



ONBOARDING PROCESS

Before suppliers are included in the HUGO BOSS supplier portfolio, they must go through a three steps process:

Questionnaires

- General company information
- Information about social and environmental aspects
- Compliance
- Customs

Contracts

- General purchasing terms and conditions
- Supplier Code of Conduct
- Restricted Substances List
- Etc.

Verification

- Finished goods suppliers: verifying social compliance via valid certificates for examination or self-assessment questionnaire (SAQ), social audit on site (0-12 months) depending on the country's risk
- Fabric and trimmings suppliers: social compliance self-assessment questionnaire
- Customs audit, financial check, evaluation of country risk

► 35 new finished goods suppliers

► 12 new fabric and trimmings suppliers

SOCIAL COMPLIANCE CHECK

Social compliance check
Relevant for all active suppliers

- 97 conducted audits
- 90% of existing active finished goods suppliers are covered with a valid social compliance checks
- All new finished goods suppliers have a valid social compliance check
- 97% of the sourcing volume from suppliers with an audit result of good or satisfying (target: 100%)
- 11 identified violations

All identified violations against the Supplier Code of Conduct are covered with **corrective action plans** and have to be solved latest in the next audit

Phase-out of suppliers in case of **missing cooperation** and **repeated under-performance** in re-audits

Social compliance check (self-assessments)
Relevant for all potential and active suppliers

- 120 suppliers have filled out a self-assessment
- All new fabric and trimmings suppliers checked

Audit cycle 2022
(Depending on last result):

Audit result	Frequency in months
Good to satisfying	24
Improvements needed	6
Risky and insufficient	3

¹ Unless otherwise stated, all figures refer to the year 2022.

² Related to the total sourcing volume.

³ HUGO BOSS rates suppliers according to four equally weighted criteria: Vendor turnover, relevance for HUGO BOSS, management capabilities and strategy alignment with regard to sustainability. In specific, the country risks are assessed within the management capabilities section. Suppliers are classified as strategic if they achieve a total result of at least 80%. (Ensuring the environmental, social and governance minimum requirements are fulfilled, translating into needing a greater weight in this area)