employees. Suppliers are obliged to inform their employees appropriately about their rights and obligations arising from the requirements formulated by HUGO BOSS as well as the respective national applicable legislation.

The HUGO BOSS Supplier Code of Conduct forms the basis of the compliance standards that are expected from and are to be observed by HUGO BOSS suppliers. The requirements formulated by HUGO BOSS are a minimum standard, which should offset an insufficient legal situation from HUGO BOSS's perspective in the procurement countries if necessary. **If the statutory provisions in a country have the same objective as the HUGO BOSS standards, then the provision that best protects the interests of the workers and the environment shall apply.** HUGO BOSS reserves the right to verify and adapt the observance of the requirements at regular intervals. HUGO BOSS shall select the way in which the verification is carried out in individual cases. If the standards are not complied with, HUGO BOSS reserves the right to sanctions, taking into consideration all circumstances of the individual case and the severity of the infringement. All requirements shall be considered fundamental contractual components of the business relationship. In the event of repeated infringements, HUGO BOSS reserves the right to terminate the business relationship.

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1. Compliance with legislation and business ethics

HUGO BOSS expects all of its suppliers to comply with the respective national legislation and internationally agreed standards. Any form of fraud, corruption and the granting of unfair advantages of any type is forbidden. HUGO BOSS also expects all suppliers to comply with applicable regulations regarding competition, money laundering, sanctions and taxation, and also to oblige their own suppliers accordingly. Business decisions shall be made objectively and must not be overshadowed by subjective interests. Furthermore, suppliers are obliged to protect all information, data and trade secrets that are surrendered to them in all circumstances, and to return them or delete them immediately at the end of the supplier relationship.

2. Human rights and labor standards

Protecting human rights and fundamental freedoms is HUGO BOSS's first priority. All suppliers are expected to comply with internationally recognized human rights with regard to all business activities within their own sphere of influence. HUGO BOSS does not tolerate any infringements. The supplier is responsible for setting up an anonymous complaint mechanism that enables its employees to report infringements. Furthermore, the supplier's employees are free to use the independent and free-of-charge whistleblower system at HUGO BOSS.

Child labor

HUGO BOSS strictly rejects all forms of child labor. The use of child labor by suppliers is therefore strongly forbidden. The definition of child labor is based on the globally recognized standards of the ILO. The minimum age for taking up employment is 15 years. In principle, employment must not be taken up before the end of statutory compulsory education. If employment is taken up before the age of 18, certain requirements for protecting the young worker have to be met. These are based on international standards and are summarized in the corresponding HUGO BOSS Policy on Child Labor and Forced Labor.

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Forced labor and modern slavery

All employees working for the suppliers of HUGO BOSS must be free to choose the ways and means of the employment they pursue and to terminate it subject to statutory and thus appropriate notice periods. Suppliers are urged not to employ forced laborers, serfs, slaves, prisoners or other dependent employees under any circumstances and thus to oppose any form of modern slavery. Employees must be given the right to leave their workplace and to terminate the employment relationship subject to statutory notice periods. Workers must be permitted to move freely at all times. Employers are not permitted to retain a deposit or identity documents or similar. If third parties are used for recruitment purposes, the supplier is responsible for verifying whether statutory requirements and those that are set out by HUGO BOSS are complied with. Any costs that arise through the commissioning of third parties must not be passed on to the employee under any circumstances.

Discrimination

All employees must be treated equally and enjoy equal opportunities during the selection process and throughout the entire employment relationship. Any form of discrimination on the basis of descent, origin, nationality, skin color, gender, religion, ideology, membership of employees' associations, political opinion, sexual orientation, age, marital status, pregnancy, disability, illness or any other personal characteristics must be avoided.

Humane working conditions

The dignity, privacy and personal rights of employees must always be respected. Physical, psychological, sexual or verbal harassment as well as punishments, assaults, abuse or intimidating behavior are forbidden. Disciplinary measures are permitted only within the context of statutory provisions or the provisions that are set out by HUGO BOSS and must be proportionate to the incident in all cases.

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Remuneration

The employee shall be remunerated appropriately in the form of money or a different payment of their choice at least on a monthly basis. Furthermore, the employee shall be informed in writing about the agreed conditions in the form of an employment contract and a pay slip. The work performance shall be paid by the supplier in such a way that the employee's basic requirements are covered and a disposable portion is freely available. Business partners are obliged to pay at least the statutory minimum wage or, if higher, a wage corresponding to the industry standard. If the supplier is unable to pay a higher wage that is usual in the industry, it must notify HUGO BOSS of this immediately and justify the reason. It is expected that the supplier is willing to work on adjusting the wage level together with HUGO BOSS. Furthermore, it is expected that all suppliers will observe and comply with the national regulations for health and social welfare systems.

In addition, all statutory and any other applicable requirements (such as collective bargaining agreements) must be considered in terms of special benefits. Overtime must be paid with a premium or by time off in lieu, provided this is permitted by law. Suppliers are forbidden from using wage deductions as disciplinary measures. If national statutory provisions exist that allow the involuntary redundancy of an employee only if monetary disciplinary measures were taken against the employee beforehand, then all measures shall be taken, taking only the actual facts into consideration. The supplier is responsible for documenting the process steps.

Working hours

The respective national provisions regarding working hours including regulations on rest periods, public holidays and vacation must be complied with. If there are no national provisions, or if these fall short of the provisions of the ILO, then regular weekly working hours must not exceed 48 hours. Permitted overtime included, the total working hours in a week must not exceed 60 hours. Overtime is only permitted if it is voluntary, or if the overtime is regulated by law or applicable collective agreements (such as collective bargaining agreements) and must be remunerated accordingly. After six sequential working days, the employee must be given a resting period

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of at least 24 hours. Furthermore, each employee is entitled to claim statutory minimum leave.

Occupational health and safety

The supplier must guarantee the health and safety of its employees in the course of their working activity and take appropriate precautionary measures against accidents and occupational illnesses. The supplier shall ensure that systems for identifying, assessing, avoiding and combating potential risks to the health and safety of employees are in place. National specifications must be complied with and guaranteed in the long term. If HUGO BOSS considers these specifications to be insufficient for guaranteeing a safe and hygienic working environment, HUGO BOSS reserves the right to assert its own specifications that correspond to international labor standards. The requirements specified here also refer to all additional facilities such as accommodation that the supplier provides to employees.

Freedom of association and collective bargaining

Suppliers are requested to grant all employees the right to form organizations of their choice for employee purposes or to join employee organizations. Employees shall be free to hold talks on working conditions and wages in particular, and to negotiate these freely. The supplier must not discriminate against, harass, intimidate, give notice to or otherwise disadvantage employees who pursue this right.

3. Environmental aspects

HUGO BOSS asks its suppliers to work continuously on reducing the environmental impacts that are caused by their respective business activities. At least the environmental protection laws and provisions in the country of production must be complied with. Natural resources must be protected as sustainably and efficiently as possible. In doing so, protecting people and the environment is paramount. Suppliers are required to set up an environmental management system that contributes towards increasing environmental responsibility through specific objectives.

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Energy consumption and emissions of greenhouse gases

Suppliers are required to identify and monitor all relevant sources of energy and emissions of greenhouse gases. Suppliers should strive to set up a program for reducing energy consumption and emissions. HUGO BOSS expects its suppliers to commit to continuously pursue energy efficiency measures and renewable energy.

Water consumption

Suppliers shall monitor their water consumption and optimize it by putting appropriate strategies into practice. Water abstractions from surface or groundwater must correspond at least to national or local requirements. Suppliers with production processes that involve intensive use of water are particularly requested to minimize their use of water on a continuous basis.

Chemical and waste water management

If production processes require the use of chemicals or other substances that pose a threat to people or the environment, then suppliers should ensure that a hazardous substance management system regulates how they are used and handled, stored and transported. National provisions must be complied with. If alternative substances are available that are less harmful to the environment and health, suppliers are encouraged to use these. By using chemicals and other substances, suppliers are committed to monitoring waste water streams and to identifying possible contaminations. This must be done in accordance with statutory requirements. The checks must be carried out at regular intervals.

Waste management

HUGO BOSS urges its suppliers to minimize waste continuously and to dispose of the resulting waste according to local statutory requirements. Suppliers are expected to consider strategies for avoiding or reducing waste and for recycling.

Other environmental aspects

Depending on the supplier's location and specific production processes, in addition to the environmental aspects that are listed above, national or local provisions may apply to air emissions, land use management, protection of biodiversity, noise, odor emissions and other environmental aspects.

4. Cooperation with non-governmental organizations

To improve social conditions and environmental issues relating to its cooperation with partners, HUGO BOSS works with various non-governmental organizations. As part of such a partnership, HUGO BOSS reserves the right to transfer the right to possible verifications (such as audits) that was asserted at the outset to these partner organizations.

5. Final provisions

HUGO BOSS expects its suppliers to comply with the standards set out here which HUGO BOSS complies with on its part, and asks its partners to encourage their implementation by means of appropriate aids such as management systems, guidelines and process specifications. All of the suppliers' employees shall receive sufficient and regular training on the issues discussed here. Furthermore, suppliers are obliged to pass these specifications on to their upstream suppliers and partners and to verify that they are complied with in an appropriate manner. HUGO BOSS reserves the right to verify that the Supplier Code of Conduct is up-to-date at regular intervals, but at least on an annual basis, and to amend it where applicable and to communicate the changes to its suppliers.