

# 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 management 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,

2022 was a record year for HUGO BOSS. The rigorous and determined execution of the Company's "CLAIM 5" growth strategy – including significant progress achieved along key brand, product, and sales initiatives – resulted in record sales and strong profitability improvements. In doing so, HUGO BOSS exceeded its financial targets as laid out at the beginning of the year. In fiscal year 2022, the **Supervisory Board continued to perform its duties with the utmost care**, providing comprehensive advice to the Managing Board in a close, trustful collaboration while 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 2022, there were two personnel changes on the Managing Board of HUGO BOSS. Effective February 28, 2022, former **Chief Brand Officer (CBO)** Ingo Wilts resigned as a member of the Managing Board. The duties that fell under the responsibility of Ingo Wilts were thereafter assumed by CEO Daniel Grieder. Former **Chief Operating Officer (COO)** Dr. Heiko Schäfer left the company effective May 31, 2022, to pursue a new professional assignment outside the Group. The functional areas reporting to Dr. Heiko Schäfer were divided among the remaining Managing Board members, with Chief Financial Officer (CFO) Yves Müller additionally assuming the role of COO since then. On behalf of the Supervisory Board, I would like to thank both Ingo Wilts and Dr. Heiko Schäfer for the good cooperation and their successful work as members of the Managing Board. > [Managing 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, risk assessment, changes in the risk situation, and compliance. In particular, with regards to the Company's "CLAIM 5" strategy, intense exchange took place between Managing Board and Supervisory Board throughout the year. Additionally, 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. At an early stage, the Supervisory Board was directly involved in all decisions of fundamental importance to the Company.

## Main topics at the meetings of the Supervisory Board

In fiscal year 2022, a total of five **Supervisory Board** meetings were held, one each in March, July, and September, and two in December, of which one was held as an extraordinary meeting. In addition, the September meeting was a two-day meeting. All members participated in all of these meetings, with the exception of Anita Kessel, Martin Sambeth, and Bernd Simbeck, who were unable to attend the extraordinary meeting in December but participated in the decisions via a written vote. In addition, one resolution was passed by means of a circular resolution in May.

In 2022, the **Audit Committee** met four times in total. All members participated in all of the meetings. The **Working Committee** met five times with all members participating in all of the meetings. All committee members participated in the five meetings of the **Personnel Committee**. The **Nomination Committee** and the **Mediation Committee** did not meet during fiscal year 2022. All meetings in fiscal year 2022 were held in a hybrid format, allowing members of the Supervisory Board to either participate in person or virtually via videoconference. The extraordinary Supervisory Board meeting in December was held via videoconference only.

#### PARTICIPATION IN MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES<sup>1</sup>

Member	Supervisory Board (5)	Audit Committee (4)	Working Committee (5)	Personnel Committee (5)	Attendance rate (19)
Hermann Waldemer, Chairman	5/5	4/4	5/5	5/5	19/19
Sinan Piskin, Deputy Chairman	5/5	4/4	5/5	5/5	19/19
Iris Epple-Righi	5/5	–	5/5	–	10/10
Katharina Herzog	5/5	–	5/5	–	10/10
Anita Kessel	4/5	–	–	5/5	9/10
Gaetano Marzotto	5/5	4/4	–	–	9/9
Luca Marzotto	5/5	–	5/5	5/5	15/15
Tanja Silvana Nitschke	5/5	–	5/5	–	10/10
Christina Rosenberg	5/5	–	–	5/5	10/10
Martin Sambeth	4/5	4/4	–	–	8/9
Bernd Simbeck	4/5	4/4	–	5/5	13/14
Robin J. Stalker	5/5	4/4	–	–	9/9

<sup>1</sup> The Nomination Committee and the Mediation Committee did not convene in the past fiscal year.

The **meeting of the Supervisory Board in March 2022** focused on the annual financial statements of HUGO BOSS AG and the HUGO BOSS Group as of December 31, 2021, as well as on 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, 2021 were approved and ratified. Furthermore, the Supervisory Board's report to the Annual Shareholders' Meeting and the compensation report for fiscal year 2021 were discussed and adopted. The resolution proposals were later on adopted at the Annual Shareholders' Meeting of HUGO BOSS AG, which was held virtually on May 24, 2022. In addition, the Supervisory Board approved the resignation of Ingo Wilts and the corresponding separation agreement. Yves Müller was reappointed as a member of the Managing Board for the period until December 31, 2025 and his service agreement was renewed accordingly. Other topics included the discussion and resolution on the target achievement and target setting for the variable compensation of the members of the Managing Board, an update on the branding refresh for BOSS and HUGO, as well as the proposal of an expansion of the Company's license businesses towards additional product categories.

In **May 2022**, based on the recommendation of the Personnel Committee, the separation agreement with Dr. Heiko Schäfer was approved and his resignation effective May 31, 2022 was accepted by way of a circular resolution.

At its **meeting in July 2022**, the Supervisory Board addressed the current business performance, the economic implications of the war in Ukraine, as well as plans for the further digitalization of the Company's business model and possible cooperation opportunities in this area. Furthermore, the Supervisory Board discussed and approved key audit matters for the fiscal year 2022 audit.

The main topics of the **meeting in September 2022** included the current business performance, the execution of the "CLAIM 5" strategy and its implications on collection development, business operations, sales, and marketing. The Supervisory Board also discussed the Company's cooperation with HeiQ AeoniQ, the Company's license business, the HUGO BOSS Digital Campus established in 2021, as well as the Company's approach towards the metaverse.

At the **meeting in December 2022**, the budget for fiscal year 2023 was debated and passed. Furthermore, the strong progress made in executing "CLAIM 5" in 2022 was discussed in detail. In addition, key audit matters for fiscal year 2023 were examined in detail and resolved. After due and careful consideration of all options, the Supervisory Board also decided that the Annual Shareholders' Meeting would once again be held as a virtual event in fiscal year 2023. Moreover, the findings of the Supervisory Board efficiency review, collected based on a questionnaire and analyzed as well as presented by an external provider, were discussed in detail. The declaration of compliance with the German Corporate Governance Code (GCGC) was discussed and resolved. In its **second meeting in December**, held as an extraordinary meeting, the Supervisory Board discussed and approved the extension of the cooperation between HUGO BOSS and its license partner, Coty.

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. The meetings of the Supervisory Board also involved regular, detailed reports on the contents of the previous committee meetings. In addition, in 2022, the Supervisory Board primarily focused on topics such as the execution of the "CLAIM 5" strategy, the Company's capital structure, cost planning, compliance issues, and the requirements of the GCGC.

## Work of the Committees in fiscal year 2022

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. At regular intervals, the respective committee chairs report to the Supervisory Board in detail about the work of the committees.

In total, the **Audit Committee** met four times in fiscal year 2022. 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, IT security matters, 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 2022 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** held five meetings in fiscal year 2022. It focused on filling strategically important management positions, the allocation of responsibilities for the various business divisions, the target achievement for the prior fiscal year, and preparing the target agreements for the Managing Board.

The **Working Committee** met five times in fiscal year 2022 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 Company's license business, the HUGO BOSS Digital Campus, the further optimization of the Company's global showroom network, and the approval of important logistic projects.

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. Most recently in February 2023, 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 2022. 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 2022. 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 2022

Deloitte Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the consolidated financial statements of HUGO BOSS AG for fiscal year 2022, 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 (1) HGB, and issued an **unqualified audit opinion**. This was also the case for the annual financial statements of HUGO BOSS AG for 2022 prepared in accordance with the provisions of the German Commercial Code (HGB) as well as the combined management report for 2022 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 24, 2022. 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 2022 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, posing a risk of material misstatement in the consolidated financial statements, were identified. 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 7, 2023, the Supervisory Board approved the **financial statements for fiscal year 2022** prepared by the Managing Board. The financial statements of HUGO BOSS AG for fiscal year 2022 were therefore ratified in accordance with Sec. 172 AktG.

For fiscal year 2022, 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 2022. The Supervisory Board commissioned Deloitte 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 2022 and the independent auditor's limited assurance report. The statement and the audit certificate of Deloitte were discussed by the full Supervisory Board on March 7, 2023. Deloitte 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 Deloitte Wirtschaftsprüfungsgesellschaft, Stuttgart, was noted with approval.

The **compensation report** for fiscal year 2022 was jointly prepared by the Managing Board and Supervisory Board in accordance with the provisions of Sec. 162 (1) and (2) AktG. The Supervisory Board approved the compensation report at its meeting on March 7, 2023. The auditor has separately audited the compensation report. In addition to the formal audit required by law in accordance with Sec. 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 of HUGO BOSS for their high level of personal commitment and dedication. Their tireless efforts and great passion laid the foundation for the strong financial and operational performance in fiscal year 2022 and the important initial progress achieved in successfully executing "CLAIM 5." I also want to thank the employee representatives of HUGO BOSS AG for their very constructive collaboration at any point in time.

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

Metzingen, March 7, 2023

The Supervisory Board



**Hermann Waldemer**

Chairman of the Supervisory Board