

REPORT OF THE SUPERVISORY BOARD

**Dear shareholders,
Dear ladies and gentlemen,**

Fiscal year 2020 was primarily affected by the COVID-19 pandemic and its impact on the global business of HUGO BOSS. Despite heightened uncertainties, the Supervisory Board is firmly convinced that HUGO BOSS has successfully overcome the associated challenges in 2020. The consistent implementation of measures initiated by the Managing Board to secure cash flow at an early stage of the pandemic has ensured the financial stability of HUGO BOSS at any given time. Especially in these exceptional times, the close and trusting cooperation between the Managing Board and Supervisory Board was and remains particularly important. The Supervisory Board continued to perform its **duties with the utmost care** in fiscal year 2020, providing comprehensive advice to the Managing Board and monitoring its management activities. It entirely performed the duties imposed on it by law and by the Company's Articles of Association and its own bylaws.

On behalf of the entire Supervisory Board, I would like to take this opportunity to express our special thanks to all **employees of the HUGO BOSS Group**. Their relentless efforts and tremendous passion – despite all the professional and private restrictions – lay the foundation for successfully overcoming the challenges associated with the pandemic.

Composition of the Supervisory Board

The Supervisory Board of HUGO BOSS AG was re-elected as scheduled at the **Annual Shareholders' Meeting on May 27, 2020**. The previous shareholder representatives on the Supervisory Board, Michel Perraudin, Kirsten Kistermann-Christophe and Axel Salzmann did not stand for re-election. Hermann Waldemer, Gaetano Marzotto and Luca Marzotto were re-elected as members of the Supervisory Board. In addition, the Annual Shareholders' Meeting appointed Iris Epple-Righi, Christina Rosenberg and Robin J. Stalker as new members of the Supervisory Board. The employee representatives had already been appointed in a separate election in March and took up their mandate at the constituent meeting after the Annual Shareholders' Meeting. Whereas Fridolin Klumpp did not stand for re-election, Katharina Herzog was elected as a new employee representative. The regular term of office of the newly elected Supervisory Board finishes at the end of the ordinary Annual Shareholders' Meeting in 2025 that decides on the approval of the Supervisory Board for fiscal year 2024. Immediately following the ordinary Annual Shareholders' Meeting in 2020, Hermann Waldemer was elected Chairman and Sinan Piskin Deputy Chairman at the constituent meeting of the Supervisory Board.

Collaboration between Managing Board and Supervisory Board

The Managing Board informed us regularly, comprehensively and in a timely manner in both written and oral form of all **matters of relevance for HUGO BOSS AG and its Group companies related to strategy, planning, business performance, the risk position, changes in the risk situation and compliance**. Monitoring and control duties particularly focused on the financial performance of the Company, in particular in connection with the COVID-19 pandemic. In particular, developments leading to any deviations in the actual course of business from the initial outlook and targets were explained in detail to the Supervisory Board and reviewed on the basis of all documents presented. The Chairman of the Audit Committee and I maintained close and regular dialog with the Managing Board. We were kept promptly informed of significant developments and decisions and we reported on these at the following Supervisory Board and Committee meeting at the latest.

All members of the Supervisory Board had sufficient time to review all of the Managing Board's **reports and proposals** and to contribute their own ideas in Committees and Supervisory Board meetings. Approvals were issued only after requesting clarification from the Managing Board and discussing the matter extensively with the members of the Managing Board. In urgent cases, the Supervisory Board passed resolutions in a circular resolution. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the Company.

Main topics at the meetings of the Supervisory Board

In fiscal year 2020, a total of six Supervisory Board meetings were held in March, April and May before the newly elected Supervisory Board took office on May 27, 2020. All members participated in all six of these meetings. The newly elected Supervisory Board also met six times in May, June, July, September and December. Again, all members participated in all meetings, except for Tanja Silvana Nitschke, who was unable to attend one meeting but participated in the decisions via a written vote. Consequently, a total of **12 Supervisory Board meetings** took place throughout the entire fiscal year, with the Supervisory Board meeting in September being a two-day meeting. In addition, a circular resolution was passed in December.

The **Audit Committee** met twice with the old members and twice with the new members. All members participated in all four meetings in total, with the exception of Robin J. Stalker who was unable to attend one meeting of the Audit Committee. The **Working Committee** also met twice with its old members and twice with its new members. All members participated in all meetings. All committee members participated in all 11 meetings of the **Personnel Committee** – seven with the old members and four with the new members – with the exception of Anita Kessel, who was unable to attend a meeting of the Personnel Committee but participated in the decisions via a written vote. The **Nomination Committee** met once in March with all members present.

Participation in meetings of the full Supervisory Board and its committees¹ (until the Annual Shareholders' Meeting 2020)

Member	Full Supervisory Board (6)	Audit Committee (2)	Working Committee (2)	Personnel Committee (7)	Nomination Committee (1)	Attendance rate (18)
Michel Perraudin, Chairman	6/6	2/2	2/2	7/7	1/1	18/18
Antonio Simina, Deputy Chairman	6/6	2/2	2/2	7/7	–	17/17
Anita Kessel	6/6	–	2/2	–	–	8/8
Kirsten Kistermann-Christophe	6/6	–	–	–	–	6/6
Fridolin Klumpp	6/6	2/2	–	–	–	8/8
Gaetano Marzotto	6/6	–	–	–	1/1	7/7
Luca Marzotto	6/6	–	2/2	7/7	–	15/15
Tanja Silvana Nitschke	6/6	–	–	–	–	6/6
Sinan Piskin	6/6	–	2/2	7/7	–	15/15
Axel Salzmann	6/6	–	–	–	–	6/6
Martin Sambeth	6/6	–	–	–	–	6/6
Hermann Waldemer	6/6	2/2	2/2	–	–	10/10

¹ The Mediation Committee did not convene in the last fiscal year.

Participation in meetings of the full Supervisory Board and its committees¹ (starting from the Annual Shareholders' Meeting 2020)

Member	Full Supervisory Board (6)	Audit Committee (2)	Working Committee (2)	Personnel Committee (4)	Nomination Committee (0)	Attendance rate (14)
Hermann Waldemer, Chairman	6/6	2/2	2/2	4/4	0/0	14/14
Sinan Piskin, Deputy Chairman	6/6	2/2	2/2	4/4	–	14/14
Iris Epple-Righi	6/6	–	2/2	–	–	8/8
Katharina Herzog	6/6	–	2/2	–	–	8/8
Anita Kessel	6/6	–	–	3/4	–	9/10
Gaetano Marzotto	6/6	2/2	–	–	0/0	8/8
Luca Marzotto	6/6	–	2/2	4/4	–	12/12
Tanja Silvana Nitschke	5/6	–	2/2	–	–	7/8
Christina Rosenberg	6/6	–	–	4/4	–	10/10
Martin Sambeth	6/6	2/2	–	–	–	8/8
Antonio Simina	6/6	2/2	–	4/4	–	12/12
Robin J. Stalker	6/6	1/2	–	–	–	7/8

¹ The Mediation Committee did not convene in the last fiscal year.

The **meeting of the Supervisory Board in March 2020** focused on the annual financial statements of HUGO BOSS AG and the Group as of December 31, 2019 and the audit report prepared by the auditors. At this meeting, the annual financial statements and the consolidated financial statements of HUGO BOSS AG as of December 31, 2019 were approved and ratified. Furthermore, the Supervisory Board's report to the Annual Shareholders' Meeting was discussed and adopted. The resolution proposals for the Annual Shareholders' Meeting of HUGO BOSS AG, which initially was scheduled for May 7, 2020, were adopted following the review of the independence of the proposed auditor for the fiscal year 2020. Other topics included the re-appointment of Yves Müller as a member of the Managing Board until the end of 2023 and the appointment of Dr. Heiko Schäfer to the Managing Board on March 16, 2020.

At the **meeting in late March 2020**, the Supervisory Board discussed the departure of Mark Langer as Chief Executive Officer of HUGO BOSS AG and the specific plans for succession. In addition, a possible postponement of the 2020 Annual Shareholders' Meeting against the background of the COVID-19 pandemic was discussed.

In two **meetings at the beginning of April 2020**, the Supervisory Board first decided on the measures to safeguard the financial stability of the Group during the COVID-19 pandemic, the suspension of the dividend payment for fiscal year 2019 with the exception of the minimum dividend of 0.04 EUR per share and the retention of the profit for fiscal year 2019. It was also decided to postpone the Annual Shareholders' Meeting until May 27, 2020 and to hold it virtually for the first time due to the pandemic. In this context, it was also decided to propose the modernization of the Articles of Association to the Annual Shareholders' Meeting in order to allow participation and voting at the Annual Shareholders' Meeting even without a physical presence. In the meeting shortly thereafter, the respectively amended convocation of the postponed virtual Annual Shareholders' Meeting was approved after the terms of a virtual Annual Shareholders' Meeting had been discussed in detail.

In its **meeting in early May 2020**, the Supervisory Board discussed the current business performance and the status of preparations for the virtual Annual Shareholders' Meeting. In addition, the succession planning for the position of Chief Executive Officer was discussed. The increase in the current syndicated loan and the closing of further credit lines to ensure the financial flexibility of HUGO BOSS during the pandemic were approved at the **meeting immediately before the Annual Shareholders' Meeting in May 2020**. In addition, certain topics related to the virtual Annual Shareholders' Meeting were

discussed. Immediately **following the Annual Shareholders' Meeting in May 2020**, the newly elected Supervisory Board met for its constituent meeting. In addition to the election of the Chairman and Deputy Chairman, the composition of the committees was also determined at that meeting.

In its **meeting in mid-June 2020**, the Supervisory Board dealt with the appointment of Daniel Grieder as the Chief Executive Officer of HUGO BOSS AG based on the Personnel Committee's proposal. In addition, various onboarding events were held, in which the newly elected members of the Supervisory Board were thoroughly familiarized with the Company's structures, divisions and strategy. They also had the opportunity to take part in a guided tour at the Company's headquarters in Metzingen. In addition, there were various information events for example on the rights and obligations of members of the Supervisory Board. No individual training measures that go beyond this were carried out in fiscal year 2020.

At separate meetings **in late June 2020 and early July 2020**, the Supervisory Board initially approved the appointment of Oliver Timm to the Managing Board as of January 1, 2021. Mark Langer's earlier move to an advisory role on July 15, 2020, and his departure from the Managing Board was also discussed. In this context, the Supervisory Board also decided that Yves Müller will assume the role of spokesperson of the Managing Board until Daniel Grieder takes office. Yves Müller is granted a special payment at the sole discretion of the Supervisory Board for the increased workload and the additional responsibility that this entails.

The **meeting in September 2020** focused on the current business performance, the transition to a new working model ("Threedom of Work") at the Company's headquarters in Metzingen aimed at enabling employees more mobile working opportunities, the implementation of the upcoming BOSS fashion show in Milan, the future direction of BOSS womenswear and the accompanying marketing activities, and the Group's sustainability program. In addition, key aspects of the audit for fiscal year 2020 were decided.

The budget for fiscal year 2021 was discussed and passed in the **meeting of the Supervisory Board in December 2020**. In addition, the adjustment of the Managing Board's compensation system, planned with the approval of the 2021 Annual Shareholders' Meeting, was discussed. Moreover, the findings of the Supervisory Board efficiency audit, which were collected based on a questionnaire and analyzed and presented by an external provider, were elaborated on in detail. The declaration of compliance with the German Corporate Governance Code and the planning of the focus areas of the internal audit for 2021 were discussed and decided upon. The Group's internal Code of Conduct, revised in 2020, and its binding nature for the Supervisory Board were also discussed and approved.

The implications of the COVID-19 pandemic and the related business performance, liquidity management, and the current risk situation of the Company were regularly discussed in detail at the Supervisory Board meetings and approved where necessary. In addition, the meetings of the Supervisory Board involved regular, detailed reports on the contents of the previous committee meetings. In addition, in 2020, the Supervisory Board focused primarily on investment planning, individual investment projects, the capital structure, cost planning, compliance issues and the requirements of the German Corporate Governance Code.

Work of the Committees in fiscal year 2020

To perform its duties, the Supervisory Board has formed **five Committees**: an Audit Committee, Personnel Committee, Working Committee, Nomination Committee and the legally required Mediation Committee. To the extent legally permissible and insofar as they have been given corresponding authorizations, individual Committees make decisions instead of the Supervisory Board as a whole. Otherwise, they prepare decisions and topic areas for the Supervisory Board as a whole. The respective committee chairs report to the Supervisory Board in detail about the work of the committees at regular intervals.

In total, the **Audit Committee** met four times in fiscal year 2020. The main agenda of its meetings concerned the financial reporting of the HUGO BOSS AG and the Group with respect to the annual, half-yearly and quarterly financial statements, the audit of the annual and consolidated financial statements, monitoring of the risk management and internal control system, compliance matters and risk management. In addition, the Audit Committee requested the declaration of independence from the external auditor and convinced itself of the auditor's independence. In addition to defining the main aspects of the audit of the annual and consolidated financial statements for 2020 and mandating the external auditor, it approved non-audit services and placed a cap on the fees payable for such non-audit services. In addition, the results of the audit review of the combined non-financial statement were discussed.

The **Personnel Committee** met 11 times in total. It focused on the allocation of responsibilities for the business divisions, preparing the renewal of the Managing Board contracts, the target achievement for the prior fiscal year and preparing the target agreements for the Managing Board. It also dealt with the termination of Mark Langer's employment contract as a member of the Managing Board, his replacement as the Chief Executive Officer and the search for a Chief Sales Officer. The meeting also focused on the planned adjustment of the compensation system for members of the Managing Board.

The **Working Committee** met four times in the year under review and dealt with current business performance, strategy, and preparations for the Annual Shareholders' Meeting. In addition, the developments in the Company's online business and customer relationship management (CRM), the organizational structure of the Group and the measures put in place in the course of the pandemic to secure the cash flow were discussed. The Working Committee also elaborated on the Supervisory Board efficiency audit and the Corporate Governance Statement.

The **Nomination Committee** met once in the spring of the past fiscal year to prepare for the upcoming elections of the Supervisory Board.

The **Mediation Committee** did not meet in the last fiscal year.

Corporate governance

The Supervisory Board additionally dealt with the **principles of good corporate governance** within the Company. In December 2020, the Managing Board and the Supervisory Board issued a new declaration of compliance with the German Corporate Governance Code (GCGC). On page 119, the corporate governance statement can be found. In relation to the annual efficiency audit of the Supervisory Board's activities recommended by the German Corporate Governance Code, the Supervisory Board decided to remain with the tried and tested method of an audit using a comprehensive questionnaire. External analysis of the completed questionnaires and the improvements suggested were analyzed and discussed at length at the Supervisory Board meeting in early December 2020. The Supervisory Board drew a favorable conclusion overall.

Conflicts of interest

No conflicts of interest relating to Managing Board or Supervisory Board members arose in fiscal year 2020. Under the German Corporate Governance Code (DCGK), such conflicts of interest must be disclosed without delay to the Supervisory Board, as well as to the Annual Shareholders' Meeting.

Audit of annual and consolidated financial statements for 2020

Ernst & Young Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the consolidated financial statements of HUGO BOSS AG for 2020, including the accounting records, which had been prepared by the Managing Board on the basis of the International Financial Reporting Standards (IFRS) in accordance with Sec. 315e HGB, and issued an **unqualified audit opinion**. This was also the case for the annual financial statements of HUGO BOSS AG for 2020 prepared in accordance with the provisions of the German Commercial Code as well as the combined management report for 2020 of HUGO BOSS AG and the Group. The corresponding audit mandate had been assigned by the Audit Committee of the Supervisory Board in accordance with the resolution of the Annual Shareholders' Meeting held on May 27, 2020. In addition, it was agreed with the auditor that the Chairman of the Audit Committee would have to be informed during the audit without delay about any possible grounds for disqualification or factors affecting impartiality that could not be rectified immediately. It was also agreed that the external auditor is obliged to report on any findings or events arising during the performance of the audit that are of importance to the duties of the Supervisory Board. The auditor was furthermore required to inform the Supervisory Board or note in the audit report any facts that were ascertained during the audit resulting in any errors in the declaration submitted by the Managing Board and the Supervisory Board in accordance with Sec. 161 (1) Sentence 1 of the AktG (German Stock Corporation Act). The auditor did not issue any such reports in the reporting year. Furthermore, the Supervisory Board has convinced itself of the auditor's independence. The possibility of engaging the auditors to perform non-audit services was also discussed. The Supervisory Board received all accounting documents and the Managing Board's proposal for the appropriation of profit as well as the audit report from the external auditor.

The annual financial statements, proposal for the appropriation of profit, consolidated financial statements and combined management report for 2020 for HUGO BOSS AG and the Group, which also contains the combined non-financial statement for HUGO BOSS AG and the Group, and the audit report were discussed and verified in advance by the Audit Committee and then by the full Supervisory Board in the presence of the external auditor. The external auditor reported on the main findings of the audit, particularly with respect to the key aspects of the audit that had been determined by the Audit Committee for the year under review. He was also available to answer any questions and provide additional information. No significant shortcomings in the accounting-related internal control system and risk management were identified in connection with this. Similarly, there were no circumstances

indicating any partiality on the part of the external auditor. Finally, he reported on the non-audit services that had been provided in the fiscal year under review. The auditor's findings were approved. Following its final review, the Supervisory Board raised no objections.

Consequently, at its meeting on March 10, 2021 the Supervisory Board approved the **financial statements for fiscal year 2020** prepared by the Managing Board. The financial statements of HUGO BOSS AG for fiscal year 2020 were therefore ratified in accordance with Sec. 172 AktG.

For fiscal year 2020, the Managing Board compiled a **combined non-financial statement** for HUGO BOSS AG and the Group and included this in the combined management report for 2020. The Supervisory Board commissioned Ernst & Young Wirtschaftsprüfungsgesellschaft, Stuttgart, to perform an audit to obtain limited assurance of this statement. All Supervisory Board members promptly received the combined non-financial statement for HUGO BOSS AG and the Group for fiscal year 2020 and the independent auditor's limited assurance report. The full Supervisory Board deliberated on the statement and the audit certificate of Ernst & Young on March 10, 2021. Ernst & Young auditors participated in this discussion and presented the audit results. No objections were raised based on their own review of the combined non-financial statement for HUGO BOSS AG and the Group, and the result of the audit to obtain limited assurance by Ernst & Young Wirtschaftsprüfungsgesellschaft, Stuttgart, was noted with approval.

Thank You

On behalf of the Supervisory Board, I want to thank the members of the Managing Board and all employees for their high level of personal dedication and tremendous commitment. I also want to thank the employee representatives of HUGO BOSS AG for their constructive collaboration in fiscal year 2020.

Finally, I would like to express my gratitude to you, the shareholders, for your trust in our Company.

Metzingen, March 10, 2021

The Supervisory Board



Hermann Waldemer

Chairman of the Supervisory Board