

REPORT OF THE SUPERVISORY BOARD

CHAIRMAN OF THE SUPERVISORY BOARD

HERMANN WALDEMER

Hermann Waldemer was born 1957 in Munich. He graduated in business administration from the University of Regensburg in 1981 with a focus on finance and tax. Hermann Waldemer then worked as a certified tax advisor and auditor in the auditing industry before joining Philip Morris International in 1987. He held various positions, including President Western Europe, before assuming the position of Chief Financial Officer in 2008, which he held until his departure in 2012. From 2014 to 2016, he was a member of the Board of Directors of FCA US LLC (Chrysler Group).

Hermann Waldemer was elected to the Supervisory Board of HUGO BOSS AG in 2015 and appointed Chairman in 2020.



Dear Shareholders, Dear Readers,

For HUGO BOSS, fiscal year 2021 was marked in particular by a strong business recovery. Global consumer sentiment picked up significantly over the year, supported by the lifting of pandemic-related restrictions and strong progress in vaccination campaigns. Against this backdrop, HUGO BOSS recorded a significant improvement in sales, earnings, and free cash flow development. Initial progress in successfully executing important initiatives as part of the „CLAIM 5" strategy presented in August also positively impacted business development. In fiscal year 2021, the Supervisory Board continued to **perform its duties with the utmost care**, providing comprehensive advice to the Managing Board in a close, trust-based cooperation and monitoring its management activities. It entirely performed the duties imposed on it by law, by the Company's Articles of Association, and its own bylaws.

Composition of the Managing Board and the Supervisory Board

In fiscal year 2021, there were two key personnel changes on the Managing Board of HUGO BOSS. Effective June 1, 2021, Daniel Grieder joined the Managing Board of HUGO BOSS as the new **Chief Executive Officer (CEO)**. The Supervisory Board of HUGO BOSS AG had appointed Daniel Grieder as CEO for a period of five years on June 16, 2020. Effective January 1, 2021, Oliver Timm joined the Managing Board of HUGO BOSS AG as the new **Chief Sales Officer (CSO)**. Oliver Timm was appointed CSO on June 29, 2020. > [Managing Board](#)

Chief Brand Officer (CBO) Ingo Wilts resigned as a member of the Managing Board for personal reasons effective February 28, 2022. On behalf of the Supervisory Board, I would like to thank Ingo Wilts for the good cooperation and his many years of successful work, first as an employee and since 2016 as a member of the Managing Board.

Antonio Simina, the long-serving **Deputy Chairman of the Supervisory Board**, retired at the end of August. Antonio Simina's mandate was taken over by Bernd Simbeck, who had already been a member of the Supervisory Board of HUGO BOSS from 2010 to 2015. On behalf of the entire Supervisory Board, I would like to take this opportunity to express our sincere thanks to Antonio Simina for his tireless efforts and strong commitment to HUGO BOSS. > [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 assessment, changes in the risk situation and compliance**. Particularly close support was provided surrounding the development and presentation of the new "CLAIM 5" strategy and the financial development of the Company, particularly in the wake of the COVID-19 pandemic. 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. Any 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 by means of the circular resolution procedure. 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 2021, a total of five Supervisory Board meetings were held in March, May, July, September, and December, with the September meeting being a two-day meeting. All members participated in all of these meetings. In addition, one resolution was passed by means of the circular resolution procedure in both May and November.

The **Audit Committee** met five times in total. All members participated in all of the meetings, with the exception of Gaetano Marzotto and Antonio Simina, who were unable to attend one meeting but participated in the decisions via a written vote. The **Working Committee** also met five times. All members participated in all of the meetings, with the exception of Luca Marzotto, who was unable to attend one meeting but participated in the decisions via a written vote. All committee members participated in the seven meetings of the **Personnel Committee**. The **Nomination Committee** and the **Mediation Committee** did not meet during fiscal year 2021.

PARTICIPATION IN MEETINGS OF THE FULL SUPERVISORY BOARD AND ITS COMMITTEES¹

Member	Full Supervisory Board (5)	Audit Committee (5)	Working Committee (5)	Personnel Committee (7)	Attendance rate (22)
Hermann Waldemer, Chairman	5/5	5/5	5/5	7/7	22/22
Sinan Piskin, Deputy Chairman	5/5	5/5	5/5	7/7	22/22
Iris Epple-Righi	5/5	–	5/5	–	10/10
Katharina Herzog	5/5	–	5/5	–	10/10
Anita Kessel	5/5	–	–	7/7	12/12
Gaetano Marzotto	5/5	4/5	–	–	9/10
Luca Marzotto	5/5	–	4/5	7/7	16/17
Tanja Silvana Nitschke	5/5	–	5/5	–	10/10
Christina Rosenberg	5/5	–	–	7/7	12/12
Martin Sambeth	5/5	5/5	–	–	10/10
Bernd Simbeck (since September 1, 2021)	2/2	1/1	–	2/2	5/5
Antonio Simina (until August 31, 2021)	3/3	3/4	–	5/5	11/12
Robin J. Stalker	5/5	5/5	–	–	10/10

¹ The Nomination Committee and the Mediation Committee did not convene in the past fiscal year.

The **meeting of the Supervisory Board in March 2021** focused on the annual financial statements of HUGO BOSS AG and the HUGO BOSS Group as of December 31, 2020 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, 2020 were approved and ratified. Furthermore, the Supervisory Board's report to the Annual Shareholders' Meeting was discussed and adopted. The resolution proposals were adopted at the Annual Shareholders' Meeting of HUGO BOSS AG, which was held virtually on May 11, 2021, following the review of the independence of the proposed auditor for fiscal year 2021. Other topics included adjustments to the compensation system for the Managing Board and the new brand image of BOSS and HUGO.

At its **meeting in May 2021**, the Supervisory Board addressed the current business performance as well as plans for further digitalizing the business model and related cooperation opportunities in this area. In this context, also in May, the cooperation with the strategy consultancy Metyis based in Amsterdam (Netherlands) was decided by circular resolution, as part of the overall project to establish the HUGO BOSS Digital Campus.

At its **meeting in June 2021**, the Managing Board elaborated on the overall framework of the new growth strategy "CLAIM 5". In addition, the Supervisory Board dealt with the plans to sell two real estate properties in Metzingen and the surrounding area. In view of his excellent work and the smooth handover, it was also decided that Yves Müller would be granted 100% of the agreed allowance for acting as interim Spokesperson of the Managing Board.

The main topics of the **meeting in September 2021** were the current business performance along with the "CLAIM 5" strategy and its implications for collection development, sales, marketing, and operations. In addition, Bernd Simbeck was elected to the Audit Committee and Personnel Committee as successor to Antonio Simina.

In **November 2021**, the Supervisory Board approved the conclusion of the new syndicated loan agreement by circular resolution.

At the **meeting in December 2021**, the budget for fiscal year 2022 was debated and passed. In addition, initial progress on executing the "CLAIM 5" strategy was discussed in detail. In this context, the plans for new BOSS and HUGO marketing campaigns were presented to the Supervisory Board. The Supervisory Board was also informed about current pandemic-related challenges within the supply chain. In addition, key audit matters for fiscal year 2022 and the Audit Committee's proposal to elect a new auditor as part of the mandatory rotation required by law were discussed in detail and resolved. Moreover, the transactions subject to approval were adjusted in the bylaws of the Managing Board. In view of the COVID-19 pandemic and the associated restrictions, the Supervisory Board decided that the Annual Shareholders' Meeting would again be held as a virtual event in fiscal year 2022. Moreover, the findings of the Supervisory Board efficiency review, which were collected based on a questionnaire and analyzed and presented by an external provider, were discussed in detail. The declaration of compliance with the German Corporate Governance Code (GCGC) and the setting of a target for women on the Managing Board were discussed and resolved.

Current business performance, liquidity management, and the current risk assessment of the Company were regularly discussed in detail at the meetings of the Supervisory Board 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 2021, the Supervisory Board primarily focused on the implementation and execution of "CLAIM 5" strategy, the capital structure, cost planning, compliance issues, and the requirements of the GCGC.

Work of the Committees in fiscal year 2021

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 full Supervisory Board. Otherwise, they prepare decisions and topic areas for the full Supervisory Board. 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 five times in fiscal year 2021. The main agenda of its meetings concerned the financial reporting of 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 key audit matters of the annual and consolidated financial statements for 2021 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. Another key topic was the selection process for a new auditor in the course of the mandatory rotation provided for by law. The Audit Committee was closely involved in the selection for suitable candidates and ultimately issued a recommendation to the Supervisory Board in October 2021. In addition, the Audit Committee dealt with the refinancing of the syndicated loan.

The **Personnel Committee** held seven meetings. It focused on filling strategically important management positions, the allocation of responsibilities for the business divisions, adjustments to the compensation system for the Managing Board, the target achievement for the prior fiscal year, and preparing the target agreements for the Managing Board.

The **Working Committee** met five times in the fiscal year and dealt with current business performance, the strategic alignment of the Group, and preparations for the Annual Shareholders' Meeting. In addition, the Working Committee also discussed the further digitalization of the business model and the updating of the catalog of transactions subject to approval in the bylaws of the Managing Board.

The **Nomination Committee** and the **Mediation Committee** did not convene in the fiscal year under review.

Corporate governance

The Supervisory Board additionally dealt with the **principles of good corporate governance** within the Company. In December 2021, the Managing Board and the Supervisory Board issued a new declaration of compliance with the GCGC. The corporate governance statement can be found in the section "Corporate Governance and Corporate Governance Statement". With regard to the annual efficiency review of the Supervisory Board's activities recommended by the GCGC, the Supervisory Board decided to proceed with the tried and tested methodology of an audit using a comprehensive questionnaire. The external evaluation of the completed questionnaires and the suggestions for improvement contained therein were analyzed and discussed in detail at the Supervisory Board meeting in December 2021. Overall, the Supervisory Board drew a favorable conclusion. No individual training measures were carried out in the fiscal year.

Conflicts of interest

No conflicts of interest relating to Managing Board or Supervisory Board members arose in fiscal year 2021. In accordance with the GCGC, these would need be disclosed immediately to the Supervisory Board, as well as to the Annual Shareholders' Meeting.

Audit of annual and consolidated financial statements for 2021

Ernst & Young Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the consolidated financial statements of HUGO BOSS AG for 2021, 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 2021 prepared in accordance with the provisions of the German Commercial Code as well as the combined management report for 2021 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 11, 2021. 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 fiscal 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 2021 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, followed 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 audit matters that had been determined by the Audit Committee for the fiscal year. The auditor 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, the auditor 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 of March 9, 2022 the Supervisory Board approved the **financial statements for fiscal year 2021** prepared by the Managing Board. The financial statements of HUGO BOSS AG for fiscal year 2021 were therefore ratified in accordance with Sec. 172 AktG.

For fiscal year 2021, 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 2021. 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 2021 and the independent auditor's limited assurance report. The statement and the audit certificate of Ernst & Young were discussed by the full Supervisory Board on March 9, 2022. 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.

The **compensation report** for fiscal year 2021 was jointly prepared by the Managing Board and Supervisory Board in accordance with the provisions of Sec. 162 (1) and (2) AktG (German Stock Corporation Act). The Supervisory Board approved the compensation report at its meeting on March 9, 2022. The auditor has separately audited the compensation report. In addition to the formal audit required by law in accordance with section 162 (1) and (2) AktG, the content of the compensation report was also audited.

Thank You

On behalf of the Supervisory Board, I want to thank all members of the Managing Board and all employees for their high level of personal commitment and dedication. Their tireless efforts and great passion – despite all professional and private restrictions – laid the foundation for successfully overcoming the challenges associated with the pandemic and for the highly positive business performance in fiscal year 2021. I also want to thank the employee representatives of HUGO BOSS AG for their once again very constructive collaboration.

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

Metzingen, March 9, 2022

The Supervisory Board



Hermann Waldemer

Chairman of the Supervisory Board