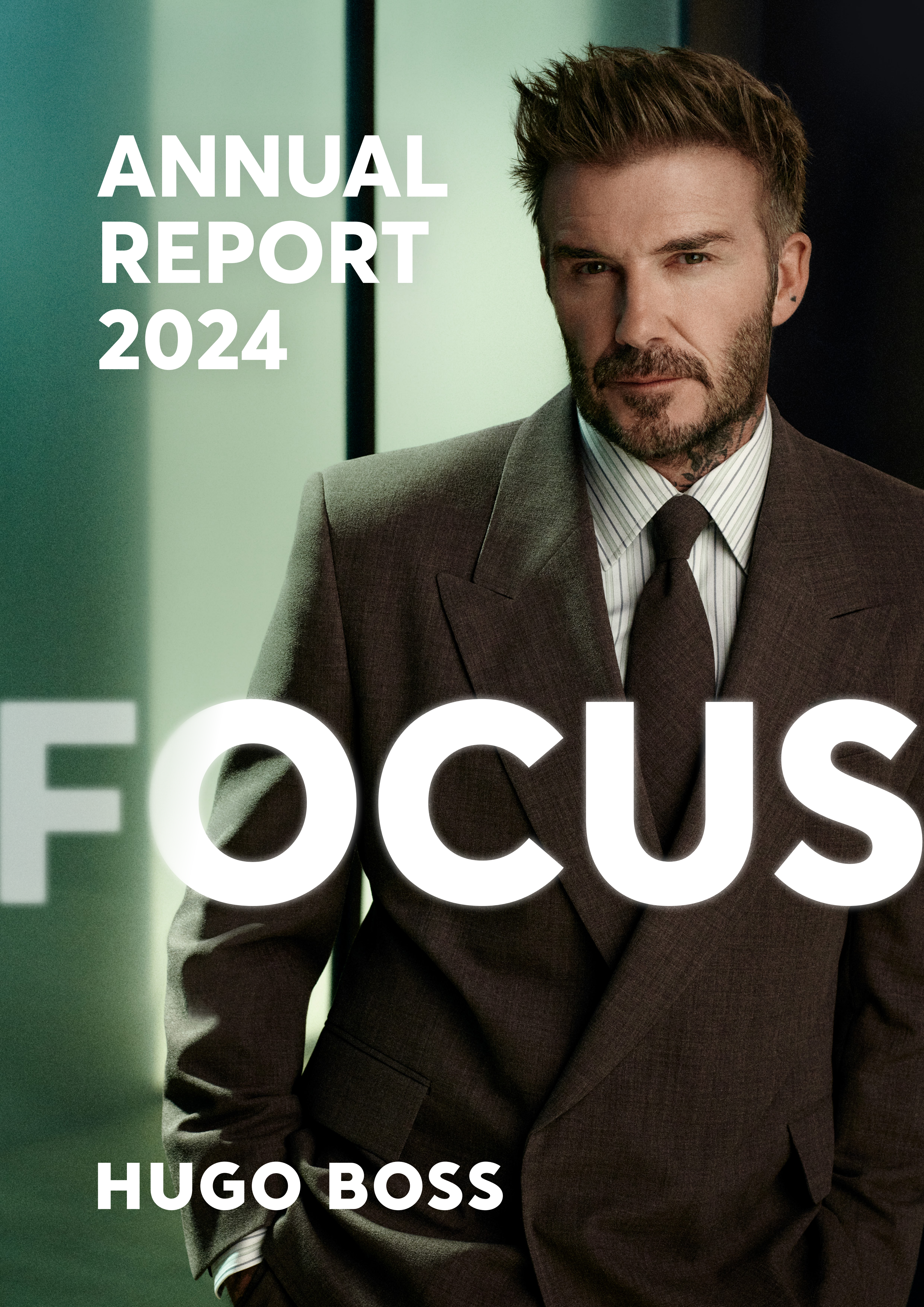
ANNUAL REPORT 2024



FOCUS

HUGO BOSS

FOCUS

WE ARE FOCUSED

> on prioritizing game-changing initiatives, capturing growth opportunities.

> on realizing efficiency gains, leveraging our strong business platform.

> on driving sustainable, profitable growth, securing the long-term success of HUGO BOSS.


#BEYOUROWNBOSS

YOURW
URWAY #HUGO
#HUGOYOURWAY


VISION
BECOME THE LEADING
PREMIUM TECH-DRIVEN
FASHION PLATFORM
WORLDWIDE
MISSION
WE LOVE FASHION
WE CHANGE FASHION

FISCAL YEAR 2024

AT A GLANCE

4.3
EUR BILLION
GROUP SALES

361
EUR MILLION
EBIT

497
EUR MILLION
FREE CASH FLOW

1.40
EUR PER SHARE
DIVIDEND PROPOSAL

KEY FIGURES COMPARISON

2024 HIGHLIGHTS

→ MORE HIGHLIGHTS

CEO DANIEL GRIEDER REFLECTS ON FISCAL YEAR 2024

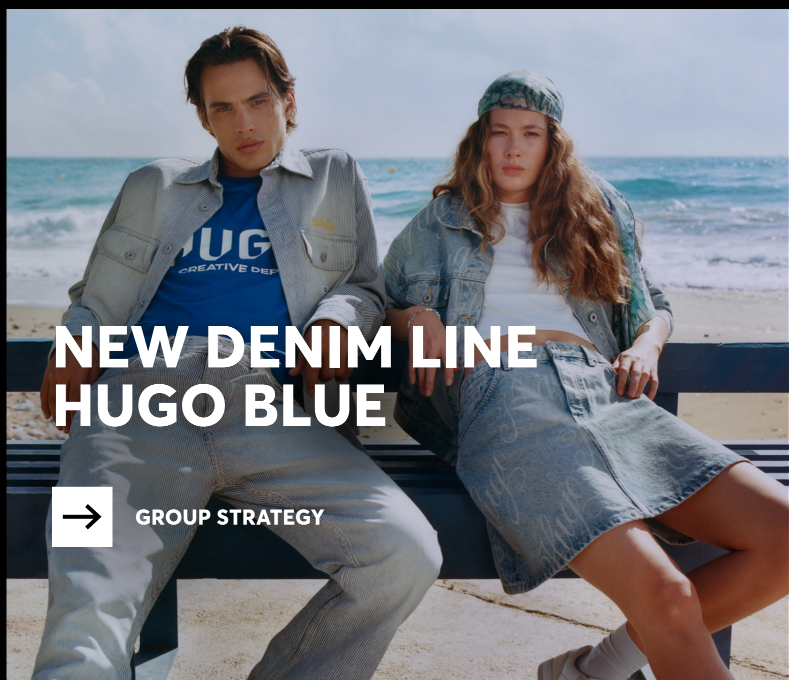
→ WATCH VIDEO

STRATEGIC PARTNERSHIP WITH DAVID BECKHAM

→ GROUP STRATEGY

INNOVATIVE CUSTOMER LOYALTY PROGRAM

→ CONSUMER TOUCHPOINTS



NEW DENIM LINE HUGO BLUE

→ GROUP STRATEGY

STORIES

01
FOCUS ON BRAND HEAT

EXPLORE ONLINE

02
FOCUS ON CUSTOMER LOYALTY

EXPLORE ONLINE

03
FOCUS ON SUSTAINABILITY

EXPLORE ONLINE

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LEARN MORE

OUR DIGITAL ANNUAL REPORT

Our annual report is also available online offering many interactive features.
annualreport-2024.hugoboss.com

Due to rounding, numbers presented in this Annual Report may not add up precisely to the totals provided.

CHAPTER 1 TO OUR SHAREHOLDERS

LETTER TO SHAREHOLDERS

Daniel Grieder, Chief Executive Officer

Dear Shareholders, Dear Readers,

Since the beginning of our "CLAIM 5" journey in 2021, HUGO BOSS has achieved significant milestones along its strategic priorities. By investing in our brands, products, and consumer touchpoints, we have fueled the momentum for BOSS and HUGO and achieved above-trend growth. In fiscal 2024, we continued our growth trajectory and increased Group sales by 3% to a new record level of EUR 4.3 billion – despite the challenging market environment and a sharp industry slowdown. Against this backdrop, it was more important than ever to foster customer centricity and focus on the most impactful initiatives: create unique brand experiences, deliver exceptional products, and deepen customer engagement. In doing so, we not only navigated the external headwinds but also further strengthened brand relevance.

A particular highlight in enhancing the brand experience was the addition of soccer legend David Beckham to our BOSS brand – not only as a key face of our brand campaigns but also for a multiyear design partnership. At the same time, our various marketing activations, including our successful BOSS Fashion Show in Milan and the HUGO X Formula 1 event in Miami, drove excitement globally and expanded our social media reach. Throughout the year, we remained steadfast in our commitment to creating exceptional product offerings combined with unique customer experiences. Thanks to our new loyalty program HUGO BOSS XP, we were able to deepen customer relationships and strengthen loyalty while also attracting additional fans. Since its launch, our member base has grown by a remarkable 25%, surpassing ten million registered BOSS and HUGO customers for the first time.

«WE FURTHER STRENGTHENED THE RELEVANCE OF BOSS AND HUGO AND SUCCESSFULLY CONTINUED OUR GROWTH TRAJECTORY.»

Besides focusing on game-changing initiatives, in 2024 we took decisive action to improve overall cost efficiency. In particular, we further enhanced our digital capabilities and capitalized on the use of artificial intelligence – the driving forces behind our vision of becoming the leading premium tech-driven fashion platform worldwide. We also leveraged our robust organizational and operational platform, as we continued to streamline our sourcing activities and unlocked productivity gains across key business functions. These actions enabled us to notably limit expense growth over the course of the year. As a result, with operating profit (EBIT) reaching EUR 361 million, we successfully met our 2024 full-year targets, as adjusted in July.

As we enter the final year of our "CLAIM 5" journey, our commitment to driving profitability improvements is stronger than ever. At the same time, we remain committed to leverage the strength of our brands and pursue important growth opportunities. However, as macroeconomic volatility remains high and continues to weigh on consumer sentiment, we remain vigilant, closely monitoring market developments. Against this backdrop, we therefore expect Group sales in 2025 to range between EUR 4.2 billion and EUR 4.4 billion, while EBIT is anticipated to increase to a level of EUR 380 million to EUR 440 million. With a relentless focus on maintaining cost discipline and driving additional efficiencies, we are committed to generating robust bottom-line improvements. At the same time, we will continue to invest in key strategic areas to position HUGO BOSS for long-term success – ensuring that we stay ahead in an ever-evolving industry.

Our approach in 2024 to prioritize game-changing initiatives is also reflected in the motto of this year's Annual Report: "Focus." In line with this principle, our report provides meaningful insights into our strategic, operational, and financial progress. For the first time, it also integrates all relevant information on environmental, social, and governance (ESG) topics, as sustainability is deeply rooted across our organization, shaping the way we operate and how we make decisions.

«WE ARE FULLY COMMITTED TO DRIVING ROBUST PROFITABILITY IMPROVEMENTS IN 2025.»

Our strong commitment to creating long-term shareholder value remains equally unwavering. I would therefore like to thank you, dear shareholders, for your trust and continued support and I look forward to continuing this journey with you in the years ahead. At HUGO BOSS, we firmly believe in the immense potential of our brands, and we want to ensure that you participate in our Company's long-term success. Confident in the strength of our business model and our ability to generate strong cash flows also in the future, we are proposing an increased dividend of EUR 1.40 per share for fiscal year 2024.

At the heart of everything we do is our incredible team worldwide. Their relentless energy fuels our successes, and I am grateful for being surrounded by such talented and passionate people. I have no doubt that, together as one team, we will continue to shape an even stronger future for HUGO BOSS.

Sincerely yours,

Daniel Grieder
Chief Executive Officer

MANAGING BOARD

Yves Müller
CFO/COO

Daniel Grieder
CEO

Oliver Timm
CSO

CHIEF EXECUTIVE OFFICER (CEO)

DANIEL GRIEDER

Daniel Grieder was born in Washington, D.C. (USA) in 1961. While studying at the University of Applied Sciences in Business Administration in Zurich (HWZ Hochschule für Wirtschaft) he founded Max Trade Service AG in 1985 (later renamed Madison Clothing Ltd.), which distributed internationally renowned brands in Switzerland, Austria, and Eastern Europe. From 1997, Daniel Grieder was largely responsible for the successful establishment of Tommy Hilfiger in Europe, taking over the position of Chief Executive Officer Tommy Hilfiger Europe in 2008. After the integration of the Tommy Hilfiger brand into Phillips-Van Heusen (PVH) Corporation, Daniel Grieder became Chief Executive Officer of Tommy Hilfiger Global and PVH Europe in 2014. Since June 2021, Daniel Grieder is Chief Executive Officer of HUGO BOSS and thus member of the Managing Board.

Daniel Grieder is Chief Executive Officer (CEO) and responsible for Business Unit BOSS Menswear, Business Unit BOSS Womenswear, Business Unit HUGO, Business Unit Footwear, Accessories, Bodywear & Hosiery (incl. Global Licenses), Corporate Communications & Public Affairs, Creative Direction, Global Marketing & Brand Communications, Group Strategy & Corporate Development (incl. Global Corporate Responsibility), and Human Resources.

CHIEF SALES OFFICER (CSO),
DEPUTY CHIEF EXECUTIVE OFFICER

OLIVER TIMM

Oliver Timm was born in 1971 in Mainz (Germany). After studying Economics at Gerhard Mercator University in Duisburg, he began his professional career at Tommy Hilfiger in 1998, where he held various positions. Amongst others, he was substantially involved in launching the American brand on the European market. In 2005, he was appointed Managing Director of Tommy Hilfiger Germany. Following the integration of the Tommy Hilfiger brand into Phillips-Van Heusen (PVH), Oliver Timm was appointed President of PVH Europe and later Chief Commercial Officer PVH Europe. In January 2021, Oliver Timm joined the HUGO BOSS Managing Board, taking over the role of Chief Sales Officer (CSO). In 2024, he was also appointed Deputy Chief Executive Officer alongside his existing role.

Oliver Timm is responsible for Customer Relationship Management (CRM), Data & Analytics, Global E-Commerce & Metaverse, Global Merchandise Management, Global Retail Management, Global Retail & Wholesale, Global Sales Development, and Global Travel Retail.

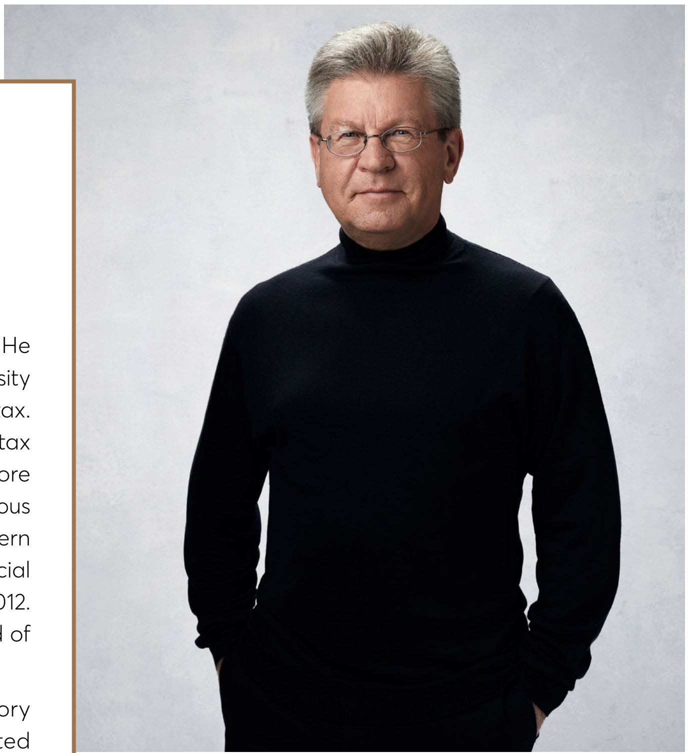
CHIEF FINANCIAL OFFICER (CFO),
CHIEF OPERATING OFFICER (COO),
DIRECTOR OF LABOR RELATIONS

YVES MÜLLER

Yves Müller was born in Lüneburg (Germany) in 1969. He studied Business Administration at the European Business School in Oestrich-Winkel, Dijon, and San Diego. In 1994, he started his professional career at the auditing and tax consulting company Arthur Andersen & Co. in Hamburg. During this time, Yves Müller qualified as tax consultant and auditor. In 1999, he joined Tchibo GmbH where he was appointed Chief Financial Officer in 2006. In December 2017, he became a member of the HUGO BOSS Managing Board, taking over the role of Chief Financial Officer (CFO). Since June 2022, Yves Müller additionally assumes responsibility as Chief Operating Officer (COO).

Yves Müller is responsible for Business Planning & Analysis, Construction & Procurement, Global Logistics, Global Sourcing & Production, Group Finance & Tax, Internal Audit, Investor Relations, IT (incl. Information Security), Legal, Compliance & Data Protection, Operations Excellence Projects, and Technical Product Development.

REPORT OF THE SUPERVISORY BOARD



CHAIRMAN OF THE SUPERVISORY BOARD

HERMANN WALDEMER

Hermann Waldemer was born in 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,

Over the past three years, HUGO BOSS has achieved substantial progress in executing its "CLAIM 5" strategy, driving brand momentum and achieving record sales. Despite softening consumer sentiment weighing on industry growth in 2024, the Company posted a solid sales increase of 3% to EUR 4.3 billion, reflecting the ongoing successful execution of key brand, product, and sales initiatives. At the same time, HUGO BOSS placed a strong focus on safeguarding profitability over the course of the year, balancing cost-efficiency measures with strategic investments. In fiscal year 2024, the **Supervisory Board continued to perform its duties with 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.

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 regard to the Company's "CLAIM 5" strategy, intense exchange took place between the Managing Board and the 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 2024, a total of five **Supervisory Board** meetings were held, one each in March, July, September, November, and December, with the meeting in September lasting two days. The meeting in November was an extraordinary meeting. All members participated in all of these meetings.

In 2024, the **Audit Committee** met four times in total. All members participated in all of the meetings. The **Working Committee** met twice with all members attending both meetings. All committee members participated in the four meetings of the **Personnel Committee**. The **Nomination Committee** met four times with all members participating in all of the meetings. The **Mediation Committee** did not meet during fiscal year 2024.

The Supervisory Board, the Audit Committee, and the Personnel Committee each held two meetings in a **hybrid format**, allowing members of the Supervisory Board to participate either in person or virtually via videoconference. Additionally, the Supervisory Board meeting in November was conducted entirely **virtually**.

PARTICIPATION IN MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES[1]

Member	Supervisory Board (5)	Audit Committee (4)	Working Committee (2)	Personnel Committee (4)	Nomination Committee (4)
Hermann Waldemer, Chairman	5/5	4/4	2/2	4/4	4/4
Sinan Piskin, Deputy Chairman	5/5	4/4	2/2	4/4	–
Iris Epple-Righi	5/5	–	2/2	–	–
Andreas Flach	5/5	4/4	–	–	–
Katharina Herzog	5/5	–	2/2	–	–
Daniela Liburdi	5/5	–	–	4/4	–
Gaetano Marzotto	5/5	4/4	–	–	4/4
Luca Marzotto	5/5	–	2/2	4/4	–
Tanja Silvana Nitschke	5/5	–	2/2	–	–
Christina Rosenberg	5/5	–	–	4/4	–
Bernd Simbeck	5/5	4/4		4/4	–
Robin J. Stalker	5/5	4/4	–	–	–

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

The **meeting of the Supervisory Board in March 2024** focused on the annual financial statements of HUGO BOSS AG and the HUGO BOSS Group as of December 31, 2023, 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, 2023, were approved and ratified. Furthermore, the Supervisory Board's report to the Annual General Meeting and the compensation report for fiscal year 2023 were discussed and adopted. The resolution proposals were adopted later at the Annual General Meeting of HUGO BOSS AG, which was held virtually on May 14, 2024. In addition, Daniel Grieder was reappointed as Chairman of the Managing Board and Chief Executive Officer (CEO) until December 31, 2028, while Yves Müller was reappointed as member of the Managing Board until December 31, 2027, with their service agreements renewed accordingly. In this context, Oliver Timm was appointed Deputy CEO in addition to his current role as Chief Sales Officer (CSO). As part of the meeting, the Supervisory Board also approved the strategic partnership with David Beckham as the future brand ambassador for BOSS. 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 and an update on the competency profile of the Supervisory Board.

At its **meeting in July 2024**, the Supervisory Board reviewed the Company's current business performance, the extension of its collaboration with licensing partner Movado, and an amendment to the contractual framework of the HUGO BOSS Digital Campus. Furthermore, the Supervisory Board discussed and approved key audit matters for the audit of the fiscal year 2024.

The main topics of the **meeting in September 2024** included the Company's current business performance, the execution of the "CLAIM 5" strategy and its implications on collection development, business operations, distribution, and marketing. The Supervisory Board also discussed and approved updates to the compensation system for the Managing Board, which will take effect following the next Annual General Meeting on May 15, 2025, assuming that shareholders approve the proposal.

At its **meeting in November 2024**, the Supervisory Board addressed media reports published at that time, carefully examining the allegations against Daniel Grieder. The topic was revisited at the **meeting in December 2024**, where the Supervisory Board, after reviewing all available information and following a thorough external legal analysis, concluded that the suspicions expressed in the press regarding a potential violation of insider trading regulations were unfounded. As a result, the Supervisory Board expressed its continued confidence in Daniel Grieder as Chairman of the Managing Board and CEO. Furthermore, in the December meeting, the budget for fiscal year 2025 was discussed and passed, along with a detailed review of the ongoing progress in executing the Company's "CLAIM 5" strategy. In addition, the Supervisory Board also discussed potential candidates for Supervisory Board positions, which are set to be newly filled in May 2025. These candidates were invited to introduce themselves. Finally, 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, while also the declaration of compliance with the German Corporate Governance Code (GCGC) was analyzed and resolved.

Current business performance, liquidity management, and the 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 2024, the Supervisory Board primarily focused on topics such as the further execution of the "CLAIM 5" strategy, improvements in driving efficiencies, the Company's capital structure, compliance issues, and the requirements of GCGC.

Work of the Committees in fiscal year 2024

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 as far 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 2024. 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. The Audit Committee also addressed the requirements of the Corporate Sustainability Reporting Directive (CSRD) for non-financial reporting. In addition, the Audit Committee requested the declaration of independence from the external auditor and convinced itself of the auditor's independence. Besides defining the key audit matters of the annual and consolidated financial statements for 2024 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 four meetings in fiscal year 2024. It focused on succession planning, filling strategically important management positions, the compensation system for the Managing Board, the target achievement for fiscal year 2023, and preparing the target agreements for the Managing Board. In addition, the Personnel Committee discussed the reappointment of the Managing Board members as well as the corresponding amendments to their contracts.

The **Working Committee** met two times in fiscal year 2024 and dealt with the Company's current business performance and the strategic alignment of the Group. In addition, the Working Committee also discussed lease extensions for certain retail stores, the progress with regard to the Digital TWIN project, the Company's sport-sponsoring activities, as well as the strategic partnership with David Beckham. It furthermore approved the financing of a real estate project and a local financing agreement for a Company's subsidiary in China.

The **Nomination Committee** met four times in the past fiscal year to prepare for the upcoming election of the new Supervisory Board scheduled for 2025.

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

Corporate governance

The Supervisory Board also dealt with the **principles of good corporate governance** within the Company. In its December 2024 meeting, it reaffirmed in discussions with the Managing Board that strict adherence to these principles is essential at all times. During this meeting, both boards also adopted the latest declaration of compliance with GCGC. The corporate governance statement, including the declaration of compliance, is available in the section "Corporate Governance and Corporate Governance Statement" and on our Group website at **cgs.hugoboss.com**.

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 2024. Overall, the Supervisory Board drew a favorable conclusion. No individual training measures were conducted for members of the Supervisory Board during the fiscal year.

Conflicts of interest

No conflicts of interest relating to Managing Board or Supervisory Board members arose in fiscal year 2024. In accordance with GCGC, these would need to be disclosed immediately to the Supervisory Board, as well as to the Annual General Meeting.

Audit of annual and consolidated financial statements for 2024

Deloitte Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the consolidated financial statements of HUGO BOSS AG for fiscal year 2024, 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 2024 prepared in accordance with the provisions of the German Commercial Code (HGB) as well as the combined management report for 2024 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 General Meeting held on May 14, 2024. 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 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 2024 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 internal control system and risk management system as a whole 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 on March 12, 2025, the Supervisory Board approved the **financial statements for fiscal year 2024** prepared by the Managing Board. The financial statements of HUGO BOSS AG for fiscal year 2024 were therefore ratified in accordance with Sec. 172 AktG.

For fiscal year 2024, 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 2024. 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 2024 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 12, 2025. 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 2024 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 12, 2025. The auditor has audited the compensation report separately as part of the formal audit required by law in accordance with Sec. 162 (1) and (2) AktG.

Thank You

On behalf of the Supervisory Board, I would like to thank all members of the Managing Board and all employees of HUGO BOSS for their high level of personal commitment and dedication. 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 trust in our Company.

Metzingen, March 12, 2025

The Supervisory Board

Hermann Waldemer
Chairman of the Supervisory Board

SUPERVISORY BOARD


HERMANN WALDEMER
Chairman


SINAN PISKIN
Deputy Chairman


IRIS EPPLE-RIGHI


ANDREAS FLACH


KATHARINA HERZOG


DANIELA LIBURDI


GAETANO MARZOTTO


LUCA MARZOTTO


TANJA SILVANA NITSCHKE


CHRISTINA ROSENBERG


BERND SIMBECK


ROBIN J. STALKER

SUPERVISORY BOARD

Shareholder representatives

Hermann Waldemer
(Blitzingen, Switzerland)
Management Consultant,
Chairman of the Supervisory Board,
Member since 2015

Iris Epple-Righi
(Munich, Germany)
Management Consultant,
Member since 2020

Gaetano Marzotto
(Milan, Italy)
Chairman of the Supervisory Board
Gruppo Santa Margherita S.p.A.,
Fossalta di Portogruaro, Italy,
Member since 2010

Luca Marzotto
(Venice, Italy)
Chief Executive Officer
Zignago Holding S.p.A.,
Fossalta di Portogruaro, Italy,
Member since 2010

Christina Rosenberg
(Munich, Germany)
Management Consultant
innotail, Munich, Germany,
Member since 2020

Robin J. Stalker
(Oberreichenbach, Germany)
Chartered Accountant,
Member since 2020

Employee representatives

Sinan Piskin
(Metzingen, Germany)
Administrative Employee/Chairman of
the Works Council HUGO BOSS AG,
Metzingen, Germany,
Deputy Chairman of the Supervisory Board,
Member since 2008

Andreas Flach
(Weil der Stadt, Germany)
Trade Union Secretary of the
German Metalworkers' Union
IG Metall Frankfurt, Germany,
Member since 2023

Katharina Herzog
(Reutlingen, Germany)
Senior Vice President
Group Finance & Tax HUGO BOSS AG,
Metzingen, Germany,
Member since 2020

Daniela Liburdi
(Sindelfingen, Germany)
Administrative Employee/
Deputy Chairwoman of the Works Council
HUGO BOSS AG,
Metzingen, Germany,
Member since 2023

Tanja Silvana Nitschke
(Inzigkofen, Germany)
Coordinator of the "Tarifpolitische Bildungs-offensive" of IG Metall Baden-Württemberg,
Reutlingen, Germany,
Member since 2015

Bernd Simbeck
(Metzingen, Germany)
Administrative Employee HUGO BOSS AG,
Metzingen, Germany,
Member since 2021
(previously already from 2010 until 2015)

Supervisory Board Committees

WORKING COMMITTEE

- **Hermann Waldemer (Chairman)**
- Iris Epple-Righi
- Katharina Herzog
- Luca Marzotto
- Tanja Silvana Nitschke
- Sinan Piskin

NOMINATION COMMITTEE

- **Hermann Waldemer (Chairman)**
- Gaetano Marzotto

PERSONNEL COMMITTEE

- **Hermann Waldemer (Chairman)**
- Daniela Liburdi
- Luca Marzotto
- Sinan Piskin
- Christina Rosenberg
- Bernd Simbeck

AUDIT COMMITTEE

- **Robin J. Stalker (Chairman)**
- Andreas Flach
- Gaetano Marzotto
- Sinan Piskin
- Bernd Simbeck
- Hermann Waldemer

MEDIATION COMMITTEE
(in accordance with Sec. 27 (3) Mitbestimmungsgesetz [Co-Determination Act])

- **Hermann Waldemer (Chairman)**
- Daniela Liburdi
- Gaetano Marzotto
- Sinan Piskin

OUR SHARE

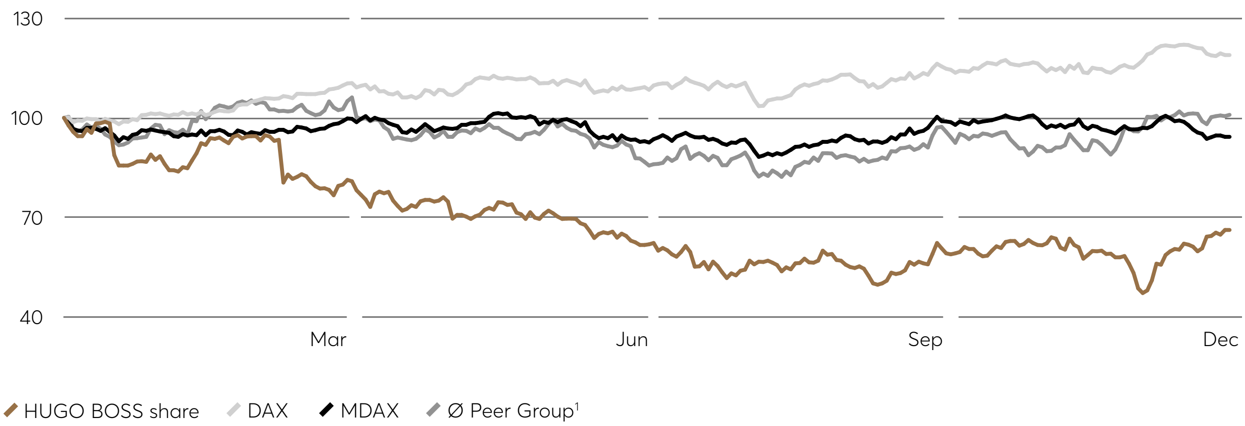
Global equity markets with strong gains in 2024, led by U.S. stock markets

HUGO BOSS shares suffer from industry-wide slowdown in 2024

Dividend proposal of EUR 1.40 per share reflects confidence in long-term free-cash-flow generation

For global equity markets, 2024 was another year marked by **elevated macroeconomic and geopolitical uncertainties**, alongside significant diverging trends across regions and sectors. While large caps outperformed mid and small caps and U.S. equities outpaced European stocks, the consumer discretionary sector lagged behind broader markets. This mainly reflects the subdued consumer sentiment in most regions, which affected the operational and financial performance of many companies. Against this backdrop, and following a strong performance between 2021 and 2023, **HUGO BOSS shares faced a setback in 2024, closing the year at EUR 44.78** (2023: EUR 67.46), down 34%.

SHARE PRICE PERFORMANCE 2024 (INDEX: DECEMBER 31, 2023 = 100)



[1] Burberry Group plc, Capri Holdings Ltd., G-III Apparel Group, Guess Inc., Levi Strauss & Co., Moncler Group, PVH Corp., Ralph Lauren Corp., SMCP Group, Tapestry Inc., VF Corp.

Overall, 2024 marked a **robust year for global equity markets**, with artificial intelligence (AI), monetary policies by central banks, and geopolitical developments shaping the overall performance. The MSCI World gained 17%, largely driven by U.S. equities, with the S&P 500 posting its second consecutive year of returns exceeding 20%. This development was fueled by U.S. tech giants benefiting from the ongoing AI hype, enabling **US indices to significantly outperform the rest of the world**. In the first half of 2024, investors focused on macroeconomic developments, particularly broad-based disinflation. As inflation moved closer towards the 2% target, central banks began normalizing their policies, with the European Central Bank (ECB) cutting rates in June 2024 for the first time since 2016, followed shortly by the Federal Reserve (Fed). However, as inflation proved more persistent than expected, investors tempered expectations for further rate cuts, particularly in the U.S. Despite this, the U.S. economic exceptionalism remained largely intact.

In contrast, **European economic momentum weakened** throughout the year. Limited AI exposure further prevented European equities from keeping pace with U.S. counterparts. The divergence widened in the second half of 2024, as investor focus shifted towards geopolitics. **Political turmoil intensified in France and Germany**, where fiscal pressures and rising populist parties fractured the political landscape. Following unexpected snap elections, attention turned to the **U.S. elections**, with the outcome further supporting U.S. assets, while risk-off sentiment continued to dominate in Europe. In particular, pro-business policies as well as the threat of protectionist measures further fueled the outperformance of U.S. equities over European and Asian markets. **Chinese economic activity remained subdued** throughout 2024, reflecting the ongoing real estate crisis and weak consumer confidence. However, more cohesive policy announcements fueled hopes that 2025 could bring the stimulus needed to support the Chinese economy.

HUGO BOSS SHARE IN COMPARISON TO MAJOR INDICES (CHANGE IN %)

	1 year	3 years	5 years	10 years
HUGO BOSS share	(34)	(16)	4	(56)
DAX	19	25	50	103
MDAX	(6)	(27)	(10)	51
MSCI World Textiles, Apparel & Luxury Goods	(11)	(24)	11	83

Overall, and despite the high level of macroeconomic and geopolitical uncertainty, 2024 proved to be a risk-on year for global equities. Germany's major index, the **DAX**, gained 19% in 2024, while the **MDAX**, burdened by structural disadvantages for smaller companies, declined 6%. In light of weak global consumer sentiment, the **MSCI World Textiles, Apparel & Luxury Goods Index**, which reflects the share price performance of key companies in the apparel and luxury goods segment, ended the year down 11%.

THE HUGO BOSS SHARE

	2024	2023
Number of shares	**70,400,000**	**70,400,000**
Thereof outstanding shares	69,016,167	69,016,167
Thereof own shares	1,383,833	1,383,833
Share price in EUR[1]		
Last (December 31)	44.78	67.46
High	66.62	75.26
Low	32.07	54.46
Market capitalization in EUR million (December 31)	**3,153**	**4,749**
Earnings per share in EUR[2]	**3.09**	**3.74**
Price-earnings ratio[3]	**14.5**	**18.0**
Dividend per share in EUR[4]	**1.40**	**1.35**
Dividend yield in %[3,4]	**3.1**	**2.0**
Amount distributed in EUR million[4]	**97**	**93**
Payout ratio in %[2,4]	**45**	**36**

1 Xetra.
2 Based on net income attributable to shareholders.
3 Based on closing price (December 31).
4 2024: Proposed dividend.

The **challenging trading environment for consumer discretionary stocks**, particularly in the apparel sector also weighed on the share price development of HUGO BOSS. Following a strong performance between 2021 and 2023 – fueled by the **introduction and successful execution of our “CLAIM 5” strategy**, which propelled our share to a five-year high in mid-2023 – attention turned to mounting concerns about a normalization in sector growth. In particular, weakening consumer sentiment across most markets led to a faster-than-anticipated slowdown of the premium and luxury sector. As a result, investor sentiment towards the broader sector and trading activity turned increasingly bearish throughout the year. With external headwinds intensifying over the course of 2024, HUGO BOSS was not able to decouple from the broader sector slowdown. Persistently muted consumer confidence inevitably weighed on the Company’s operational and financial performance, with HUGO BOSS **adjusting its top- and bottom-line outlook** for fiscal year 2024 in mid-July. This downward revision, alongside several profit warnings across the sector, led to a reset of market expectations, negatively impacting our share price performance.

In response to the weak consumer sentiment, HUGO BOSS accelerated its focus on enhancing cost efficiency in the second half of the year, **successfully adapting to the challenging market environment**. Although this helped our share to stabilize in the second half of 2024, we were ultimately not able to make up the losses that occurred during the first half year as well as the divergence between U.S. and European equities, which was visible throughout fiscal year 2024. While our peer group, which mainly consists of U.S. competitors, ended the year slightly up on average, **HUGO BOSS shares closed at EUR 44.78**, down 34% and thus broadly in line with its European premium/luxury peers.

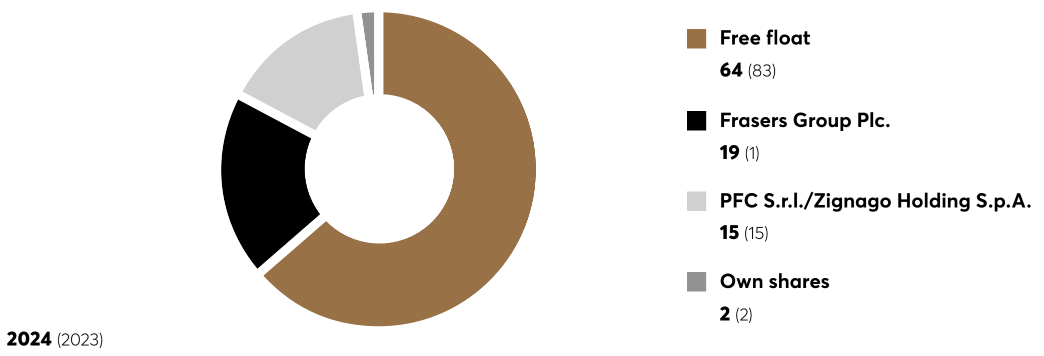
ISIN, WKN, AND TICKER SYMBOL HUGO BOSS SHARE

ISIN	DE000A1PHFF7
WKN	A1PHFF
Ticker symbol	BOSS

Stock exchanges: Xetra, Frankfurt/Main, Stuttgart, Düsseldorf, Hamburg, Munich, Hanover, Berlin/Bremen.

Consequently, the HUGO BOSS share, listed in the German MDAX, ranked 72nd in Deutsche Börse's free-float-adjusted **market capitalization ranking** at the end of 2024 (2023: 51st), based on the total number of companies in the DAX, MDAX, and SDAX. The **weighting** of the HUGO BOSS share in the MDAX decreased to a level of 1.5% at the end of 2024 (December 31, 2023: 2.7%) and on average, around 400,000 shares were traded on Xetra in 2024 per day (2023: around 270,000). The increase in trading volume mainly reflects the heightened volatility experienced by the broader sector, including HUGO BOSS shares, in 2024.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31 (IN % OF SHARE CAPITAL)



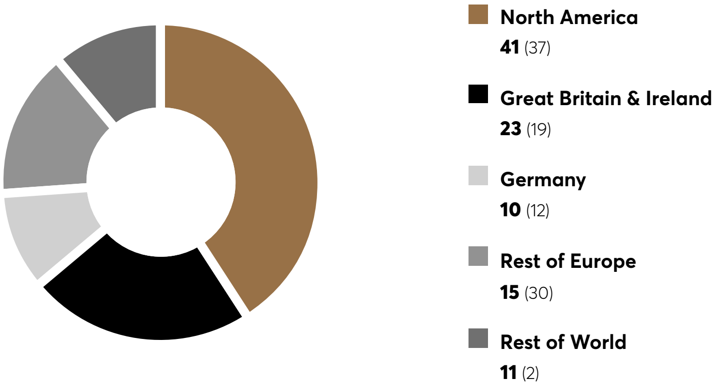
During 2024, **PFC S.r.l.** and **Zignago Holding S.p.A.**, each controlled by the Marzotto family, maintained their strategic investment in HUGO BOSS. As of December 31, 2024, their total position continued to total 15.45%, with 14.80% attributable to directly held shares, according to the most recent voting right notifications of February 13, 2020. Both companies have pooled their shares through a shareholder agreement. As of December 31, 2024, **Frasers Group plc** directly held 19.25% of the voting rights, according to the voting rights notification of December 23, 2024, while a further 8.95% being held through instruments. **HUGO BOSS** itself holds 1,383,833 own shares, which were purchased as part of a share buyback program between 2004 and 2007. This corresponds to a share of 1.97% or EUR 1,383,833 of the share capital. The remaining 64% of shares were held in **free float**. > Legal Disclosures

At the Annual General Meeting 2020, HUGO BOSS was granted a renewed **authorization to buy back shares** up to a proportion of 10% of the outstanding share capital on or before May 26, 2025. The Company did not make use of this authorization as of December 31, 2024. > Legal Disclosures

In fiscal year 2024, members of the Managing Board and the Supervisory Board acquired additional HUGO BOSS shares. Details of all **transactions conducted by the Managing Board and the Supervisory Board on their own account**, as reported to HUGO BOSS in accordance with Article 19 of regulation (EU) No. 596/2014 (Market Abuse Regulation), are available on the Company's website at **financialreleases.hugoboss.com**. By the end of fiscal year 2024, members of the Managing Board and the Supervisory Board continued to hold around 1.5% of the shares issued by HUGO BOSS. **> Notes to the Consolidated Financial Statements, Note 25**

The Company received **several voting rights notifications** from institutional investors in fiscal year 2024. The original wordings of these notifications are published on our corporate website at **financialreleases.hugoboss.com**.

INSTITUTIONAL INVESTORS (FREE FLOAT) BY REGION AS OF DECEMBER 31 (IN %)

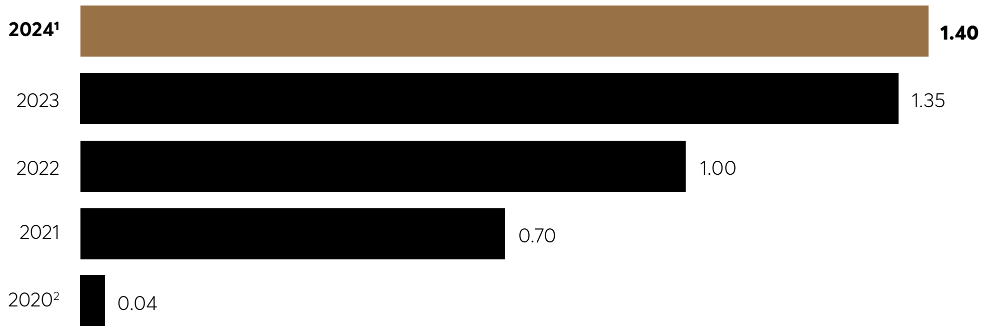


2024 (2023)

HUGO BOSS regularly conducts analyses of the shares held in free float, to address institutional investors in a targeted manner. Besides the **regional distribution of institutional investors**, the analysis also allows the **proportion of shares held by private shareholders** to be determined. With around 11% in 2024, the latter remained broadly consistent with the prior-year level (2023: 10%). Based on the share register, the Company estimates that the total number of its shareholders remained broadly stable at around 40,000 as of December 31, 2024 (2023: around 40,000).

HUGO BOSS maintains a close dialog with capital market participants and is continuously monitored by a large number of **financial analysts**, with 21 analysts regularly publishing research reports on HUGO BOSS in 2024 (2023: 22 analysts). As of December 31, 2024, 43% of our analysts recommended investors to **buy** our share (2023: 64%), 48% to **hold** our share (2023: 36%), and 10% to **sell** our share (2023: 0%), coupled with an average target price of EUR 47.07 (2023: EUR 79.36).

DIVIDEND PER SHARE (IN EUR)



1 Dividend proposal.
2 Due to the COVID-19 pandemic, HUGO BOSS had suspended its dividend payment for fiscal year 2020, except for the legal minimum dividend of EUR 0.04 per share.

Despite the decline in earnings in fiscal year 2024, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 15, 2025, a **dividend** of EUR 1.40 per share for fiscal year 2024, reflecting an increase of 4% compared to the prior-year level (2023: EUR 1.35). This decision underscores the Company's robust financial position as well as management's confidence in its long-term growth opportunities and its continued ability to generate a significantly positive free cash flow in the future. The proposal is equivalent to a **payout ratio** of 45% of the Group's net income attributable to shareholders in fiscal year 2024 (2023: 36%), in line with the Company's mid-term target payout ratio of between 30% and 50%, as laid out in "CLAIM 5." Assuming that shareholders approve the proposal, the dividend will be paid out on May 20, 2025, equaling EUR 97 million (2023: EUR 93 million). > Outlook

HUGO BOSS aims to inform capital market participants about its current business development as well as its operational and financial performance in a timely and transparent manner as part of comprehensive communication measures. With our **extensive Investor Relations activities**, we speak to institutional investors at national and international conferences as well as during numerous global roadshow activities. In addition, we regularly present HUGO BOSS to interested private shareholders at dedicated events. Our **Investor Relations website** group.hugoboss.com/investors is a key communication tool for providing detailed information, including press releases, voting rights notifications, financial reports, the financial calendar, and presentations of roadshows and conferences.

In 2024, the work of our Investor Relations team was awarded several times. In addition to the **"Deutscher Investor Relations Preis"** (second rank as "Best Investor Relations Professional MDAX" and "Best Investor Relations Department MDAX"), we also received the renowned **Investors' Darling Award** by Manager Magazin, Berenberg, and HHL Leipzig Graduate School of Management. Therein, HUGO BOSS took first place not only in the MDAX but also across all indices. Being honored as "Investors' Darling" emphasizes our strong commitment to creating comprehensive insightful reporting while ensuring consistent and trustworthy dialog with the capital market community. In addition, HUGO BOSS received the **ESG Transparency Award** for the second consecutive year, recognizing our transparent and comprehensive reporting on sustainability matters. > irawards.hugoboss.com

In line with our Company's **strong commitment to sustainability**, we also integrated ESG (environment, social, governance) considerations into our Investor Relations activities. With growing investor expectations around sustainability and evolving regulatory requirements, we aim to ensure transparent reporting and sustainable business practices. As a result, our strong focus on ESG matters is increasingly recognized in leading **ESG ratings and rankings**, reflecting the heightened importance of sustainability for the financial community.

KEY ESG RATINGS AND RANKINGS

	Elaboration	Score
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	With 87 points in the 2024 Corporate Sustainability Assessment (CSA), HUGO BOSS was included in the Dow Jones Best-in-Class World Index (former Dow Jones Sustainability World Index) for the 8th consecutive year, taking second place in the industry.	87
CDP	In 2024, HUGO BOSS was rewarded with a B by CDP for its overall climate action, scoring an A for the climate targets and Scope 1 & 2 emissions.	B
MSCI ESG RATINGS AA	HUGO BOSS achieved an AA score in the 2024 MSCI assessment, revealing over-industry average practices regarding product carbon footprint, raw material sourcing, and governance.	AA
ISS ESG	ISS ESG assessed the HUGO BOSS' overall ESG performance with B– (Prime), therefore exceeding the sector specific threshold.	B–
SUSTAINALYTICS	In 2024, HUGO BOSS was assessed with a score of 12.4. signifying that the Company is exposed to a low ESG risk and applies good management practices.	12.4
Bloomberg	HUGO BOSS was rewarded with a 6.4 (Leading) ESG score, accompanied by a high transparency disclosure.	6.4

In 2024, HUGO BOSS has been included in the renowned **Dow Jones Best-in-Class World Index** (formerly: Dow Jones Sustainability Index World, DJSI World) for the eighth consecutive time, reflecting our continuous efforts in sustainability and our commitment to transparency. In addition, we also achieved inclusion in the DJSI Europe for the fifth time in a row. In the associated **Corporate Sustainability Assessment (CSA)**, we once again secured a strong second place in the global textiles, apparel & luxury goods industry, excelling in areas such as Transparency & Reporting, Tax Strategy, Human Rights, Privacy Protection, Labor Practices, and Customer Relations, where we achieved "best in class" scores. At the same time, we further improved our **ISS ESG rating** from C+ to B–, positioning us among the leading companies within our industry.

CHAPTER 2 COMBINED MANAGEMENT REPORT

The chapters "Legal Disclosures" (pp. 224–228) and "Additional Disclosures on the Combined Non-financial Statement" (pp. 309–321) are also part of the Combined Management Report.

BUSINESS ACTIVITIES AND GROUP STRUCTURE

Leading global fashion and lifestyle company with premium positioning

Portfolio strategy with two unique brands – BOSS and HUGO

Strong global footprint with >8,000 points of sale and >70 digital markets

Business activities

HUGO BOSS AT A GLANCE

4.3 Sales (EUR billion)	**>18,500** Employees[1]	**129** Countries

1 Full-time equivalents (FTE).

HUGO BOSS, headquartered in Metzingen (Germany), is a leading **global fashion and lifestyle company** in the premium segment, offering high-quality women's and men's apparel, shoes, and accessories. The Company pursues a portfolio strategy, with the HUGO BOSS platform currently consisting of two globally renowned brands – **BOSS** and **HUGO**. Both brands are clearly distinguished by individual characteristics such as design and fit. At the same time, they share equally high standards in terms of quality, innovation, and sustainability, while ensuring that consumers are perfectly dressed for every occasion. Our **"CLAIM 5" strategy** is closely linked to our vision of being the leading premium tech-driven fashion platform worldwide. At the same time, we aim to strongly drive brand relevance and market share gains. In fiscal year 2024, HUGO BOSS generated sales of EUR 4.3 billion (2023: EUR 4.2 billion). > Group Strategy

PORTFOLIO STRATEGY OF HUGO BOSS

With **BOSS**, we appeal to consumers who lead a self-determined life, show a clear attitude, and pursue ambitions with determination, embodying the motto – **"Be your own BOSS."** As a 24/7 lifestyle brand, BOSS offers the perfect outfit for every occasion – from the office and formal events to leisure and sport. In this context, the brand operates four distinct brand lines. The largest, BOSS Black, focuses on modern tailoring and smart casualwear for men and women, while the exclusive BOSS Camel line, introduced in 2022 for menswear, emphasizes high-end tailoring heritage. Casualwear products are mostly covered under BOSS Orange, while BOSS Green focuses on athleisurewear designed for an active lifestyle. Further strengthening its casualwear offering – which BOSS has gradually expanded in recent years – remains a key focus area to attract new, younger customers. At the same time, BOSS is committed to continuing to dominate formalwear by driving innovation and offering a superior price-value proposition.

HUGO targets consumers who consider their way of dressing as an expression of their individual personality – clearly representing the motto **"HUGO your way."** The brand focuses on a broad range of both commercial and contemporary products, reflecting its authentic and unconventional style. In this context, HUGO introduced its new HUGO Blue brand line in early 2024, which puts a strong emphasis on seizing business opportunities in denimwear. > Group Strategy, "Product is Key"

In addition to a broad product offering within the **seasonal BOSS and HUGO collections**, inspiring capsule collections and collaborations with well-known brands and personalities increase the relevance of both brands. In doing so, we aim to appeal primarily to a younger audience, above all millennials with BOSS and Gen Z with HUGO. To fuel brand heat while driving customer engagement, we pursue two clearly distinguished **marketing strategies**, with a strong focus on social media. In this context, we put a particular emphasis on global star-studded campaigns as well as exciting brand events. > Group Strategy, "Boost Brands," "Product is Key"

Design and development of our brands' collections is mainly carried out at our headquarters in Metzingen (Germany), while our development centers in Coldrerio (Switzerland) and Morrovalle (Italy) are responsible for specific product groups. In addition, we have granted **licenses** for the development and distribution of products including fragrances, eyewear, watches, and children's fashion. To increase speed-to-market capabilities and shorten the product development process, the majority of our products are now developed digitally. > Product Development and Innovation

In fiscal year 2024, HUGO BOSS produced 20% of its total sourcing volume at its own facilities (2023: 17%). Our five **own production sites** are all located in Europe, with Izmir (Turkey) contributing the largest share of production. In 2024, 80% of our global sourcing volume was sourced from **external contract suppliers** or procured as **merchandise** (2023: 83%). Partner operations are mainly located in Asia and Europe. > Business Operations, > Combined Non-financial Statement, Workers in the Value Chain

We aim to offer our customers a **seamless brand experience across all consumer touchpoints**, spanning brick-and-mortar retail, brick-and-mortar wholesale, and digital channels. Overall, consumers can experience and purchase BOSS and HUGO products at more than 8,000 brick-and-mortar points of sale globally (2023: around 7,800). At the same time, customers from 74 markets can shop our products online via hugoboss.com (2023: 73 markets). > Group Strategy, "Drive Omnichannel," > Consumer Touchpoints

BOSS and HUGO products are distributed across 129 countries (2023: 131 countries), with our **distribution activities divided into three sales regions**. EMEA, covering Europe, the Middle East, and Africa, represents by far the largest region in terms of Group sales with a share of 61% in 2024 (2023: 61%). The Americas and Asia/Pacific account for 24% and 13% of sales (2023: 23% and 14%), respectively, while the remaining 3% are generated within our licensing business (2023: 2%). > Earnings Development, Sales and Earnings Development of the Business Segments

Digitalization represents a key enabler for implementing our Company's vision of being the leading premium tech-driven fashion platform worldwide. Fully aligned with our strategic claim "Lead in Digital," we continue to drive the **digitalization of our business activities** and leverage the power of artificial intelligence along the entire value chain. The **HUGO BOSS Digital Campus** is at the heart of our digital activities, focused on expanding our digital analytics capabilities, strengthening our global online activities, and driving meaningful insights and efficiencies along our value chain. With regards to the latter, we are pushing ahead with our important Digital TWIN initiative, a tech-driven business operations platform intended to further increase the flexibility and transparency of our supply chain. > Group Strategy, "Lead in Digital," "Organize for Growth," > Business Operations

At HUGO BOSS, we are committed to protecting our planet and ensuring a livable future for generations to come. We therefore attribute high importance to **sustainability**, which is essential to our corporate responsibility and business activities. Our sustainability strategy aims to make a vital contribution to a planet free of waste and pollution. It ensures that our products are produced with social and environmental responsibility while maintaining the high quality and durability of our collections. Our **ambitious sustainability targets** are integral to our business and are firmly anchored in our "CLAIM 5" strategy. In doing so, we put consumers and their sustainability expectations at the core of all our activities. > Group Strategy, "Sustainable Throughout," > Combined Non-financial Statement

We aim to work with the best talents in the sector. To maintain our positioning as **one of the most attractive employers** in the fashion industry, human resource (HR) management at HUGO BOSS is dedicated to attracting, retaining, and developing top talent. At the same time, we are convinced that the passion and dedication of our more than 18,500 employees worldwide play a crucial role in the successful execution of "CLAIM 5" (2023: around 19,000). A strong commitment to empowering people and teams is therefore firmly anchored in our strategy, guided by our five HUGO BOSS values **entrepreneurial spirit, personal ownership, team mentality, simplicity & quality, and youthful spirit**. > Combined Non-financial Statement, Own Workforce

Group structure

All key management functions are based at our headquarters in Metzingen. The Group is managed by its **parent company** HUGO BOSS AG, a German stock corporation operating under a dual management and control structure. Consequently, the Managing Board is responsible for managing the Group and successfully executing the Group strategy. The activities of the Managing Board are monitored by the Supervisory Board, which is also on hand to advise the Managing Board. In addition to HUGO BOSS AG, the Group consists of **60 consolidated subsidiaries** bearing responsibility for their respective local business activity. This includes 39 subsidiaries functioning as distribution companies and four subsidiaries dedicated to production. > Notes to the Consolidated Financial Statements, Basis of Consolidation

HUGO BOSS is **structured by region**, with our business segments being EMEA, the Americas, Asia/Pacific, and the license business.

HUGO BOSS GROUP STRUCTURE

	Managing Board			
Central departments	Brand Management/Business Units		Human Resources	
	Business Operations		Internal Audit	
	Business Planning & Analysis/Risk Management		Investor Relations	
	Construction & Procurement		IT	
	Corporate Communications		Legal/Compliance	
	Design/Creative Management		Logistics	
	Finance/Tax		Marketing	
	Group Strategy		Omnichannel	
Operating segments	**EMEA**	**Americas**	**Asia/Pacific**	**Licenses**
Hubs (Individual markets)	Northern Europe	Americas (United States/ Canada/ Latin America)	China	
	Central/Eastern Europe		Southeast Asia/ Pacific	
	Western Europe			
	Emerging Markets			

The functions established in the **central departments** of HUGO BOSS AG cover key parts of the value chain, particularly the design and creative management, product development, production, sourcing, and distribution of our collections to the respective markets. Our "CLAIM 5" strategy is designed and successfully executed on a market-level in order to ensure strong customer focus and respond dynamically to market-specific developments. The individual markets are grouped into **hubs**, with local management reporting directly to the Chief Sales Officer (CSO). In doing this, we ensure close alignment between individual markets and central functions as well as short decision-making processes. In addition, certain functions are pooled in the hubs and in the central departments across markets to make the most effective use of specialist skills and to generate cost benefits.

KEY LOCATIONS/GLOBAL MARKET PRESENCE

AMERICAS	EMEA (Europe incl. Middle East and Africa)	ASIA/PACIFIC
~2,050 Brick-and-mortar points of sale	~5,300 Brick-and-mortar points of sale	~650 Brick-and-mortar points of sale
139 Freestanding retail stores	199 Freestanding retail stores	162 Freestanding retail stores
15% Employees	72% Employees	13% Employees

Headquarters | Regional office | Digital Campus | Product development | Production | Distribution center

GROUP STRATEGY

Vision to be the leading premium tech-driven fashion platform worldwide

Driving brand relevance for BOSS and HUGO as a top priority

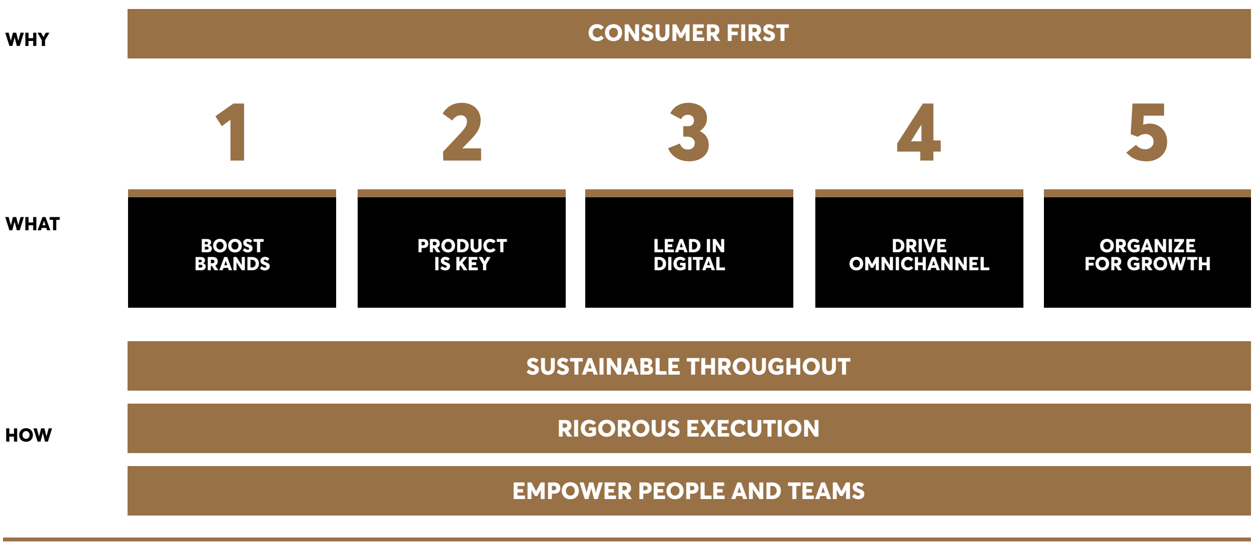
Superior growth following more than three years of successful execution of “CLAIM 5” strategy

At HUGO BOSS, we see considerable **business opportunities** in today’s rapidly changing world and are committed to fully exploiting these opportunities. With our two unique brands, BOSS and HUGO, offering a broad range of premium apparel, shoes, and accessories, we are well positioned to benefit in particular from a globally growing middle and upper class. To best meet the demands of these consumer groups, we strive to further **increase the relevance of both BOSS and HUGO**, based on appealing brand initiatives, products with superior price-value proposition, and a seamless customer experience across all touchpoints. In this context, we aim to fully exploit the great potential of digitalization and further strengthen operational efficiency and effectiveness, while consistently focusing on driving sustainability.

“CLAIM 5” growth strategy

Our **“CLAIM 5” growth strategy**, introduced in August 2021, aims to sustainably increase brand relevance, drive superior top-line growth, and thus increase market shares of BOSS and HUGO by 2025. Central to this strategy is our vision of being the **leading premium tech-driven fashion platform worldwide**, reflecting our commitment to digitalization, innovation, and customer-centricity. By putting consumers at the heart of everything we do, we aim to turn them into true fans of BOSS and HUGO, fostering their loyalty in the long term. “CLAIM 5” is built on **five strategic pillars**: “Boost Brands,” “Product is Key,” “Lead in Digital,” “Drive Omnichannel,” and “Organize for Growth.” It also includes a strong commitment to sustainability, a rigorous executional road map, and a firm commitment on empowering people and teams.

"CLAIM 5" STRATEGY



Following more than three years of successfully executing "CLAIM 5," HUGO BOSS has achieved significant **progress across all five strategic priorities**. In particular, momentum for both BOSS and HUGO has accelerated noticeably, translating into **record sales for three consecutive years** and market share gains globally. Consequently, in fiscal year 2024, HUGO BOSS generated revenues of EUR 4.3 billion. At the same time, over this period, we have built a **robust organizational and operational platform**, laying a strong foundation for sustainable and profitable growth. This platform enables us to further strengthen our operational execution, enhance effectiveness, and realize substantial efficiency gains across our business. Consequently, with "CLAIM 5" we have successfully paved the way towards achieving our financial ambition of EUR 5 billion in sales as well as an EBIT margin of at least 12%.

As we advance through the **final year of our "CLAIM 5" strategy**, we remain fully committed to making further progress along our five strategic claims and leveraging global growth opportunities. In this context, we will continue investing in key strategic initiatives to further strengthen our brands and elevate customers' connections with BOSS and HUGO. At the same time, we remain focused on further leveraging our strong operational platform and driving further cost efficiencies by rigorously managing operating expenses. This balanced approach is essential to drive robust profitability improvements in 2025 and beyond, and thus **ensure the long-term success** of HUGO BOSS. Further details on our **targets for fiscal year 2025** are presented in the Outlook section. > Outlook

CLAIM 1 – Boost Brands

To increase the relevance and perception of our brands, we pursue a **two-brand strategy**. In 2022, we comprehensively **renewed the brand images** of BOSS and HUGO as part of our branding refresh. With a bolder, younger, and more emotional appearance, momentum for BOSS and HUGO increased noticeably, leading to strong growth rates in recent years. Building on this regained brand strength, we will continue to deepen our connection with consumers as we focus on sustained engagement and customer loyalty.

To activate and engage with consumers across all touchpoints, we remain committed to investing in marketing and brand-building activities. Following a clear digital-first approach, our **marketing strategy** is centered around 360-degree brand campaigns, inspiring collaborations, unique brand events, and exciting storytelling around our products. Key highlights in 2024 included star-studded global campaigns for BOSS and HUGO as well as the launch of a multiyear strategic partnership between BOSS and global football icon David Beckham. At the same time, BOSS and HUGO hosted unique brand events – from BOSS taking center stage at Milan Fashion Week to HUGO capturing attention with its Formula 1 collaboration in Miami. Since the introduction of "CLAIM 5," we have been investing between 7% and 8% of Group sales annually in marketing (2024: 7.2%). Overall, our numerous marketing initiatives resulted in a strong **global buzz on social media and beyond**, including an increase of more than ten million followers across all platforms in recent years, while also supporting our top-line development.

CLAIM 2 – Product is Key

Our products are at the very heart of all our business activities. As part of "CLAIM 5," we successfully developed BOSS and HUGO into true **24/7 lifestyle brands**, ensuring that our customers are perfectly dressed for every occasion. To further increase the relevance of both our brands, we complement our main collections with **various capsule collections** and **high-impact collaborations**, such as our strategic partnership with David Beckham. At all times, we are committed to maintaining our **superior price-value proposition**. By ensuring premium quality and a high level of innovation and sustainability, we aim to further strengthen the positioning of BOSS and HUGO in the premium and affordable luxury segments of the global fashion market. > Product Development and Innovation

Fully in line with both brands' 24/7 lifestyle images, we are committed to leveraging our growth potential across all wearing occasions. Exploiting the full potential of **casualwear** – accounting for around 50% of Group sales – remains a key focus, while we continue to blur lines between casualwear and formalwear. In this context, HUGO BOSS has been able to seamlessly close the gap between **tailoring and sportswear** in recent years. At the same time, we keep strengthening our **formalwear** business – accounting for around 25% of Group sales – as tailoring remains firmly anchored in our Company's DNA. Through a modern interpretation and innovative product solutions, formalwear continues to offer further growth potential in the future. Our product range is rounded off by a comprehensive range of **shoes and accessories** as well as products such as bodywear and hosiery, also contributing around 25% to Group sales. Finally, our **license business** completes our 24/7 lifestyle offering with products such as fragrances, eyewear, and watches.

CLAIM 3 – Lead in Digital

Digitalization is an important enabler in delivering on our vision of being the leading premium tech-driven fashion platform worldwide. Our Group strategy therefore includes a firm commitment to further driving **digitalization along the entire value chain**. Since the introduction of "CLAIM 5," we have achieved strong progress in digitalizing important business processes and making use of artificial intelligence – from digital trend detection and product creation to our digital showrooms – while at the same time taking our online business to the next level. In particular, the ongoing digitalization of our product development is of high strategic importance. In this context, we have set ourselves the goal of developing more than 90% of our products digitally by 2025 (2024: around 65%). > Product Development and Innovation

The **HUGO BOSS Digital Campus**, spanning two locations in Metzingen (Germany) and Porto (Portugal), is at the heart of our digital journey. This co-working platform significantly expands our Company's digital analytics capabilities, and is aimed at taking customer experience to new levels through the systematic use of data. The Digital Campus puts a strong emphasis on strengthening our global online business, particularly with regard to our digital flagship hugoboss.com and its dedicated customer app. By fostering data collaboration, we aim to establish an even closer relationship with our customers, while driving valuable insights and efficiencies along the value chain. At the same time, we are linking digital and physical retail even more seamlessly to provide consumers with a best-in-class omnichannel experience.

CLAIM 4 – Drive Omnichannel

Since the introduction of "CLAIM 5," we have made substantial progress in translating our regained brand power into our various customer touchpoints, thus providing consumers with a best-in-class omnichannel experience. In this context, we are fully leveraging our high-quality channel mix on a global scale, while continuing to ensure a **seamless brand experience across all touchpoints**.

With **brick-and-mortar retail** contributing more than 50% of Group sales, this channel remains by far the largest in terms of revenues. As laid out in "CLAIM 5," we aim to improve store productivity by at least 3% per annum. Between 2021 and 2024, we achieved significant progress, achieving an average increase of 7% per year, supported by the ongoing optimization, modernization, and selective expansion of our global retail footprint. Key to this progress has been the global rollout of our latest BOSS and HUGO store concepts as well as the introduction of exciting pop-up stores, transforming our physical stores into true points of experience.

At the same time, **brick-and-mortar wholesale** is contributing around 25% of Group sales. Since the introduction of "CLAIM 5," we have noticeably increased the visibility and market presence of both our brands at key European and U.S. department stores. Across this channel, we are fully leveraging all BOSS and HUGO brand lines to deliver a true 24/7 brand experience. In addition, we are also strengthening our global franchise business, particularly in emerging markets. Since the introduction of "CLAIM 5," we added around 200 full-price franchise stores globally, bringing the total to almost 400 by the end of fiscal 2024.

Digital revenues account for 20% of Group sales. Further optimizing and expanding our global digital footprint remains key to successfully continuing our digital growth trajectory. At the same time, we are committed to continuously improving the digital journey to drive further market shares. In this context, a key milestone in 2024 was the launch of HUGO BOSS XP, an innovative omnichannel member experience, fostering customer engagement in the digital sphere. Initially rolled out in the UK, Germany, and France, the program is set to expand to additional markets in the coming years. > Consumer Touchpoints

CLAIM 5 – Organize for Growth

To ensure long-term success for HUGO BOSS, we transform our entire organization into a **platform of speed and growth**. Since the introduction of "CLAIM 5," we have successfully converted our operating model to a platform approach and implemented a streamlined, brand-led organizational setup, ensuring rigorous strategy execution at a global level.

To support long-term growth and drive further efficiencies going forward, we have stepped up **investments into our supply chain and logistics capabilities**. In 2024, we pushed ahead with the implementation of our important **Digital TWIN** initiative, which is aimed at enabling smart decision-making through a tech-driven business operations platform while being a key enabler in terms of meeting consumer demand even more effectively in the future. At the same time, we are driving forward our **nearshoring initiatives** to better align our regional sourcing and production activities with key sales markets. In 2022, we opened an additional plant at our largest factory in Izmir (Turkey) specifically dedicated to the production of casualwear. We are also expanding one of our **key logistics hubs** near our headquarters in Metzingen (Germany), significantly increasing both shipping and storage capacity. These strategic initiatives will enable us to react even faster and more flexibly in the future, meeting consumer demand in the best-possible way. > Product Development and Innovation, > Business Operations

At the same time, we have set the path for future growth by **expanding and enhancing our headquarters**, having allocated more than EUR 100 million for its upgrade, which also includes the construction of a new office building and the modernization of our employee restaurant. This investment is also aimed at increasing our employer attractiveness by creating a best-in-class workplace experience for our more than 2,500 employees at the Metzingen campus. > Combined Non-financial Statement, Own Workforce

Sustainable Throughout

Sustainability is a vital part of "CLAIM 5" – a cause that is essential to our corporate responsibility and ongoing business activities. In line with our bold commitment to support creating a planet free of waste and pollution, our **Sustainability Strategy** focuses on five key pillars that actively address big industry challenges: increasing circularity, driving digitization & data analytics, leveraging nature-positive materials, fighting microplastics, and pushing towards zero emissions. By embracing these pillars, we are paving the way towards a better and more sustainable future.

SUSTAINABILITY STRATEGY

As we aim to extend the longevity and life cycles of our products, we have set ourselves the ambitious target of having **80% circular products** by 2030. To achieve this, we have implemented various measures, including expanding our products' recycling potential. > Combined Non-financial Statement, Resource Use and Circular Economy

As part of our Group and sustainability strategies, we are digitalizing our business activities across the entire value chain and harnessing the power of data, having set the target to **develop more than 90% of our products digitally by 2025**. In doing so, we aim to minimize waste and reduce our CO_2 emissions by accurately forecasting trends and anticipating customer preferences. > Product Development and Innovation

As we recognize our Company's deep connection to functioning ecosystems, we are putting a strong emphasis on sourcing materials to reduce our environmental footprint and support biodiversity preservation. Our goal is to **source 100% of our natural materials in alignment with regenerative farming principles or through closed-loop recycling by 2030**. To reach this target, among other things, we are collaborating with Raddis Cotton, an Indian cooperative that promotes regenerative farming. > Combined Non-financial Statement, Biodiversity and Ecosystems

The widespread use of synthetic fibers is one contributor to microplastic pollution. To address this issue, we are committed to **phasing out polyester and polyamide in our products by 2030**, by exploring and leveraging true alternatives to synthetic fibers. In this context, we entered a long-term strategic partnership with Swiss innovator HeiQ to jointly develop and scale AeoniQ, a cellulose yarn that offers similar properties to polyester and polyamide. > Product Development and Innovation, > Combined Non-financial Statement, Pollution

We have set ambitious targets to reduce our carbon footprint and contribute to climate protection, as we are committed to achieving **net zero emissions by 2050**. As part of this commitment, we aim to reduce our CO_2 emissions along the entire value chain by 50% by 2030 (base year: 2019), without relying on additional offsetting. To reach these goals, among other things, we are fostering regenerative farming to significantly lower emissions in raw material sourcing and are actively working to further reduce the use of airfreight. > Combined Non-financial Statement, Climate Change

Our sustainability strategy and its five key pillars are built on a strong **environmental, social, and governance (ESG) core**, guiding all our business activities. We actively engage in numerous initiatives fostering a greener planet while promoting social and governance cohesion. In addition to **environmental protection**, we also prioritize **socially responsible production processes**. Consequently, HUGO BOSS puts a strong emphasis on ensuring the safety and well-being of its own employees and workers in our value chain. Above all, this includes attaching the utmost importance to compliance with international human and labor rights. At the same time, we are convinced that **good and responsible corporate governance** is a key factor for long-term business success. Our sustainability strategy, including its ESG core, aligns closely with the results of our **double materiality analysis**, ensuring that the topics identified as most material are incorporated in our strategic priorities. This also includes the setting of topic-specific goals and implementing targeted measures to achieve them. > Combined Non-financial Statement

GROUP MANAGEMENT

Sustainable increase in enterprise value as guiding principle of HUGO BOSS

Sales and EBIT as key performance indicators for maximizing free cash flow

Group planning, reporting, and investment controlling form core elements of Group management

Key performance indicators

HUGO BOSS aims to **sustainably increase its enterprise value**. The Group's internal management system is intended to support the Managing Board and the management of the respective business units in aligning all business activities with this objective. In order to increase its enterprise value, the Group focuses on **maximizing free cash flow over the long term**. By consistently generating positive free cash flow, the Group is confident of safeguarding the liquidity of HUGO BOSS at all times while, at the same time, facilitating the long-term growth of the business.

DEFINITION FREE CASH FLOW

	Cash flow from operating activities
+	Cash flow from investing activities
=	**Free cash flow**

Increasing **sales** and **operating profit (EBIT)** is key to improving free cash flow over the long term. In addition, a strict management of **trade net working capital** and a value-oriented **capital expenditure** approach support the development of free cash flow. HUGO BOSS has therefore identified four key performance indicators for increasing free cash flow. Unchanged to previous years, these comprise sales, EBIT, trade net working capital, and capital expenditure. The 2025 guidance for these key performance indicators and the underlying assumptions are presented in the "Outlook" section. > Outlook

FOUR KEY PERFORMANCE INDICATORS

Our "CLAIM 5" strategy focuses on **driving superior top-line growth** by exploiting the full potential of our brands across all consumer touchpoints. Over the past three years, the rigorous execution of our strategy has enabled us to drive broad-based revenue improvements with growth across brands, channels, and regions. At the same time, "CLAIM 5" aims to ensure **sustainable improvements in both profitability and cash flow generation**. All growth initiatives are therefore assessed not only for their revenue potential but also for their ability to contribute to operating profit (EBIT) and free cash flow. > Group Strategy

DEVELOPMENT OF KEY PERFORMANCE INDICATORS (IN EUR MILLION)

	2024	2023	2022	2021	2020
Group sales	4,307	4,197	3,651	2,786	1,946
Operating result (EBIT)	361	410	335	228	(236)
Trade net working capital as a percentage of sales	19.6%	20.8%	15.0%	17.2%	28.7%
Capital expenditure	286	298	192	104	80

In **fiscal year 2024**, HUGO BOSS recorded solid top-line improvements, benefiting from the strengthened brand relevance of BOSS and HUGO in recent years. The slower growth compared to previous years mainly reflects persistent macroeconomic and geopolitical challenges, which dampened consumer demand in most markets and led to a slowdown in industry growth in 2024. While the Company continued to pursue its growth opportunities, in response to this softer consumer sentiment, HUGO BOSS accelerated its focus on enhancing cost efficiency across all business areas – operations, marketing, sales, and administration – with substantial progress achieved in the second half of the year. At the same time, the Company continued to invest in key strategic initiatives to boost brand power and deepen customers' connections with BOSS and HUGO. This balanced approach was crucial for limiting the increase in operating expenses in the second half of the year, thus safeguarding profitability in 2024. Further details on the financial development of HUGO BOSS in fiscal year 2024 can be found in the chapters "Earnings Development," "Net Assets," and "Financial Position" of this Annual Report. > Earnings Development, > Net Assets, > Financial Position

DEFINITION EBIT

	Earnings before taxes
–	Financial result
=	**Operating profit (EBIT)**

For HUGO BOSS, **trade net working capital** is the most important performance indicator for managing the efficient deployment of capital.

DEFINITION TRADE NET WORKING CAPITAL

	Inventories
+	Trade receivables
–	Trade payables
=	**Trade net working capital**

Management of **inventories** and **trade receivables** is the main responsibility of our subsidiaries and the respective operating central departments. The latter are also responsible for managing **trade payables**. These three balance sheet items are primarily managed by reference to the days of inventories outstanding, days of sales outstanding, and days of payables outstanding. Besides this, there is a specific approval process for the purchase of inventories for our global retail business aimed at constantly optimizing inventory levels. This process takes into account sales quotas, expected sales growth, and anticipated markdown levels.

The senior management of HUGO BOSS is jointly responsible for driving profitable growth. As a result, the **short-term incentive program (STI)** of managers at all four management levels below the Managing Board is linked to the achievement of specific sales and EBIT targets, with trade net working capital as a percentage of sales being the third component of the STI. The compensation scheme for management at the two levels below the Managing Board also includes a **long-term incentive program (LTI)**, whose design matches that for the Managing Board. The LTI includes both financial targets and non-financial ESG (environmental, social, governance) targets. The latter is related to employee satisfaction as well as our Company's relative performance in sustainability. Consequently, the LTI is intended to ensure that senior management of HUGO BOSS pursues a sustainable business policy that is aligned to the interests of the Company. > Combined Non-financial Statement

Investment activity is primarily focused on our own retail network, the digitalization of our business model, as well as the expansion of our global logistic capacities. As part of our strategic claim **"Drive Omnichannel,"** we are further optimizing and modernizing our global store network. In line with our claim **"Lead in Digital,"** digital investments are pushed along the entire value chain – from digital product creation to digital showrooms, the continuous enhancement of our own online business, as well as our Digital TWIN initiative and general IT infrastructure. As part of our claim **"Organize for Growth,"** we are strategically expanding one of our key logistic hubs near our headquarters in Metzingen (Germany) with a planned go-live in 2026. A specific approval process exists for material investment projects. Apart from qualitative analyses, e.g., with respect to potential store locations, this also includes an analysis of each project's net present value. > Financial Position, Capital Expenditure, > Group Strategy

HUGO BOSS is confident to generate strong **free cash flow** also in the future. This is to be supported by ongoing rigorous management of trade net working capital and the efficient use of capital expenditure. The majority of free cash flow will either be reinvested into the Company or distributed to shareholders via regular dividend payments. In doing so, HUGO BOSS is pursuing a **profit-based dividend** policy aimed at allowing shareholders to participate appropriately in the Group's earnings development. As part of "CLAIM 5," the Company's payout ratio is defined in a range of between 30% and 50% of net income attributable to shareholders (2024: 45%). In line with our vision of being the leading premium tech-driven fashion platform worldwide, we are also considering **strategic investments in the medium-term**. In addition, in the event of excess liquidity, we also consider share buybacks as a viable alternative to return cash to our shareholders. We analyze our balance sheet structure at least once a year to determine its efficiency and ability to support future growth and to simultaneously provide sufficient safety if the Company's business performance falls short of expectations. In 2024, rating agencies Standard & Poor's and Moody's reiterated their positive stance towards the financial strength of HUGO BOSS, thus confirming our **investment-grade ratings**. S&P rates the Company "BBB" while Moody's assigns a "Baa2" rating. > Financial Position, Capital Structure and Financing

HUGO BOSS is **structured by region**, with our business segments being EMEA, the Americas, Asia/Pacific, and the license business. Within the three regions, individual markets are grouped into hubs, with local management reporting directly to the Chief Sales Officer (CSO), while the global license business is part of the Chief Executive Officer (CEO) resort. This ensures close alignment between markets and central functions as well as efficient decision-making processes. Further details on the financial development of the business segments in fiscal year 2024 can be found in the chapter "Earnings Development." > Earnings Development, Sales and Earnings Development of the Business Segments

Core elements of the Group's internal management system

The Group's planning, management, and monitoring activities focus on optimizing the key performance indicators described above. The **core elements of our internal management system** are Group planning, Group-wide financial reporting, and investment controlling.

Group planning at HUGO BOSS generally refers to a rolling multiyear period and is prepared as part of the annual, Group-wide budget process, taking into account the current business situation and our underlying Group strategy. Based on targets set by the Managing Board, our Group's subsidiaries prepare sales, operating profit (EBIT), and investment budgets as well as forecasts for trade net working capital for their respective markets or divisions. Based on this, our product development and sourcing units derive mid-term capacity planning. Business Planning & Analysis, which reports into the Chief Financial Officer/Chief Operating Officer (CFO/COO), reviews these plans for plausibility and aggregates them to form the overall Group planning. The latter is updated on a regular basis, taking into account the actual business performance as well as any opportunities and risks.

Additionally, HUGO BOSS regularly conducts **liquidity** assessments, based on the expected cash flow development for any given year. This aims to identify financial risks at an early stage and to take appropriate measures concerning financing and investment requirements. > Financial Position

On a monthly basis, the Managing Board and management of the Group subsidiaries are informed about the operational business performance through standardized, IT-enabled reports of varying detail, supplemented by ad hoc analyses. Actual data compiled by our **Group-wide, IT-based reporting system** is compared against budget data on a monthly basis. Any deviations are analyzed and planned countermeasures are discussed. Developments with a significant impact on the Group's net assets, financial position, and results of operations are immediately reported to the Managing Board. In addition, dashboards offer real-time insights into key financial and operational performance indicators.

The Company is particularly focused on **monitoring early indicators** suitable for obtaining an indication of future business performance. In this context, the sales performance in our own retail business, the wholesale order intake, and the performance of our replenishment business are analyzed on a regular basis. To provide even more immediate insights, a dedicated mobile app enables the Managing Board and senior management to track the Company's top-line performance on a daily basis. In addition, benchmarking against relevant competitors is performed at quarterly intervals. The continuous monitoring of early indicators is intended to enable us to identify deviations from the budget at an early stage and take appropriate countermeasures.

The Group's **investment controlling** appraises planned investment projects with respect to their contribution to our Company's overall profitability targets. This ensures that projects are only launched in case of an expected positive contribution to the Group's overall profitability ambition. In addition, subsequent analyses are conducted at regular intervals to verify the profitability of projects that have already been realized. Appropriate countermeasures are taken in the event of any negative deviations from the initial profitability targets.

In light of the elevated market uncertainty weighing on industry development in 2024, the last fiscal year saw a **particularly close dialog** between the Managing Board, Business Planning & Analysis, and the management of our central divisions and subsidiaries. Corporate planning was regularly reviewed and updated throughout the year, with particular attention paid to the various macroeconomic factors and their implications on our operational performance. Against this backdrop, HUGO BOSS adjusted its top- and bottom-line outlook for fiscal year 2024 in July. At the same time, the Company implemented additional cost measures to enhance efficiency and effectiveness across its business, aimed at limiting the increase in operating expenses. As a result, the Company successfully achieved its updated targets for fiscal year 2024. > Comparison of Actual and Forecast Business Performance

COMPARISON OF ACTUAL AND FORECAST DEVELOPMENT OF KEY PERFORMANCE INDICATORS

	Results 2023	Adjusted forecast 2024[1]	**Results 2024**
Group sales	EUR 4,197 million	Increase of 1% to 4% to EUR 4.20 billion and EUR 4.35 billion	Increase by 3% to EUR 4.3 billion
Operating result (EBIT)	EUR 410 million	EUR 350 million to EUR 430 million	Decrease by 12% to EUR 361 million
Trade net working capital as a percentage of sales	20.8%	Improvement to a level approaching 20%	Improvement by 120 basis points to 19.6%
Capital expenditure	EUR 298 million	Around EUR 300 million	Decrease by 4% to EUR 286 million

1 As adjusted on July 15, 2024. Further details, including the initial forecast as published on March 7, 2024, can be found in the chapter "Comparison of Actual and Forecast Business Performance."

PRODUCT DEVELOPMENT AND INNOVATION

Digital product development of high strategic relevance

Focus on innovative materials to further drive performance and sustainability

Capsule collections and collabs to drive excitement among BOSS and HUGO

At HUGO BOSS, we put strong efforts on developing collections and products that meet the highest customer demands in terms of design and quality, as well as innovation and sustainability. These principles are firmly embedded in our strategic claim **"Product is Key,"** which puts consumers and our products at the center of all our activities. As part of our "CLAIM 5" strategy, we are committed to further optimize **the price-value proposition** to guarantee **highest quality**, a superior degree of **innovation and sustainability**, and features that enable our brands to clearly distinguish themselves from the competition. The potential of digitalization is to be fully leveraged throughout the entire product development process. Inspiring capsule collections and high-impact collaborations with renowned brands and personalities are also intended to spur the relevance of BOSS and HUGO while driving excitement among both brands. > Group Strategy, "Product is Key"

The design and product development process at HUGO BOSS involves the transformation of a creative idea into a commercial product. The work is carried out at our **three development centers** in Metzingen (Germany), Coldrerio (Switzerland), and Morrovalle (Italy). While the majority of our collections are developed at the Group headquarters in **Metzingen**, the **Coldrerio** site is mainly responsible for the development of the product categories shirts, knitwear, shoes and accessories, as well as bodywear and hosiery. In **Morrovalle**, we develop high-quality shoes and leather accessories.

Product development process

In line with our strategic claim "Lead in Digital," we have significantly expanded the **digitalization of our product development process** in recent years, largely replacing the conventional process. It enables us to operate more flexibly across the entire value chain and consequently adapt more effectively and quickly to changing consumer trends and customer demand. At the same time, we are convinced that the ongoing digitalization of product development will also contribute positively to our **sustainability ambitions**, as it allows for predicting trends more accurately, better anticipating customer preferences, and further reducing the need for physical samples, thus minimizing waste and reducing CO_2 emissions. Overall, we have set ourselves the goal of developing more than 90% of our products digitally by 2025. In fiscal year 2024, the proportion of **digitally developed products** amounted to around 65% (2023: around 65%).

The product development process starts with the **creative idea** that is transformed into specific designs and collections. In this context, we take into account sell-through rates of previous collections, feedback from wholesale partners and customers, as well as AI-driven insights, thereby also putting a strong emphasis on further reducing the complexity of both brands' collections. The **conventional product development process** sees our design teams' creative ideas tailored in the pattern-design phase, followed by technical product development turning models into prototypes and testing their suitability for the industrial production process. This step is followed by the manufacture of sample collections. The **digital product development process**, on the other hand, allows all these steps to be realized digitally, from drafting first sketches to selecting materials using 3D styles. In addition, virtual try-ons are realized with avatars, strongly focusing on performance, fit, as well human-realism. In this context, the evolution of immersive 3D simulations with innovative software solutions led to a further expansion of digital development to additional product groups in recent years. **Basic and core products**, such as never-out-of-stock items, are designed to remain part of our collections for multiple seasons, as they are not tied to seasonal or fashion-driven trends. Once production has been completed, the collections are ready to be sold via our physical and digital distribution channels. In this context, digitally developed styles are also of high importance – for example, when selling our collections to wholesale partners via digital showrooms or offering "virtual try-ons" to our customers at hugoboss.com. > Group Strategy, "Sustainable Throughout"

Key areas of product innovation

As part of our "CLAIM 5" strategy, we are committed to unlocking the full potential of BOSS and HUGO by perfectly dressing our customers 24/7 and for every occasion. **Driving casualization** along our collections and further optimizing **wearing comfort** through the increased use of innovative materials are of particular importance and thus a key area of product innovation. With BOSS, we continue to drive innovation particularly within our **athleisurewear** offering as part of BOSS Green. In 2024, we launched selected functional capsule collections, for example with tennis player Matteo Berrettini, runner Alica Schmidt, and our dedicated BOSS Ski capsule. At the same time, our **BOSS Performance** product range further elevates our BOSS Black assortment, combining traditional formalwear outfits with innovative sportswear elements, thereby perfectly matching the needs of our customers. It ranges from super-stretchable and machine-washable styles to lightweight, wrinkle-free, and water-repellent products that make travelling even more comfortable. In 2024, we further implemented performance functionalities into our broader product range, growing its share to around one third of revenues generated as part of our BOSS formalwear assortment. On top of that, we expanded our product portfolio by introducing the new brand line **HUGO Blue** in early 2024. With a strong focus on denimwear, HUGO Blue is dedicated to leveraging the full potential of the HUGO brand, with jersey, knitwear, outerwear pieces, and accessories completing the offering. > Group Strategy, "Product is Key"

We are fully committed to living up to growing customer expectations in terms of **sustainability**. To this end, we increasingly rely on innovative, sustainable materials and manufacturing techniques when developing our collections. As part of our long-term strategic partnership with Swiss innovator **HeiQ**, we are focusing on the joint development and production of AeoniQ, a sustainable, circular, and recyclable cellulose yarn, with the aim of replacing environmentally harmful polyester and polyamide. In this context, as part of our "The Change" initiative, in 2024 we successfully launched the first BOSS sneakers made of AeoniQ. Going forward, leveraging these initiatives is set to support our goal of enabling 80% of BOSS and HUGO apparel products to become circular by 2030, which is firmly anchored in our sustainability strategy. > Group Strategy, "Sustainable Throughout"

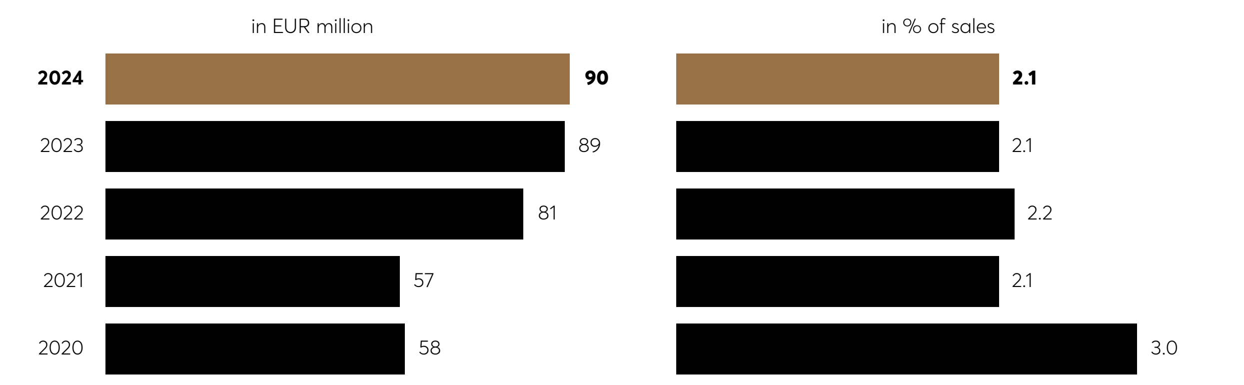
The four main collections of BOSS and HUGO are designed to offer customers both a broad range of core products as well as a variety of seasonal and particularly fashion-conscious styles. Besides these main collections, we team up with other well-known brands and personalities to create **inspiring capsule collections** and **high-impact collaborations**. In doing so, we want to constantly increase the relevance of BOSS and HUGO and excite consumers all over the globe. In 2024, BOSS entered into a strategic, multiyear design collaboration with David Beckham. Kicking off with the Spring/Summer 2025 collection, the partnership includes capsule and seasonal collections designed and curated by David Beckham, embodying both formal and casual menswear signature styles as part of our 24/7 premium lifestyle positioning. In addition, BOSS collaborated with strong partners including Porsche and the American football league NFL, while HUGO teamed up with Formula One's Racing Bulls in 2024. Exceptional collaborations like these will continue to play a key role in attracting new and younger consumers and fully unlocking the potential of both brands.

> Group Strategy, "Product is Key"

Key R&D figures

The **research and product development (R&D) departments** of HUGO BOSS are staffed primarily by fashion and 3D designers, tailors, shoe and clothing technicians, and engineers. As of December 31, 2024, the number of employees in this area totaled 731 (2023: 751).

RESEARCH AND PRODUCT DEVELOPMENT EXPENSES



At EUR 90 million, our R&D expenses in 2024 remained broadly on the prior-year level (2023: EUR 89 million). At 75%, personnel expenses accounted for the vast majority of **R&D expenses** last fiscal year (2023: 71%), with the remainder being primarily composed of other department expenses. In 2024, R&D costs were again mostly recognized as expenses at the time they were incurred. In addition, production-related development expenses are included in the cost of conversion of inventories. No development expenses were recognized as internally generated intangible assets due to the predominantly short product life cycles.

BUSINESS OPERATIONS

Strategic focus on driving efficiency gains in sourcing and production

Digital TWIN of supply chain to support growth and traceability

Investments in global logistics network to ensure long-term growth

Robust and efficient operational platform

As part of our "CLAIM 5" strategy, we are striving to generate broad-based growth across brands, regions, and consumer touchpoints. A robust and efficient operational infrastructure thereby forms the basis for supporting our long-term growth ambitions. At the same time, the sourcing and production of high-quality products are crucial for meeting high customer expectations on design, functionality, comfort, longevity, and sustainability. In addition to ensuring these quality characteristics, we are constantly striving for best-in-class solutions to further **increase the resilience, efficiency, and flexibility** of our global sourcing and production activities. Consequently, as part of our strategic claim **"Organize for Growth,"** in recent years we have optimized and increased the flexibility of our sourcing and production activities to create a strong platform for growth and speed-to-market. > Group Strategy, "Organize for Growth"

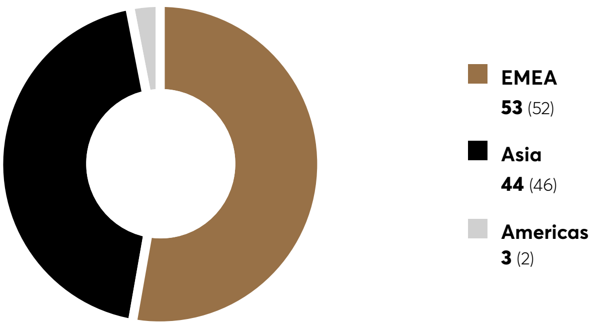
Fully leveraging our robust operational platform built in recent years will remain a key priority for HUGO BOSS going forward. Therefore, we continue to put strong emphasis on optimizing end-to-end operations, significantly improving effectiveness, and driving efficiency across our supply chain. Already in 2024, significant strides were made, including realizing **greater economies of scale** through strategic price negotiations supported by increased order volumes. At the same time, we were successful in further **optimizing vendor allocation** and **improving freight modes**. Notably, HUGO BOSS successfully reduced its reliance on airfreight to historically low levels in 2024, despite persistent supply chain disruptions. This highlights our commitment to balancing cost-efficiency with operational excellence while emphasizing sustainable sourcing practices. Looking ahead, HUGO BOSS is committed to further reducing airfreight dependence while **ensuring on-time product availability**. Altogether, these measures will continue to strengthen our operational capabilities, while they are also expected to provide tailwind to gross margin development in the coming years. > Earnings Development, Income Statement

The further **digitalization along our value chain** is a key priority, enabling us to respond even faster to changing market trends and better meet customer demand. Therefore, in 2024, we continued to push ahead with the implementation of our **Digital TWIN**, which serves as the backbone for our growth journey by fostering a smart, tech-driven value chain. As part of the TWIN program, we are focused on enhancing real-time data utilization, streamlining business operations processes, and enabling intelligent decision-making. By creating a digital copy of our supply chain and leveraging the potential of AI, we aim to further **improve demand and supply planning** and better align our various planning activities across the entire business. This, in turn, is intended to provide the most accurate procurement of products and fabrics, both in terms of timing and quantity. Along with efficient logistics planning and a smart inventory allocation, we want to ensure that customer demand is met even more effectively, while simultaneously benefiting from lower cost and **higher full-price sell-through**. At the same time, increased transparency fosters **end-to-end product traceability**, which is also fully in line with our sustainability ambitions. Building on the success of initial pilot projects, we were able to roll out key traceability features to a large majority of our supply chain partners worldwide in 2024. This achievement significantly strengthens transparency across our entire supply chain, with additional progress anticipated in 2025.

Sourcing volumes and regional split

In terms of value, 20% of the total **sourcing and production volume** in 2024 was produced at our own production facilities (2023: 17%), reflecting the further strengthening of our largest own production facility in Izmir (Turkey). Consequently, the remaining 80% of products were sourced from independent contract suppliers or sourced as merchandise (2023: 83%).

REGIONAL SPLIT OF SOURCING AND PRODUCTION VOLUME (IN %)



2024 (2023)

HUGO BOSS attaches great importance to a **regionally balanced strategic sourcing mix** to minimize risks such as local or regional capacity shortfalls as far as possible. In 2024, 53% of our merchandise was sourced in **EMEA**, representing a slight increase compared to last year (2023: 52%). In line with our strategic ambition of further promoting **"nearshoring,"** we have set ourselves the goal of aligning our regional sourcing activities even closer with our sales markets, aimed at ensuring shorter lead times and increasing speed-to-market capabilities. In this context, we aim to keep the share of our sourcing activities in EMEA at a level of around 50% also in the years to come. With a share of 26% of our global sourcing and production volume (2023: 26%), **Turkey** not only accounts for about half of our European sourcing activity, but also represents by far the largest sourcing market for HUGO BOSS. Our own production in Izmir accounts for 17% of the global sourcing and production volume in 2024 (2023: 15%). Besides Turkey, **Portugal**, **Bulgaria**, and **Italy** also represent relevant sourcing markets within EMEA.

At 44%, the **Asian** share of our global sourcing and production volume further decreased in 2024 (2023: 46%), fully in line with our medium-term ambition of around 40%. Within Asia, **Bangladesh** and **Vietnam** represent the largest sourcing markets, accounting for 11% and 8% of our global sourcing and production volume, respectively (2023: 8% and 13%). At the same time, we meaningfully reduced the share of our global sourcing and production volume in **China** in recent years, now accounting for only 7% (2023: 10%), down from more than 20% a few years ago.

To benefit from the proximity to the important U.S. market and enhance flexibility, we are also committed to strengthening our sourcing footprint in the **Americas**. While the latter currently stands at 3% (2023: 2%), it is our ambition to increase the share towards a level of around 10% in the years to come. In this context, we achieved further progress in onboarding new suppliers in 2024, mainly located in **Peru**.

Own production as a competitive advantage

As part of "CLAIM 5," we significantly expanded our own production capacity in recent years. In addition to greater **independence from external factors**, this allows us to react more quickly and flexibly to any changes in customer demand and to fully leverage in-season replenishment opportunities. In addition, it enables us to gain important expertise in the further development of production technologies and quality standards. Our five **own production facilities** are located in Izmir (Turkey), Metzingen (Germany), Radom (Poland), Morrovalle (Italy), and Coldrerio (Switzerland).

Our **largest own production site, in Izmir, extended with a fourth factory** in 2022, plays a key role in this. Initially focused on the manufacturing of formalwear, the Izmir site now dedicates more than 25% of its production volume to casualwear, covering product categories such as trousers, jackets, and jersey (2023: around 20%). Today, Izmir thus accounts for around 10% of our global casualwear sourcing, having significantly expanded the share in recent years (2023: more than 5%). This enables us to react flexibly to changes in consumer demand also in this important segment.

Our production site in **Metzingen** mainly produces products for BOSS Camel, including tailored BOSS "Made to Measure" suits, along with prototypes and sample styles as part of the conventional product development process. Business shoes and sneakers are the main focus of production in **Radom** and **Morrovalle**, while BOSS "Made to Measure" shirts are produced in **Coldrerio**. > Product Development and Innovation

Network of experienced and specialist suppliers

To ensure excellent processing quality and high product availability, HUGO BOSS works together with a **network of experienced and specialist suppliers**. In fiscal year 2024, we sourced finished goods from a total of 200 external **Tier 1 suppliers** (2023: 205) operating 271 production facilities (2023: 267). In addition, we procured fabrics and trimmings from 382 external **Tier 2 suppliers** (2023: 371) operating 411 production facilities (2023: 397).

HUGO BOSS fosters **long-term strategic partnerships** with its suppliers, with relationships averaging more than ten years. In this context, we see ourselves as a strong partner, supporting suppliers in the further development and professionalization of processes and workflows. Alongside economic criteria, we attach great importance to environmental and social aspects in the selection of suppliers. The cooperation is based on respect for human rights, compliance with applicable working standards, and occupational health and safety, with the **HUGO BOSS Supplier Code of Conduct** forming the framework for all supplier relationships. More information can be found in the chapter "Combined Non-financial Statement." > Combined Non-financial Statement, Workers in the Value Chain

Ongoing expansion of own logistics infrastructure

Our inventory storage is centered on selected sites, primarily operated by HUGO BOSS. Our distribution centers for hanging goods, flat-packed goods, and the Company's global online business, all located in proximity to the headquarters in Metzingen, form the core of our **Group-wide logistics network**. The latter is supplemented by selected local or regional warehouses, including our own warehouse in Savannah (USA) and those operated by third parties, for example in China or the UK.

To support future growth, already in 2023, HUGO BOSS began stepping up **investments into its logistics network**, aiming to increase unit capacity from currently around 65 million to around 90 million in the medium term. In particular, we are significantly **expanding our largest central distribution center** in Germany. As part of this multiyear project, we are investing more than EUR 100 million, with a strong focus on the further digitalization and automatization of processes, and the implementation of state-of-the-art robotics solutions. Scheduled for completion by 2026, the expansion aims to increasing our warehouse's shipping and storage capacity by around 75%, allowing us to drive further efficiencies on the logistics side.

CONSUMER TOUCHPOINTS

Omnichannel strategy encompasses brick-and-mortar and digital business

Seamless brand experience across all consumer touchpoints

Innovative customer loyalty program HUGO BOSS XP launched in 2024

As a global fashion and lifestyle company, HUGO BOSS has built a strong distribution footprint in recent years with more than 8,000 consumer touchpoints around the globe. By moving to where consumers expect us to be, we ensure being omnipresent both physically and digitally. Fully in line with our premium lifestyle positioning, HUGO BOSS aims to provide a **superior shopping experience** and a best-in-class omnichannel journey to consumers all around the globe. Our own retail business plays a key role in this context. Offering a brand-led shopping experience and a first-class customer service, it enables us to directly interact with our customers and turn them into true fans of BOSS and HUGO.

Since the introduction of "CLAIM 5" in 2021, HUGO BOSS achieved substantial progress in translating the brand power of BOSS and HUGO into all consumer touchpoints – from brick-and-mortar retail and brick-and-mortar wholesale to our digital touchpoints. With each channel fulfilling specific customer needs, today, we are providing a **seamless and consistent omnichannel experience**. In doing so, we aim to leverage brand power across all points of sale and thus continuously optimize our distribution network.

Distribution formats

HUGO BOSS OMNICHANNEL DISTRIBUTION

EXPLORE ONLINE

Brick-and-mortar retail	Brick-and-mortar wholesale	Digital
Freestanding stores Self-operated full-price stores in prime locations	**Multi-brand points of sale** General selling space in multi-brand stores	**Online store hugoboss.com** Digital flagship store with separate brand environments for BOSS and HUGO
Shop-in-shops Self-operated full-price shops on retail space of partners	**Shop-in-shops** BOSS and HUGO shops operated by partners	**Partnerships with online retailers** Own distribution on multi-brand platforms via the concession model
Factory outlets Sale of prior season´s merchandise in specialist stores in high-traffic peripheral zones	**Franchise business** Full-price BOSS and HUGO stores operated by partners	**Online distribution via partners** Online distribution of BOSS and HUGO by partners

Brick-and-mortar retail

Our **brick-and-mortar retail business** represents by far the largest channel for HUGO BOSS, accounting for 52% of Group sales in 2024 (2023: 54%). In total, we are operating 1,532 own brick-and-mortar points of sale (2023: 1,418), with a variety of omnichannel services closely linking brick-and-mortar retail with our digital business. With a strong focus on prime retail destinations, we are operating a total of 500 **freestanding stores** globally (2023: 489). Our freestanding full-price retail stores allow consumers to experience our brands and products in a superior shopping environment, reflecting the essence of BOSS and HUGO. With their experiential store designs, a brand-led shopping experience, and a strong focus on in-store digitalization, we want our stores to be THE place to be for our customers. To surprise and connect with BOSS and HUGO fans around the globe, in addition, we regularly take over exciting locations with engaging pop-ups and hospitality concepts, such as the BOSS House on Bali, allowing for a physical and digital experience, or our BOSS pop-up store on Mykonos in 2024. In addition, we run self-managed **factory outlets**, allowing us to introduce our brands to more value-seeking consumers, as well as self-managed **shop-in-shops** in department stores as part of the concession model. In the past years, we successfully expanded our shop-in-shop business to strengthen our brands' presence with key retail partners, first and foremost in the U.S. market.

To exploit the full potential of our brick-and-mortar retail business, **improving the productivity** of our store network is of particular importance. In this context, as part of our "CLAIM 5" strategy, we aim to increase store productivity by at least 3% per year, having achieved an average increase of 7% between 2021 and 2024. This is supported in particular by the ongoing optimization and selective expansion of our global retail footprint across key markets. Additionally, we are continuously enhancing and simplifying the **in-store shopping journey** for our customers. In this context, we are advancing with the rollout of our more appealing, more digital, and more productive **store concepts for BOSS and HUGO**, which are aimed at further enhancing the customer experience and developing our stores into true points of experience. Overall, as of December 31, 2024, the majority of our BOSS and HUGO freestanding stores worldwide have been refreshed or equipped with the latest store concepts, including key **halo stores** in Düsseldorf, London, Dubai, and Shanghai. Halo stores are of great importance, as they provide a superior and comprehensive brand experience in key metropolitan areas that further inspire and engage with consumers. > Group Strategy, "Drive Omnichannel," > Earnings Development

Brick-and-mortar wholesale

Our brick-and-mortar wholesale business accounted for 26% of Group sales in 2024 (2023: 25%), thus also representing an important distribution channel for HUGO BOSS. With this channel, we are mainly addressing consumers who prefer to discover and enjoy a variety of brands, while it also enables us to reach out to customers in smaller markets. While department stores and specialist retailers sell BOSS and HUGO products either in separate **shop-in-shops** or in a **multi-brand environment**, **franchise partners** operate mono-branded freestanding stores independently, primarily in emerging markets not served by our own retail business. In total, our wholesale business comprises around 6,500 brick-and-mortar points of sale, including around 400 freestanding stores managed by franchise partners (2023: around 6,400 brick-and-mortar points of sale including around 350 franchise stores). We sell our collections to wholesale partners via 12 **showrooms** globally. In 2024, HUGO BOSS opened up new showrooms in Düsseldorf and Paris, offering wholesale partners a premium environment. On top of that, we are also leveraging our digital showrooms, offering a seamless and expedited sales process, while simultaneously fostering sustainability and efficiency within wholesale.

As part of "CLAIM 5," and supported by strong demand from key wholesale partners, both our brands significantly increased **visibility and market presence** at key European and U.S. department stores in the past three years. Also going forward, with a particular focus on our **most important wholesale partners**, we aim to fully leverage all BOSS and HUGO brand lines to deliver a true 24/7 brand experience in the multi-brand environment. At the same time, **strengthening our global franchise business** particularly in emerging markets represents another focus area.

Digital

Our **digital touchpoints** – from our own online flagship **hugoboss.com**, to our **online concession** business, as well as **digital wholesale** – contributed 20% of Group sales in fiscal year 2024 (2023: 19%). Having achieved strong growth since the introduction of "CLAIM 5," sales generated in our digital business more than doubled. Our own online flagship hugoboss.com plays a key role in this context, offering a first-class digital shopping experience and direct access to BOSS and HUGO customers across 74 markets (2023: 73 markets). Over the past three years, we significantly increased traffic on our website, driven by the successful relaunch of hugoboss.com, the expansion of our digital presence around the globe, and by establishing our relaunched **customer app** as one connected touchpoint. The latter includes key features such as virtual product try-ons or AI-enabled chatbots. Also in 2024, we achieved further progress in enhancing the digital experience at hugoboss.com, now fully reflecting our two-brand strategy.

To exploit the full potential of our digital business, we are constantly striving to improve the **online journey** for our customers. In this context, we aim to further elevate the user experience by pushing mobile, social, and i-commerce. In this context, further **driving traffic and conversion** at hugoboss.com remains a top priority, mainly by delivering a next-level digital experience with desirable storytelling, localized content, and a personalized customer journey. At the same time, we are committed to further fostering **growth with digital partners**.

Customer loyalty

HUGO BOSS aims to turn consumers into fans. By putting a strong emphasis on retaining and accompanying our most valuable customers, in 2024 we implemented our next-level **loyalty program HUGO BOSS XP**. This hyper-personalized omnichannel member experience is centered around our hugoboss.com app. Harnessing the latest technologies, such as blockchain, Web3, or NFTs, HUGO BOSS XP aims to building brand loyalty and set a new industry benchmark for customer engagement. At the same time, by closely engaging with our customers, the program focuses on boosting member sales, thus driving **customer lifetime value**.

HUGO BOSS XP was first launched in the UK in June 2024, followed by Germany and France in October. With the aim of further deepening and expanding our existing customer relationships, but also attracting new BOSS and HUGO customers, we will continue its **global rollout** in the coming years, with the important U.S. market as well as China to be tapped into during 2025. In 2024, fueled by the introduction of HUGO BOSS XP, we strongly increased our member base by around 25% to more than ten million (2023: more than eight million).

COMBINED NON-FINANCIAL STATEMENT

Sustainability is an integral part of HUGO BOSS business activities

Numerous ESG activities aim to generate added value for our stakeholders

Statement includes ESG information assessed as material according to ESRS

HUGO BOSS considers its diverse sustainability initiatives as both a crucial **corporate responsibility** and a prerequisite to inspire customers and thus further strengthen its position as a leading global premium fashion platform. We are equally committed to protecting our environment, living up to social and societal expectations, and practicing responsible corporate governance. In doing so, our **numerous environmental, social, and governance (ESG) activities** aim to generate added value for our Company, employees, shareholders, customers, business partners, and society, thus contributing to the long-term success of HUGO BOSS.

About this combined non-financial statement

Directive (EU) 2022/2464 on sustainability reporting (Corporate Sustainability Reporting Directive, CSRD) came into force on January 5, 2023, with a deadline for implementation into national law by EU member states set for July 2024. However, by December 31, 2024, several member states, including Germany, had not yet completed this implementation. As a result, regarding fiscal year 2024 reporting, the existing legal framework continues to apply to listed German companies. Consequently, as a company subject to the **Non-Financial Reporting Directive (NFRD)**, HUGO BOSS publishes this combined non-financial statement for fiscal year 2024, consistent with previous years.

In accordance with Sec. 315b and 315c of the German Commercial Code (HGB), in conjunction with Sec. 289b to 289e HGB, this combined non-financial statement for HUGO BOSS AG and the HUGO BOSS Group provides comprehensive information on our sustainability activities for fiscal year 2024. It comprises the material disclosures for our Company related to **environmental matters, employee matters, social matters, respect for human rights, anti-corruption and bribery matters**, and the **EU Taxonomy**.

This combined non-financial statement was prepared in partial application of Set 1 of the **European Sustainability Reporting Standards (ESRS)** as a framework in accordance with Section 289d HGB. The originally planned full application of the ESRS was not realized by HUGO BOSS due to the lack of legal implementation. The content included in this statement is based on a **double materiality assessment (DMA)** that was conducted in accordance with the respective ESRS requirements. The analysis has indicated that nine of the ten ESRS topics are generally considered material for HUGO BOSS in fiscal year 2024. However, the content included in this combined non-financial statement does not fully reflect the results of the DMA. The "Overview of ESRS Disclosure Requirements" in the section "Additional Disclosures on the Combined

Non-financial Statement" provides detailed information on the presence and scope of **ESRS disclosure requirements**. The information disclosed in accordance with ESRS is based on the current interpretation of the standards. > Additional Disclosures on the Combined Non-financial Statement

This combined non-financial statement has been prepared on a consolidated basis, with the **scope of consolidation** aligned with our 2024 financial statements. Therefore, the consolidated quantitative ESG data includes the parent company HUGO BOSS AG and all subsidiaries under its control. Unless otherwise noted, the disclosures made in this statement reflect equally the **perspective of HUGO BOSS AG and that of the Group**. > Notes to the Consolidated Financial Statements, Basis of Consolidation

Any **references to information outside the combined non-financial statement** – except for references to the chapter "Business Activities and Group Structure" as part of the combined management report – are information going beyond the mandatory disclosures under HGB and do not form part of the statement. In accordance with the applicable legal framework, the combined non-financial statement was subject to a **voluntary review with limited assurance** according to ISAE 3000 (Revised). > Limited Assurance Report of the Independent Auditor Regarding the Combined Non-financial Statement

Governance

HUGO BOSS is managed by its parent company HUGO BOSS AG, which – as a German stock corporation – has a dual management and control structure. Consequently, the **Managing Board** is responsible for managing the Group and successfully executing the Group strategy. The activities of the Managing Board are monitored by the **Supervisory Board**, which is also on hand to advise the Managing Board. More information on the boards' composition and governance structure can be found in the Corporate Governance section of this Annual Report. > Corporate Governance and the Corporate Governance Statement

The overall responsibility for the sustainable development of HUGO BOSS lies with the Managing Board. This also includes monitoring, managing, and overseeing ESG impacts, risks, and opportunities along the Company's value chain. Strategic responsibility is assigned to the Group Strategy and Corporate Development division, which reports directly to the **Chief Executive Officer (CEO)**. This division is also responsible for the setting of ESG targets and for monitoring progress towards them. The Managing Board and Supervisory Board monitor the objectives set and are regularly informed of the progress achieved. Operational responsibility along the supply chain as well as responsibility for central risk management and internal controls lies with Business Operations. Group Finance & Tax is responsible for Group-wide ESG data collection, consolidation, and validation, while Investor Relations is responsible for ESG reporting. Compliance and human rights issues are addressed by our Compliance & Human Rights department as part of our central Legal division. All four divisions report to the **Chief Financial Officer (CFO)/Chief Operating Officer (COO)**. The CFO/COO also assumes responsibility for our central **Sustainability Committee**, which consists of representatives of our main business areas involved in sustainability topics and drives relevant decision-making processes in sustainability. It oversees the implementation of our sustainability strategy and serves as a dialog forum for current developments and best practices. The committee dealt with a variety of issues in 2024, including progress on our sustainability strategy, ESG reporting, and regulatory requirements, including those of the CSRD.

The Managing Board of HUGO BOSS has overall responsibility for an effective **risk management system**. On its behalf, the central Risk Management and Internal Controls department coordinates the execution and continuous development of the risk management system. Monitoring the effectiveness of the risk management system is the responsibility of the Supervisory Board of HUGO BOSS. This task is exercised by the Audit Committee of the Supervisory Board with the involvement of the Internal Audit department. As part of the reporting process, HUGO BOSS has not identified any risks that are associated with its own business activities, its business relationships, as well as its products or services, and that very likely have or could have serious adverse impacts on the five mandatory aspects as set forth in Sec. 289c HGB. > Report on Risks and Opportunities, > Corporate Governance and the Corporate Governance Statement

Business model, strategy, and value chain

HUGO BOSS is one of the leading fashion and lifestyle companies in the premium segment of the global apparel market. Our **business model** is described in detail in the chapter "Business Activities and Group Structure" of this Annual Report. Detailed descriptions of our **"CLAIM 5" strategy**, including those elements that relate to or impact sustainability matters, are provided in the chapter "Group Strategy." > Business Activities and Group Structure, > Group Strategy

This combined non-financial statement covers both our **own operations** and material stages of the **upstream and downstream value chain**. The following overview outlines the material features of our value chain.

MATERIAL FEATURES OF OUR VALUE CHAIN

UPSTREAM	OWN OPERATIONS	DOWNSTREAM
Tier 1 Assembly and manufacturing of final products (apparel, shoes, accessories)	**Own production** 5 own production sites in Turkey, Germany, Italy, Switzerland, Poland	**Distribution** Distribution of products via wholesale partners
Tier 2 Production and finishing of materials (e.g., fabrics, trimmings)	**Logistics, distribution, administration** • Product design and brand management • Logistic hubs and transportation • Marketing • Distribution of products via own retail touchpoints • General administration functions	**Use phase** Products are used by end consumers
Tier 3 Processing of raw materials into yarn and equivalent state		**End-of-life/recycling** Products reach the end of their life cycle and are either recycled or disposed of
Tier 4 Extraction and farming of raw materials (e.g., cotton, wool, leather, synthetic fibers)		

Interests and views of stakeholders

We actively engage with our stakeholders, valuing their input as essential to shaping both our Group and sustainability strategies. By fostering open dialog and collaboration, we aim to meet expectations, address concerns, and develop mutually beneficial solutions. **Stakeholder engagement** not only supports our business objectives but also serves as an opportunity to create value for HUGO BOSS, the environment, and society.

HUGO BOSS maintains a systematic dialog with all relevant stakeholders, including employees, shareholders, customers, business partners, and society. Guided by a stakeholder analysis conducted in accordance with the AA 1000 SES standard, we employ standardized formats and approaches for **effective communication**, such as our corporate website, Annual Report, social media channels, and dedicated stakeholder events. Of particular importance in 2024 was our **Stakeholder Dialog** at the Group headquarters in Metzingen (Germany). This event brought together industry experts, academics, NGOs, and supply chain partners to engage in in-depth discussions on sustainability within the fashion industry's supply chain, exploring ways we can drive meaningful, positive change together. Further information on our stakeholder engagement and partnerships can be found on our corporate website. > group.hugoboss.com

Double materiality assessment

In 2024, HUGO BOSS conducted a comprehensive **double materiality assessment (DMA)** in preparation for compliance with the ESRS. We have engaged with numerous internal stakeholders to identify our Company's material sustainability impacts, risks, and opportunities. This engagement was largely conducted through interviews and desk research, while it also considered the outcomes of previous materiality assessments. In addition, we incorporated the **perspectives of external stakeholders** through internal experts who, as part of their roles, regularly engage with relevant interest groups. Parallel to this, we have also assessed the financial risks and opportunities for sustainability-related matters as part of our risk management process. To ensure proper compliance, external ESG consultants have closely monitored and reviewed our DMA process. Oversight of the process was assumed by the CFO/COO, ensuring close alignment with the Company's strategic priorities.

Our DMA's scoring method and criteria were developed following ESRS 1 requirements, addressing both impact materiality and financial materiality. This approach also satisfies the materiality assessment requirements set forth in Sec. 289c HGB. Our **impact materiality assessment** considered the scale, scope, irremediability, and likelihood of impacts being positive or negative as well as actual or potential. Severity took precedence over likelihood for human-rights-related impacts. As part of our **financial materiality assessment**, we assessed the financial materiality of ESG risks and opportunities, their likelihood, and the nature of financial impacts. As part of these processes, HUGO BOSS has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies by ensuring close collaboration and constant exchange between all parties involved. The **process for identifying material impacts, risks, and opportunities** adhered to a consistent approach across all ESG topics by systematically considering specific activities, business relationships, geographies, and other factors that may increase the risk of adverse impacts, while also taking into account the specific characteristics of our value chain as well as our key business activities, assets, sites, and regions.

Impact materiality (inside-out perspective)

Our ESG impact assessment, led by Investor Relations and conducted in close collaboration with our Corporate Sustainability as well as Risk Management and Internal Controls departments, started with the development of a comprehensive **catalog of ESG impacts**. Leveraging our previous materiality analysis based on GRI Standards, this catalog served as the foundation for mapping existing impacts to the ESRS methodology. To ensure a thorough assessment, HUGO BOSS expanded the catalog by conducting additional desk research, drawing on frameworks such as the Sustainability Accounting Standards Board (SASB) standards for the textile and apparel industry. The assessment covered **potential and actual impacts** on the environment and people across the value chain, from our own operations to upstream and downstream stages. Corresponding impact descriptions were enriched through desk research and internal expert insights.

HUGO BOSS followed a **systematic approach** to assess the materiality of all positive and negative impacts identified, using the ESRS criteria to ensure clarity and consistency in the evaluation process. In line with EFRAG guidance, the assessment was conducted on a gross basis, thus excluding the influence of implemented mitigation measures. To determine the materiality for all impacts identified, HUGO BOSS assessed their severity and likelihood and defined uniform thresholds, classifying a negative impact as material if it fell in the upper half of the combined assessment scale and classifying a positive impact as material if it fell in the upper quarter. To validate and ensure **accuracy and completeness** of its impact materiality assessment, HUGO BOSS engaged both internal experts across important sustainability areas as well as external ESG consultants.

Financial materiality (outside-in perspective)

The ESG risk and opportunity assessment was led by our central Risk Management and Internal Controls department, in close collaboration with relevant business areas and designated internal risk and opportunity experts. To ensure a thorough assessment, structured interviews were conducted, providing critical insights and detailed input. HUGO BOSS followed a systematic approach to assess the materiality of all **ESG risks and opportunities** identified, analyzing them in accordance with the relevant ESRS criteria to ensure clarity and consistency in the evaluation process. The assessment started with the establishment of a clear framework and guidelines for the risk and opportunity assessment, applying the ESRS methodology.

Risk Management and Internal Controls analyzed all gathered data, including a detailed review of critical factors such as the likelihood of risks occurring and their potential consequences on our business. In addition, it assessed the **financial materiality** of all ESG risks and opportunities identified on a qualitative basis. The likelihood and magnitude thresholds used in this context were in line with the methodology applied by HUGO BOSS in its general risk assessment, which is presented in the Risk and Opportunity Report of this Annual Report. Based on this, all those risks were assessed as material for which the combined classification of likelihood and magnitude was rated as either high or critical. > Report on Risks and Opportunities, Risk and Opportunity Management System

In line with EFRAG guidance, also this assessment was conducted on a gross basis, thus excluding the influence of implemented mitigation measures. As part of a cross-functional exchange, we also examined the extent to which correlations exist between the identified impacts and dependencies and the risks and opportunities that may arise from these impacts and dependencies. This mapping was done systematically at the individual impact level to ensure that each identified ESG risk and opportunity was assigned to the corresponding impact. To validate and ensure **accuracy and completeness** of the financial materiality assessment, we engaged not only internal experts across all important sustainability areas but also external ESG consultants.

The process ensured that the procedure for identifying, evaluating and managing ESG risks was integrated into the overarching **risk management system** and can now be used to evaluate the Company's overall risk profile and risk management processes. Similarly, the processes for identifying, evaluating, and managing ESG opportunities were closely integrated into the existing management processes in order to exploit their potential strategically and operationally in the future. Consequently, the results of the ESG risk and opportunity assessment were integrated into the Company's existing risk management system to streamline the risk management process while ensuring that all relevant ESG matters will be systematically analyzed also going forward, allowing for more effective decision-making by systematically evaluating our Company's overall risk profile.

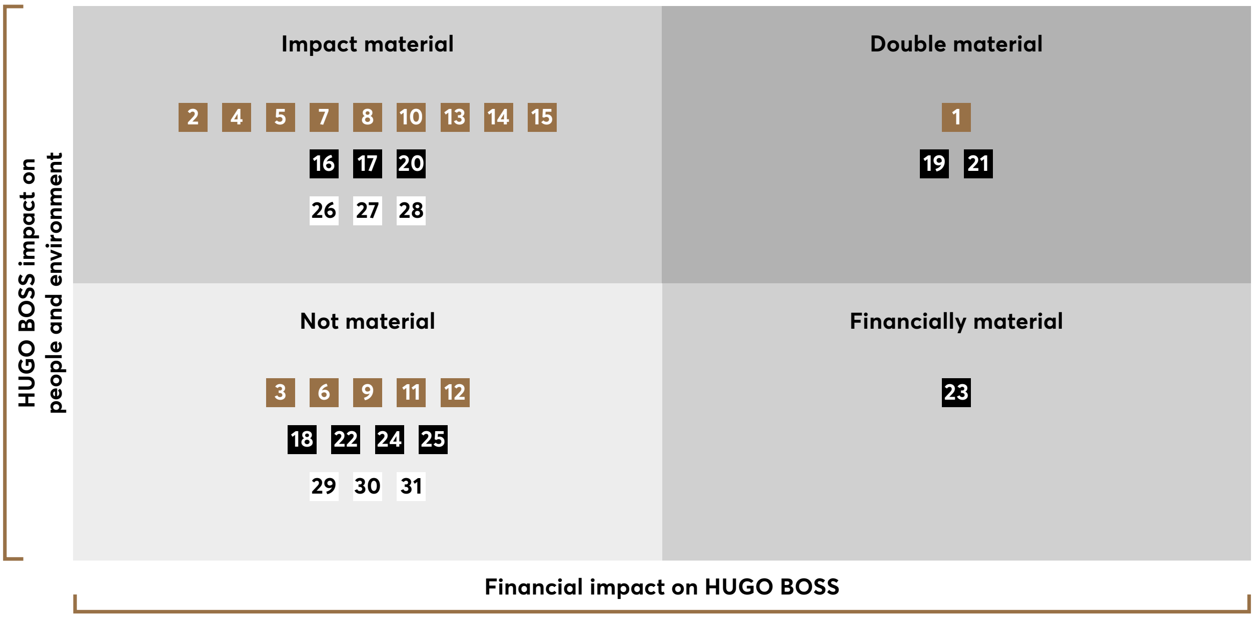
DMA consolidation and validation

The results of both assessments were consolidated accordingly, jointly reviewed by Investor Relations, Corporate Sustainability, and Risk Management and Internal Controls, and shared for **final validation** with all internal stakeholders involved in the assessment process as well as relevant senior management. The outcome of the DMA was summarized both in a detailed matrix and in a heat map. The results were shared, discussed, and approved by both the Managing Board and the Audit Committee of the Supervisory Board. HUGO BOSS plans to revisit and update its DMA annually, with the **next revision** scheduled for mid-2025. As part of this, we are committed to continuously developing our DMA approach to ensure we continue aligning with evolving best practices and legal requirements.

Overview of material ESG topics

The following chart provides an **overview of the ESG topics** considered to be material according to our DMA.

OVERVIEW OF MATERIAL ESG TOPICS



Environment

1 Climate Change
2 Energy
3 Pollution of air
4 Pollution of water
5 Pollution of soil
6 Pollution of living organisms and food resources
7 Substances of concern and very high concern
8 Microplastics
9 Water consumption
10 Water withdrawals
11 Water discharges
12 Marine resources
13 Biodiversity and ecosystems
14 Resources inflows, including resource use, and resources outflows
15 Waste

Social

16 Working conditions (own workforce)
17 Equal treatment and opportunities for all (own workforce)
18 Other work-related rights (own workforce)
19 Working conditions (value chain)
20 Equal treatment and opportunities for all (value chain)
21 Other work-related rights (value chain)
22 Affected communities
23 Information-related impacts for consumers/end-users
24 Personal safety of consumers/end-users
25 Social inclusion of consumers/end-users

Governance

26 Corporate culture
27 Protection of whistle-blowers
28 Animal welfare
29 Political engagement and lobbying activities
30 Management of relationships with suppliers including payment practices
31 Corruption and bribery

For a **detailed overview** of the ESG-related impacts, risks and opportunities that we have identified as material in our DMA, please refer to section "Material ESG-related Impacts, Risks and Opportunities." > Additional Disclosures on the Combined Non-financial Statement

Mapping of the material ESRS topics to the five aspects in accordance with Section 289c HGB

The subsequent structure of this combined non-financial statement follows the thematic organization of ESRS Set 1. Consequently, **environmental matters**, including information in accordance with Article 8 of Regulation 2020/852 (Taxonomy Regulation), are addressed in the "Environment" section. **Employee matters** appear under "Social – Own Workforce" and "Governance," while **social matters** are predominately outlined in "Social – Consumers and End-Users." The topic of **human rights** is discussed across "Social – Own Workforce" and "Social – Workers in the Value Chain." Lastly, **anti-corruption and bribery matters**, even if these were not classified as material under the DMA, are covered in the "Governance" section.

For a list summarizing **data points that derive from other EU legislation**, please refer to the section "Additional Disclosures on the Combined Non-Financial Statement." This statement also contains a limited number of **additional ESG data points** below materiality thresholds aimed at further increasing transparency. The corresponding information is also provided in the section "Additional Disclosures on the Combined Non-Financial Statement." > Additional Disclosures on the Combined Non-financial Statement

Environment

Climate change

In the global textile and apparel industry, CO_2 emissions primarily originate from the cultivation and production of fibers, as well as energy-intensive processes such as dyeing, washing, and bleaching. Additional emissions also stem from our own business activities and the value chain, where transportation, particularly air freight, contributes to our carbon footprint. Additionally, consumer practices like washing, drying, and disposing of textiles add to the environmental impact, intensifying global warming. At HUGO BOSS, we recognize our shared **responsibility to protect the climate**, prioritizing the implementation of less impactful processes both within our operations and throughout our supply chain.

Transition plan for climate change

HUGO BOSS is **committed to reducing greenhouse gas emissions** and aims to achieving net zero emissions by 2050, in alignment with the Paris Agreement's 1.5°C target. However, as methodologies and international regulations continue to evolve, the Company's existing climate transition plan is currently under review. While our emission reduction targets for 2030 and 2050, remain unchanged and valid for now, we are actively working on an updated, comprehensive transition plan that incorporates recent advancements and better addresses today's challenges. Scheduled for publication in 2025, our revised plan will provide a robust framework for future action and align with best practices. Moving forward, we will report on its progress and outcomes, reinforcing our commitment to meaningful climate action. > Targets related to Climate Change

Policies related to climate change

Our **Environmental Policy** underscores our commitment to sustainability by setting strict standards to minimize environmental impact, conserve resources, reduce water consumption, and enhance energy efficiency across our operations and supply chain. The policy addresses significant environmental impacts, such as the reliance on non-renewable energy, high energy consumption, and energy-intensive manufacturing, while also requiring resource efficiency and the adoption of renewable energy. Monitoring involves tracking energy use, pollution levels, and compliance with ISO 14001 (environmental management system) and ISO 50001 (energy management system). Suppliers are also encouraged to adopt best practices, with the policy applying globally and in alignment with local regulations. As part of its Environmental Policy, HUGO BOSS actively collaborates with organizations such as the United Nations Framework Convention on Climate Change (UNFCCC) and the Zero Discharge of Hazardous Chemicals (ZDHC) program.

Our **Logistics Guideline**, forming an integral part of our Environmental Policy, provides a strategic framework for planning and executing global transportation processes. It emphasizes low-emission transport options and aims to reduce carbon emissions throughout our logistics network, both at our own sites and at those of our partners along the supply chain. The guideline also promotes optimizing delivery routes and consolidating shipments to minimize environmental impact, reinforcing our commitment to sustainable logistics.

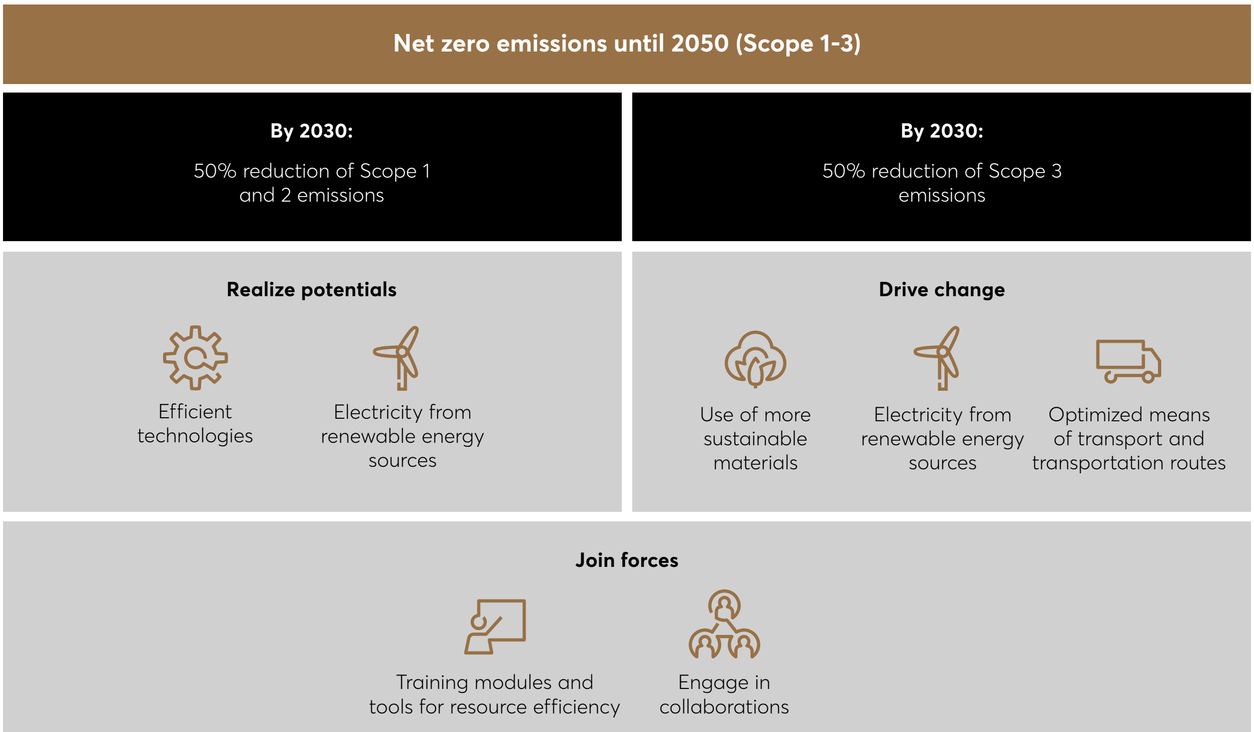
To accelerate climate protection within our supply chain, the HUGO BOSS **Supplier Code of Conduct** establishes clear standards and expectations for suppliers across various operational aspects, with a strong emphasis on environmental protection. The code provides comprehensive guidelines to ensure suppliers meet stringent environmental requirements, including the identification and monitoring of energy sources and tracking of greenhouse gas emissions. Suppliers are required to develop roadmaps to reduce energy consumption and emissions while responsibly managing natural resources. In addition to strict compliance with environmental regulations, suppliers are also encouraged to implement measures to avoid waste and pollution, and to use energy and water efficiently. By adhering to these principles, HUGO BOSS promotes a responsible and sustainable environmental culture in its supplier network and ensures that its business practices actively support global environmental protection efforts.

Targets related to climate change

HUGO BOSS has set the target to **cut emissions by 50% (Scope 1–3) by 2030**, based on a 2019 baseline (458,902 t CO_2). This mid-term goal aligns with the requirements of the Fashion Industry Charter for Climate Action, which aims to limit global warming to a maximum of 1.5°C, governed by the UNFCCC. Moreover, we are dedicated to achieving **net zero emissions (Scope 1–3) by 2050** in full alignment with the UNFCCC Charter. Scope 1 emissions refer to direct greenhouse gas emissions from sources owned or controlled by the Company, such as fuel combustion in Company facilities or vehicles. Scope 2 covers indirect emissions from the generation of purchased energy, like electricity or heating, while Scope 3 includes all other indirect emissions across the value chain, such as those from suppliers, product use, and waste disposal. As part of revising our transition plan, we are also reviewing our mid-term emission reduction targets to ensure they remain aligned with evolving standards.

Our energy targets play a crucial role in achieving our emission reduction goals by decreasing overall energy consumption and further enhancing efficiency across our own operations. In line with our UNFCCC target, we are committed to switching to **100% electricity used from renewable sources by 2030** in our own operations. In 2024, a total of 73%, corresponding to 73,794 MWh of our consumed electricity, was renewable (2023: 60%; 57,086 MWh). HUGO BOSS is committed to **reducing its direct and indirect energy consumption per square meter by 20% by 2030** compared to the 2019 base year. The direct and indirect energy consumption in relation to the gross size (kWh/m²) decreased by 5% in 2024 compared to 2019.

FOCUS OF CLIMATE ACTIONS AT HUGO BOSS



Actions related to climate change

Own operations

The climate impact of our own operations is relatively low compared to those along our upstream and downstream value chain, with Scope 1 and 2 emissions accounting for only 5% of our total emissions. This is because the upstream stages of the value chain, in particular, involve CO_2-intensive processes. Nevertheless, further **reducing energy consumption and CO_2 emissions** at our own sites is crucial for achieving our overall targets. Our own production site in Izmir (Turkey) – by far the largest of our own production sites globally – has been certified in accordance with both ISO 14001 and ISO 50001 since 2014.

To further **reduce CO_2 emissions at our own production sites**, we are primarily investing in energy-efficient technologies and modernizing technical facilities. At its own production sites, HUGO BOSS has been purchasing electricity exclusively from renewable energy sources since 2020. In 2024, we also installed LED lighting and heat pumps at one of our key logistics hubs near our headquarters in Metzingen (Germany). Additionally, we installed temperature control steam traps to ensure an energy-efficient process and insulated steam pipelines with valve jackets to reduce heat loss at our production site in Izmir (Turkey).

In addition, we are enhancing the **procurement and use of electricity from renewable sources** also on a group-wide basis, including the installation of an additional photovoltaic system at our headquarters in 2024. To further reduce emissions, we plan to expand our photovoltaic system at one of our key distribution centers in Germany in 2025. Other measures in 2024 included the installation of hybrid cooling systems and compressed air leakage detectors at our Izmir (Turkey) site, alongside the procurement of green electricity for all our locations in Canada, Mexico, Spain, and Poland as well as for our own retail points of sale in the U.S. market.

Supply chain

To meet our overall emission reduction targets, we are actively addressing **Scope 3 emissions**, which represent approximately 95% of HUGO BOSS' total emissions. Our approach includes close collaboration with suppliers, particularly those involved in energy-intensive processes such as dyeing, coating, steaming, ironing, and hot water usage, aimed at supporting them in decarbonizing their operations.

As part of regular **environmental audits** conducted by external auditors, we monitor our suppliers' energy consumption and CO_2 emissions. Our ambition is that, as of 2026, all resource-intensive suppliers will fully comply with the environmental requirements defined by HUGO BOSS, verified through audits. We aim to report on our progress towards this target in 2025. Suppliers are classified as resource-intensive if they discharge an average of more than 15 m^3 of industrial water per day, use coal as an energy source in manufacturing, or both. Based on previous assessments' results, these audits are conducted every one to three years. If any violations of environmental standards are identified, we collaborate with the respective suppliers to develop and implement action plans, which are subsequently reviewed in follow-up audits. To support continuous improvement, we also provide regular **training sessions** to keep our suppliers informed about environmental and climate protection measures, aiming to establish standardized energy and environmental management systems. This training includes guidance on best practices for carbon accounting.

To further enhance transparency and the measurability of our partners' environmental impacts, we co-developed the **"Climate Action Training for the Fashion Industry"** in 2021. This voluntary training course, created by the Fashion Industry Charter for Climate Action and selected signatories, is available online and therefore publicly available, free of charge, and offered in multiple languages. It is specifically designed for Tier 1 and Tier 2 suppliers equipping garment, textile, and footwear manufacturers with essential knowledge on climate change, our industry's environmental impact, energy efficiency, renewable energy, and practical carbon accounting techniques.

In 2024, HUGO BOSS joined Cascale, a collaborative platform which aims to strengthen industry partnerships, enhance supplier engagement, and improve data management insights. To build on this initiative, we have implemented the Cascale-developed Higg Facility Environmental Module (Higg FEM) 4.0 on the Worldly platform, one of the most widely used sustainability measurement tools in the apparel and footwear industry. This implementation is designed to help us **accurately capture and manage our Scope 3 emissions**. To ensure that our internal stakeholders are well equipped, we have conducted training sessions for key teams, including those in our brands' product divisions. These sessions focused on the functionality of Higg FEM, utilizing benchmarking opportunities for optimized order placements, and carrying out country-specific analyses.

At the beginning of 2025, we have also introduced a **"Decarbonization Commitment,"** a contractual obligation for Tier 1 suppliers to phase out coal, report mandatory data through the Higg FEM, and transition to renewable energy alternatives. This commitment is designed to ensure that our supply chain activities align with our sustainability goals, including the transition to renewable energy sources.

HUGO BOSS aims to progressively reduce its **transport-related greenhouse gas emissions (GHG)** (Scope 3.4 upstream transportation and distribution) by consistently reducing air freight and improving transport planning. Together with our global logistics partners, we are also exploring alternatives such as biofuels.

Energy consumption and mix

In 2024, the **total energy consumption** related to our own operations amounted to 137,155 MWh (2023: 132,353 MWh). This reflects a slight increase in energy consumption compared to the previous year, primarily driven by higher production volumes and a further expansion of office buildings, retail spaces, and warehouse facilities. In 2024, a total of 54%, corresponding to 73,794 MWh of our consumed energy was renewable (2023: 43%; 57,086 MWh). This signifies that 46% (63,361 MWh) of our total energy consumption is derived from fossil sources and therefore non-renewable (2023: 57%; 75,267 MWh).

ENERGY FROM FOSSIL AND RENEWABLE SOURCES (IN MWH)

	2024	2023
Fuel consumption from crude oil and petroleum products	1,708	1,005
Fuel consumption from natural gas	32,128	33,009
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	29,525	41,253
Total fossil energy consumption	**63,361**	**75,267**
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	68,865	53,934
Production and consumption of non-fuel renewable energy	4,929	3,151
Total energy consumption from renewable sources	**73,794**	**57,086**
Total energy consumption	**137,155**	**132,353**

The energy intensity, measured as the total energy consumption across all our own production facilities, warehouses, offices, and brick-and-mortar retail stores and outlets relative to Group sales, amounted to 32 MWh per million EUR in 2024 (2023: 32 MWh per million EUR).

Greenhouse gas emissions

In 2024, our global business activities resulted in a total of 550,788 metric tons (tons, t) of greenhouse gas (GHG) emissions across **Scope 1, 2, and 3** (2023: 487,252 t), calculated in accordance with the Greenhouse Gas Protocol. Total emissions increased by 13% year over year, indicating that our emission intensity – defined as total GHG emissions relative to net revenue of EUR 4,307 million – was 128 t CO_2e/EUR million in 2024 (2023: 116 t CO_2e/EUR million). Compared to the 2019 baseline, total emissions have increased by 20%, mainly due to a strong increase of production volumes since 2019.

HUGO BOSS emitted 25,520 t of **Scope 1 and 2 emissions** (2023: 28,844 t) in 2024, reflecting an 12% reduction compared to 2023 and an 18% reduction compared to the 2019 base year (2019: 30,998 t). This development mainly reflects an increased share of green electricity and the implementation of energy efficiency projects relative to the previous as well as to the base year.

In 2024, **Scope 3 emissions** amounted to 525,268 t, marking a 15% increase from the previous year (2023: 458,409 t) and an increase of 23% compared to the 2019 base year (2019: 427,903 t). The increase in Scope 3 emissions, in line with the rise in total emissions, is primarily due to the significantly higher production volume. Despite an increase in production volume, we successfully reduced GHG emission intensity per piece by 8% compared to the previous year, and by 39% compared to the base year of 2019. This calculation is based on emissions from Scope 3.1 purchased goods and services, that do not include emissions from own production sites.

In 2024, HUGO BOSS refined its **methodology for calculating Scope 3 emissions** to further enhance accuracy and credibility, aligning fully with the methodology outlined by the GHG Protocol. For determining Scope 3.1 emissions from purchased goods and services, we have now implemented the Higg Materials Sustainability Index (MSI) and the Facility Environmental Module (FEM) tools. These tools are regularly maintained by Cascale, ensuring that our data and methodology continues to meet high standards of credibility. To ensure comparability, prior-year as well as base-year figures, as outlined in the table below, have also been recalculated.

Starting in 2024, HUGO BOSS **expanded its reporting** to include 11 Scope 3 categories (up from eight in 2023), as outlined in the table below. This enhancement aligns with both GHG Protocol and Science Based Targets initiative (SBTi) guidelines, underscoring our commitment to comprehensive reporting across all relevant Scope 3 emission sources. Accordingly, we have also adjusted the baseline of our emissions reduction target to ensure accurate comparison, applying only to Scope 3 categories with updated methodologies.

GREENHOUSE GAS EMISSIONS (IN T CO_2e)

	2024	2023[1]	Base year: 2019[1]
Total Scope 1 emissions[2]	**9,827**	**9,664**	**11,058**
Total Scope 2 emissions (market-based)[3]	**15,693**	**19,179**	**19,941**
Scope 3 emissions[4]			
1 Purchased goods and services	416,005	345,286	339,095
2 Capital goods[5]	1,185	607	351
3 Fuel- and energy related activities	6,239	8,185	8,138
4 Upstream transportation and distribution	67,291	68,172	39,005
5 Waste generated in operations	2,101	2,439	708
6 Business travel	5,887	7,120	7,012
7 Employee commuting	6,347	5,072	9,895
8 Upstream leased assets	2,466	3,306	5,809
9 Downstream transportation	2,782	3,579	1,646
12 End-of-life treatment of sold products	9,718	9,648	5,429
14 Franchises	5,249	4,995	10,815
Total Scope 3 emissions[6]	**525,268**	**458,409**	**427,903**
Total emissions	**550,788**	**487,252**	**458,902**

1 Scope 1–3 emissions for 2019, as well as Scope 3 emissions for 2023 are not part of the auditing scope.
2 Scope 1 emissions include direct emissions from owned or controlled sources and emissions from own vehicles (excluding electric vehicles). Due to corrections and improvements in data quality, prior-year figures have been adjusted retrospectively.
3 Scope 2 emissions are calculated according to the market-based approach using specific supplier emission factors for certified green electricity. For conventional electricity, specific country emission factors are used. Location-based Scope 2 emissions amounted to 39,146 t in 2024 (2023: 38,848 t).
4 Due to the improvement of data quality and corresponding corrections during the year, prior-year figures have been adjusted retrospectively.
5 The calculation of emissions for Scope 3.2 Capital goods is based on the average-spend based method according to the GHG Protocol. The data available at the time of the annual financial statements may be corrected retrospectively, so deviations from the previous year's figures are possible.
6 In 2024, 62% of the Scope 3 emissions were calculated using primary data. The calculation of the primary data share was based on input factor levels, excluding emission factor data.

Pollution

Pollution is a critical issue in the apparel and textile industry, particularly in the upstream and downstream stages of the value chain. During **raw material extraction**, pesticides and fertilizers contaminate water sources, particularly in regions with less-developed agricultural practices. Soil degradation is caused by overgrazing, poor farming practices, and excessive chemical use, while improper disposal of textile waste pollutes soil and groundwater. **Textile production** significantly affects water and soil quality due to the use of chemical substances, such as fertilizers in cotton farming and various processing agents. These substances are predominantly applied in wet processes such as dyeing, washing, bleaching, and tanning, which are major contributors to water pollution through the discharge of untreated wastewater. Additionally, synthetic textiles release **microplastics** during wear and washing, polluting rivers and oceans, and harming marine life and human health. HUGO BOSS recognizes these challenges and is committed to minimizing pollution across its value chain.

Policies related to pollution

To effectively address pollution prevention and control, we have implemented an **Environmental Policy** and a **Chemical Management Policy**. Our Environmental Policy sets the framework for reducing environmental pollution overall and caring for the environment. More information on the HUGO BOSS Environmental Policy can be found in the "Climate Change" section. > Climate Change

HUGO BOSS is dedicated to the conscious and safe use of chemicals, prioritizing both environmental and health considerations through its **Chemical Management Policy**. This policy outlines clear guidelines for the storage, use, and disposal of hazardous substances, aiming to minimize environmental impact and actively promote safer alternatives. It addresses key concerns such as preventing water pollution and reducing air and soil contamination by adhering to internationally recognized standards, including the **Zero Discharge of Hazardous Chemicals (ZDHC)** initiative, which HUGO BOSS joined in 2017. This initiative provides standardized tools to assess and enhance suppliers' chemical management practices.

A core element of this initiative is the **ZDHC Manufacturing Restricted Substances List (MRSL)**, which identifies harmful chemical formulations that need to be phased out. The MRSL sets strict limits for critical process chemicals and supports efforts to monitor and mitigate water pollution. It forms an integral part of HUGO BOSS' supplier contracts, requiring all suppliers, including our own production facilities, to verify their chemical inventories against the MRSL.

To ensure that our products are free from harmful substances, we have established a **Restricted Substances List (RSL)** and Product Compliance Guideline. These comprehensive documents define product safety and marketability requirements, setting a clear framework for compliance throughout our supply chain. Our suppliers are required to adhere to our RSL, which strictly regulates substances in our products to ensure they meet the highest safety standards. It aligns with the recommendations of the **Apparel and Footwear International RSL Management (AFIRM) Group**, incorporating their substance lists, thresholds, and test methods for a structured approach to managing restricted substances.

HUGO BOSS extends the obligations of the MRSL and the RSL beyond its Tier 1 suppliers, mandating that upstream suppliers also comply with its standards, fostering **collective commitment** to product safety and sustainability.

Targets related to pollution

HUGO BOSS is committed to ensuring that **all Tier 1 and direct Tier 2 suppliers using wet processes meet the ZDHC MRSL reporting or an equivalent standard by 2030**. We have set an interim target for all strategic Tier 1 suppliers using wet processes to meet the requirements by 2025. In 2024, 42% of the production sites in scope met the chemical inventory requirements (2023: 47%), including 65% of our strategic suppliers (2023: 67%). For wastewater tests, 62% of the production sites in scope complied with the specifications (2023: 58%), including 85% of our strategic suppliers (2023: 78%).

To enhance water and soil quality, we aim to source **100% of the natural materials used in our products' fabrics and linings according to regenerative principles or through closed-loop recycling by 2030**, excluding license products. As of 2024, 12% of our natural materials already met these criteria (2023: 1%). This goal is designed to prevent soil and water pollution by promoting better cultivation practices that minimize excessive fertilizer and pesticide use. In doing so, we aim to combat soil degradation, improve soil quality, and protect water ecosystems from harmful contamination caused by conventional agricultural methods, such as traditional cotton farming. Additional information on this target can be found in the "Biodiversity and Ecosystems" section. > Biodiversity and Ecosystems

HUGO BOSS also aims to systematically reduce its reliance on non-renewable synthetic fibers to actively contribute to the reduction of microplastics. In this context, we are committed to **eliminating the use of polyester and polyamide in all our products' fabrics and linings by 2030**. In 2024, polyester and polyamide accounted for 18% of all fabrics and linings (2023: 18%). This target underscores our commitment to reducing environmental pollution and safeguarding ecosystems.

Actions related to pollution

To reduce environmental impacts in production, we are **collaborating closely with our suppliers and other businesses** in the global apparel industry, including through initiatives such as the ZDHC. By adopting the ZDHC "Roadmap to Zero" framework, we have enhanced our ability to monitor and improve chemical management across the supply chain. Additionally, as a member of the AFIRM Group, we leverage their tools to maintain high standards of chemical compliance and product safety at every stage of production.

Recognizing the environmental risks posed by chemicals in products, HUGO BOSS **eliminated the use of harmful per- and polyfluoroalkyl substances (PFAS)** in production processes as early as 2018. This ban is now an integral part of our RSL and we remain committed to phasing out additional harmful substances and materials in the future.

To ensure **our products are free from substances of very high concern (SVHC)**, we conduct regular monitoring through rigorous testing. Our Product Risk Database integrates third-party test reports for products, fabrics, and trimmings, enabling us to effectively track restricted substances and particularly focus on identifying and managing SVHCs. This proactive approach aims to ensure compliance with regulatory requirements while minimizing risks to consumers and the environment.

To combat microplastic pollution, we are focusing on reducing our reliance on non-renewable synthetic fibers and minimizing their environmental impact. Therefore, "Fight Microplastics" is a key pillar of our sustainability strategy. Our **strategic partnership with Swiss innovator HeiQ**, established in 2022, is an important step in this direction. Together, we developed AeoniQ, a cellulose yarn that offers similar properties to polyester and polyamide. Having successfully launched its first AeoniQ polo shirts in 2023, BOSS introduced its first sneakers made with AeoniQ in 2024. Moving forward, we will continue to strengthen this partnership by gradually increasing the use of AeoniQ yarn in our brands' collections. > Resource Use and Circular Economy

Water resources

At HUGO BOSS, we are **committed to a responsible water management and conservation throughout our operations and supply chain**. We recognize the material impacts our activities have on water resources, particularly through the cultivation of water-intensive raw materials like cotton and water use in upstream production processes. We are therefore dedicated to reducing or at least minimizing water scarcity risks for surrounding communities and ecosystems. By implementing targeted initiatives and collaborating closely with our suppliers, we strive to lower water withdrawal, enhance efficiency, and minimize our environmental footprint.

Policies related to water resources

Water management is a core component of our **Environmental Policy**. We require our suppliers to monitor and optimize their water consumption through effective strategies. Water withdrawals from surface or groundwater sources must at least comply with national or local requirements. Suppliers engaged in water-intensive production processes are particularly encouraged to continuously optimize their water efficiency. More information about our Environmental Policy can be found in the "Climate Change" section. > Climate Change

Actions related to water resources

In 2024, we launched a **partnership with Cascale and Worldly**, as detailed in the "Climate Change" section, to enhance, among other things, tracking of water consumption at our suppliers. This collaboration is expected to provide valuable insights into water usage across our supply chain, enabling us to design effective strategies for reducing water consumption going forward. In the first year, our focus was on establishing the partnership and creating a strong foundation for comprehensive data collection, paving the way for a detailed action roadmap and optimal resource allocation. > Climate Change

When implementing future measures along the supply chain, we will also draw on the expertise gained from multiple **water management initiatives** implemented at our own sites in the prior years. At our largest production site in Turkey, for example, we have installed groundwater collection systems to support green area irrigation and sanitary installations. Additionally, we have introduced water-saving aerator fittings at multiple locations, reducing water consumption by incorporating air into the water flow.

Biodiversity and ecosystems

Natural raw materials depend on **healthy and diverse ecosystems**, sustained by intact and thriving biodiversity. As our products are predominantly crafted from natural materials such as cotton and wool, this underscores our deep reliance on the preservation of biodiversity. This dependency is shared across the broader fashion industry, which significantly impacts ecosystems worldwide. Unsustainable cultivation practices, such as the excessive use of fertilizers and pesticides in cotton farming, and habitat destruction through extensive land use and deforestation contribute to biodiversity loss. Additionally, the extraction of raw materials like cotton and leather through the exploitation and expansion of agricultural land can lead to habitat loss, while relying on virgin materials in general as well as waste generation during manufacturing exacerbate these challenges. Recognizing these industry-wide impacts, HUGO BOSS has made biodiversity a priority in its sustainability management, striving to balance our **dependency on natural resources** with proactive efforts to mitigate adverse impacts on ecosystems.

Transition plan for biodiversity and ecosystems

HUGO BOSS is actively taking steps to address the important topic of biodiversity and ecosystems. This includes conducting a comprehensive resilience analysis of our business model and strategy concerning biodiversity and ecosystem-related risks. As a first step, we are currently planning to conduct a biodiversity impact assessment, which will lay the groundwork for a future resilience analysis. This assessment will also inform the potential development of a **transition plan**, ensuring that biodiversity considerations are systematically integrated into our strategic framework.

Policies related to biodiversity and ecosystems

Our **Environmental Policy** underscores our commitment to sustainability by conserving natural resources, enhancing energy efficiency, and addressing material risks, while also seizing opportunities to promote renewable energy and resource efficiency across our operations and supply chain. The policy underscores our efforts to conserve resources by continuously evaluating and adopting alternative materials that reduce impacts on biodiversity and ecosystems. Further details on the policy are available in the "Climate Change" section. > Climate Change

Our **Biodiversity Strategy Paper** emphasizes our responsibility to care for and enhance ecosystems as part of our broader sustainability commitment. The framework is designed to address key dependencies on natural resources such as cotton and wool, while including specific, measurable targets to reduce the negative environmental impact across our supply chain. Our approach prioritizes responsible sourcing and generally excludes materials such as exotic leather. We collaborate closely with organizations such as Canopy to adopt practices that support biodiversity. These partnerships strengthen our commitment to better raw material sourcing and highlight our role in caring for vulnerable ecosystems. Our strategy addresses both physical risks – such as fluctuations in raw material availability from climate-sensitive regions – and transition risks tied to the ongoing shift towards regenerative or closed-loop materials. Our risk assessment process is guided by the LEAP (locate, evaluate, assess, and prepare) framework from the Taskforce on Nature-related Financial Disclosure (TNFD), which helps us to identify biodiversity-related dependencies and risks across our supply chain.

To enhance **transparency and accountability**, HUGO BOSS is committed to ensuring traceability across its supply chain. We source from certified suppliers, such as tanneries accredited by the Leather Working Group (LWG) and adhere to Canopy's standards for our wood-based materials to prevent deforestation. This includes our standard that all man-made cellulosic fibers we use – such as lyocell, modal, and viscose – are required to be certified. Our Biodiversity Strategy Paper also aims to sustain biodiversity by prioritizing the avoidance of deforestation for resources including cotton and wood-based packaging. By emphasizing sustainable land use and partnering with regenerative farming initiatives, we actively support ecosystem resilience. **Regenerative farming** is a holistic approach that aims to restore and enhance soil health, biodiversity, and ecosystem resilience. It promotes practices such as crop rotation, reducing the use of critical chemicals, and protecting endangered species to support more environmentally friendly agricultural systems. Since there is currently no standardized definition of this concept, HUGO BOSS has developed its own clearly defined standards. > Actions related to Biodiversity and Ecosystems

HUGO BOSS is committed to forest conservation by responsibly sourcing materials for paper, packaging, and fabrics. This approach is reflected in our **Commitment to Protect Forests**, which applies to all wood-derived materials used in paper, packaging, and fabrics throughout our global operations. This policy was developed with careful consideration of our stakeholders' interests, including environmental organizations, suppliers, and consumers. In support of this commitment, HUGO BOSS adheres to recognized third-party standards, including those of the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), reinforcing our dedication to sustainable sourcing.

Targets related to biodiversity and ecosystems

To contribute to the protection of biodiversity and ecosystems as part of its broader sustainability strategy, HUGO BOSS has set the goal of **sourcing 100% of natural materials used in its products' fabrics and linings according to regenerative principles or through closed-loop recycling by 2030**. License products are excluded from this goal. As of 2024, 12% of our natural materials have already met these criteria (2023: 1%). This commitment is aimed to minimize our impact on natural resources while actively supporting ecological restoration. By prioritizing regenerative farming, we aim to enhance soil health, restore habitats, and promote biodiversity, moving beyond conventional practices such as monoculture farming and excessive pesticide use. Our focus on closed-loop recycling further reduces the dependence on virgin raw materials, decreasing waste and protecting ecosystems from resource extraction pressures.

Actions related to biodiversity and ecosystems

Recognizing the importance of intact ecosystems and biodiversity, we are taking steps to identify, assess, and disclose nature-related risks and opportunities, thereby improving decision-making and accountability. In this context, we plan to publish our first **Taskforce on Nature-related Financial Disclosures (TNFD)** report in 2025, drawing on our experience with the Task Force on Climate-related Financial Disclosures (TCFD) report, which we have been publishing annually since 2021. By integrating biodiversity and ecosystem considerations into our financial and strategic planning, we aim to further strengthen our sustainability commitment.

To prepare for TNFD reporting, a key priority in 2024 was to identify and implement a tool for a comprehensive **biodiversity impact assessment**. In 2025, we plan to extend the tool's application to our Tier 1 suppliers and Tier 4 farmers practicing regenerative farming. For Tier 1, our initial focus will be on identifying suppliers located near biodiversity hotspots and ecologically sensitive areas. A thorough analysis will assess aspects such as land use and changes, proximity to sensitive ecosystems, and the presence of threatened species. These findings will inform the development of our biodiversity strategy and a transition plan with actionable steps and timelines. Once these foundations are established, we will expand the assessment to include other relevant suppliers. In close collaboration with key stakeholders like regenerative farmers and local communities, we will then implement the plan to support both biodiversity preservation and community resilience.

In 2024, we expanded our portfolio of approved farms and farmer associations, laying the foundation for scaling our **regenerative farming initiative** in the coming years. A cornerstone of this effort is our partnership with Raddis, a cooperative based in India promoting regenerative farming and empowering farmers directly. In 2024, we extended this partnership for another three years to further strengthen these efforts.

At HUGO BOSS, we recognize the importance of fostering **direct engagement with farmers and agricultural associations** committed to cultivating regenerative raw materials. To ensure consistency and alignment across our regenerative sourcing efforts, we developed an internal Regenerative Agriculture Brochure. This comprehensive guide outlines our approach to regenerative farming and establishes clear criteria across four key areas: soil health, biodiversity, animal welfare, and social fairness. A key aspect is the detailed explanation of our evaluation process for regenerative partners, which follows five distinct steps: scouting, nominating, interviewing, evaluating and approving. Furthermore, the brochure outlines the three performance levels of our regenerative principles: improving soil health and conserving biodiversity, restoring biodiversity, and promoting social fairness. This structured approach ensures targeted support for farmers at various stages of their regenerative journey.

To promote biodiversity not only on land but also in the oceans and to support the restoration of marine ecosystems, in 2024, the **HUGO BOSS Foundation** has entered into a long-term partnership with Coral Gardeners. Established in 2023, the HUGO BOSS foundation is dedicated to **supporting climate and environmental protection initiatives** around the globe. Coral Gardeners, a non-profit organization, focuses on the restoration and conservation of coral reefs in regions such as French Polynesia, Fiji, and Thailand. As part of this partnership, the HUGO BOSS Foundation will contribute EUR 2 million to Coral Gardeners over several years, reinforcing its commitment to protecting our planet's ecosystems.

Resource use and circular economy

As a global fashion company, HUGO BOSS recognizes its responsibility to **protect natural resources** and actively contribute to the **transition toward a circular economy**. Consequently, we identified circularity as a strategic priority at an early stage and anchored it as a key pillar of our sustainability strategy. > Group Strategy, "Sustainable Throughout"

The fashion industry's production processes require large quantities of virgin raw materials, such as cotton and wool, as well as synthetic fibers like polyester, which necessitate ongoing resource extraction. This reliance contributes to significant environmental challenges, including deforestation, excessive water use, and pollution. Additionally, substantial waste is generated during garment production and at the post-consumer stage when clothing is disposed of rather than being reused or resold. This exacerbates environmental burdens and also depletes valuable raw materials. **Packaging**, particularly single-use plastic, further adds to the environmental impact, contributing to resource depletion, large volumes of non-biodegradable waste, and pollution that enters ecosystems, threatening wildlife and disrupting habitats. The lack of efficient systems for reusing and recycling packaging materials compounds the problem, depleting valuable resources and further contributing to pollution. More information on how these challenges threaten biodiversity and ecosystems can be found in the "Biodiversity and Ecosystems" section. > Biodiversity and Ecosystems

Policies related to resource use and circular economy

Our **Material Strategy** underscores our commitment to more responsible resource use and circular economy principles. This guideline emphasizes our approach to increasing the use of recycled and certified materials, outlining our standards for the selection and usage of materials in our products. Its key elements include the classification of raw materials, an overview of our regenerative farming principles, and our "WE CARE" initiative, as well as details on our brands' circular styles. Our "WE CARE" initiative aims to increasingly use better raw materials in our collections, meaning these materials are either recycled, sourced from regenerative farming, supporting circular design practices or certified by external standards. An overview of key standards and certifications for the respective materials can be found in our Material Strategy, available on our corporate website. With regard to our brands' circular styles, we adhere closely to circular.fashion's Circular Design Criteria, offering a comprehensive framework for circular textile products. At HUGO BOSS, circular products must meet three criteria: using renewable or recycled raw materials, being long-lasting, and being designed for recycling, for example by reducing the use of material mixes. We are continuously working on increasing the use of recycled post-consumer textile waste in our collections.

To ensure that our circular products are developed and produced in alignment with our circularity goals, we have established an internal **Circular Product Policy**. This policy provides detailed information on internal organizational responsibilities, our circular design criteria, a list of materials that can be used in circular styles, and guidelines on how to design products to be recyclable.

Targets related to resource use and circular economy

HUGO BOSS aims for **80% of its apparel products to be circular by 2030** (measured by production volume, number of apparel items). In 2024, we increased this share to 33%, thus making further progress toward our 2030 goal (2023: 17%). We have also set a target for our most used raw material, aiming to **source 100% of our cotton used in fabrics and linings sustainably by the end of 2025** in accordance with the criteria of our Material Strategy. **Materials classified as more sustainable** must either be certified by an external standard such as the Organic Content Standard (OCS), be recycled, or sourced through mass balance systems like Cotton made in Africa (CmiA). Cotton, in particular, is also considered more sustainable when sourced from verified regenerative farming practices. In 2024, we already achieved our 2025 target by reaching a 100% share of sustainable cotton (2023: 98%). As regenerative farming is a key lever for sourcing more sustainable cotton, we have also set the goal of sourcing 100% of the natural materials used in the fabrics and linings of our products according to regenerative principles or through closed-loop recycling by 2030. Licensed products are excluded from this target. To ensure transparency and foster collaboration, we actively engage with external stakeholders, including textile sustainability experts and partners like Raddis, a cooperative based in India promoting regenerative farming and empowering farmers directly. Further information on regenerative farming and the corresponding target can be found in the "Biodiversity and Ecosystems" section.
> Biodiversity and Ecosystems

At HUGO BOSS, we are committed to reducing packaging and continuously improving its environmental impact through responsible material choices and more innovative solutions. In 2024, we successfully reduced packaging weight per item by 15% compared to 2023. At the same time, we aim to achieve a **30% reduction in single-use plastic packaging per item by 2030** (excluding hangers and suit bags), also compared to 2023 levels. This target encompasses product, transport, e-commerce, and service packaging. In 2024, single-use plastic packaging slightly increased by 4%.

Actions related to resource use and circular economy

In 2024, we reinforced our commitment to innovative and circular designed products. To increase awareness, particularly among our design and development teams, we conducted **specialized training courses on circular design principles** and their practical application. Additionally, we introduced a mandatory annual training program to align our teams with our sustainability targets and material standards, fostering a unified approach to the use of better materials. To increase the use of materials with a lower environmental impact compared to conventional alternatives such as polyester and polyamide, we further strengthened our **strategic partnership with Swiss innovator HeiQ**. For more information on this initiative, please refer to the "Pollution" section. > Pollution

As part of our ongoing **innovation efforts**, we also collaborated with one of our suppliers to develop NovaPoly, a trademarked yarn made from pre- and post-consumer recycled polyester textile waste, reflecting our continued effort to reduce textile waste.

In 2024, we revised our **packaging targets and standards**, further committing to reducing packaging waste and promoting circularity, placing particular emphasis on minimizing plastic waste. As part of this initiative, we established new targets and standards for all aspects of our upstream and downstream operations, including product, transport, e-commerce, and service packaging. This new target, outlined further above, form the cornerstone of our approach to less impactful packaging.

Resource inflows

HUGO BOSS relies on a variety of resources to support its operations and value chain activities. These include both **natural and synthetic materials**, as outlined in the following tables. Biological materials such as cotton, wool, and leather constitute a significant share of our input materials and are carefully selected to meet our sustainability standards, prioritizing certified and consciously managed supply chains. Synthetic materials, such as polyester and polyamide, also form an integral part of our input materials. To reduce our reliance on virgin resources, we are increasingly focusing on recycled alternatives. We are fully committed to continuously expanding the use of better and recycled materials across our brands' collections.

NATURAL AND SYNTHETIC MATERIALS USED

	2024				2023			
	Metric tons	In % of total	Share of more sustainable materials (in %)[1]	Share of recycled material (in %)[2]	Metric tons	In % of total	Share of more sustainable materials (in %)[1]	Share of recycled material (in %)[2]
Cotton	13,761	57	100	0	13,267	53	98	1
Natural rubber	604	3	0	0	751	3	0	0
Linen	146	1	60	0	168	1	53	0
Hemp	1	0	12	0	1	0	18	0
Other	6	0	0	0	4	0	0	0
Total biological materials	**14,517**	**60**	**97**	**0**	**14,191**	**57**	**92**	**0**
Sheep wool	1,756	7	49	3	2,084	8	45	1
Leather	939	4	86	3	1,108	4	61	2
Silk	38	0	3	0	56	0	6	0
Cashmere	35	0	33	0	45	0	18	0
Mohair	2	0	100	0	2	0	100	0
Down	1	0	100	0	0	0	100	0
Other[3]	48	0	0	0	58	0	0	0
Total animal-derived materials	**2,820**	**12**	**60**	**3**	**3,354**	**13**	**49**	**1**
Polyester	3,194	13	11	11	3,259	13	15	15
Polyamide	1,210	5	20	20	1,220	5	16	15
Elastane	408	2	4	4	402	2	2	2
Other[4]	855	4	0	0	1,289	5	0	0
Total fossil-based materials	**5,666**	**24**	**11**	**11**	**6,171**	**25**	**11**	**11**
Viscose	808	3	100	2	911	4	100	3
Lyocell	119	1	100	0	119	1	100	6
Modal	65	0	100	0	58	0	100	0
Other[5]	68	0	0	0	80	0	0	0
Total cellulose-based materials	**1,060**	**4**	**94**	**2**	**1,167**	**5**	**93**	**3**
Remaining materials	**40**	**0**	**0**	**0**	**81**	**0**	**0**	**0**
Total materials	**24,103**	**100**	**72**	**3**	**24,964**	**100**	**66**	**3**

1 Materials classified as more sustainable by HUGO BOSS must either be certified by an external standard such as the Organic Content Standard (OCS), be recycled, or be sourced through mass balance systems like Cotton made in Africa (CmiA). Specifically, cotton is also considered more sustainable if it comes from verified regenerative farming practices.
2 We generally classify recycled materials as "more sustainable," so the values presented here also contribute to the share of more sustainable materials.
3 This also includes other animal-derived materials, such as alpaca wool or goat hair.
4 This also includes other fossil-based materials, such as acrylic or polypropylene.
5 This includes other cellulose-based materials, such as cupro and acetate.

Packaging is essential for protecting our products during transport and shipping, while reinforcing our brands' premium positioning in the global apparel market. In 2024, 84% of our product packaging was made from renewable materials (2023: 85%). As part of our commitment to resource conservation, we are transitioning to more sustainable raw materials, including certified and recycled sources. In 2024, 92% of our paper packaging was certified (2023: 93%), and 59% was made from recycled material (2023: 70%), reflecting our dedication to sourcing from consciously managed forests and reducing the use of virgin materials. We are also focused on increasing the circularity of our packaging. In 2024, 100% of our packaging materials were recyclable (2023: 100%), further demonstrating our efforts to conserve resources and reduce waste.

PACKAGING MATERIALS USED AND THEIR RECYCLED CONTENT

	2024			2023		
	Total (in t)	In % of total	Share of recycled materials (in %)	Total (in t)	In % of total	Share of recycled materials (in %)
Transport and shipping cartons	4,898	44	73	5,421	42	79
Carrier bags	1,504	13	76	1,809	14	77
Product/gift boxes	1,273	11	58	2,182	17	89
Other	1,667	15	1	1,497	12	1
Total paper packaging	**9,342**	**83**	**59**	**10,910**	**85**	**70**
Polybags and garment covers	607	5	44	572	4	39
Hangers	443	4	99	524	4	99
Suit bags	267	2	100	268	2	19
Other	481	4	19	440	3	17
Total plastic packaging	**1,798**	**16**	**59**	**1,804**	**14**	**48**
Hanger hooks	47	0	11	58	0	11
Other	3	0	0	1	0	0
Total metal packaging	**50**	**0**	**11**	**59**	**0**	**11**
Natural materials (e.g., cotton)	24	0	0	31	0	0
Total packaging	**11,214**	**100**	**58**	**12,804**	**100**	**66**

Circular business models

A primary objective of circularity is to minimize waste at all critical stages of the product life cycle. To achieve this goal, we focus on **reusing surplus materials** from production and **extending the product life cycle** through reuse, repair and resale initiatives.

In 2024, we successfully launched Eightyards, a subsidiary dedicated to the **reuse and recycling of our surplus materials**. Its concept is strategically aligned with our commitment to accelerate resource-efficient production processes and the reduction of post-production waste. Officially starting operations in early 2025, Eightyards aims to become a leading player in recycling and repurposing surplus materials across various industries, including fashion.

Additionally, in early 2025, we initiated a strategic partnership with Sellpy, a European re-commerce platform specializing in fashion. This collaboration offers customers a **convenient way to extend the life of pre-owned fashion items**. As part of the service, they can send in their items – including BOSS, HUGO, or other brands – for resale and receive a credit once the items are sold. This offer is initially available in selected European markets and highlights our commitment to circular economy.

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The European Green Deal, introduced by the European Commission in 2019, aims to achieve net-zero greenhouse gas emissions in the European Union by 2050. A key part of this strategy is the EU Taxonomy, a **classification system that defines "environmentally sustainable" economic activities**. Its purpose is to guide capital flows toward sustainable investments by classifying economic activities based on their contribution to six environmental objectives: (1) "Climate change mitigation," (2) "Climate change adaptation," (3) "Sustainable use and protection of water and marine resources," (4) "Transition to a circular economy," (5) "Pollution prevention and control," and (6) "Protection and restoration of biodiversity and ecosystems."

For fiscal year 2024, HUGO BOSS has conducted a thorough analysis, concluding that, just like in the prior year, **no financially material taxonomy-aligned sales, CapEx, or OpEx** are to be reported, in particular as our primary economic activities are not yet covered by the EU Taxonomy. The following section contains the mandatory reporting related to the EU Taxonomy, reflecting the most current interpretation available at the time this combined non-financial statement was prepared.

Reporting on "environmentally sustainable" economic activities

The EU Taxonomy requires companies to report on their taxonomy-aligned, or "environmentally sustainable," economic activities in accordance with EU criteria. This involves disclosing the shares of **sales, capital expenditure (CapEx), and operating expenses (OpEx)** related to both taxonomy-eligible and taxonomy-aligned economic activities for all six environmental objectives.

Taxonomy-eligible economic activities are those that meet the respective activity descriptions outlined in the EU Taxonomy, regardless of whether they fulfill the technical screening criteria. Economic activities become **taxonomy-aligned** if they make a significant contribution to the respective environmental objective by complying with the technical screening criteria, do no significant harm ("DNSH") to the other environmental objectives, and adhere to the minimum safeguards set out by the EU Taxonomy.

The delegated acts published to date in connection with the EU Taxonomy on the six environmental objectives still only cover a limited number of sectors and economic activities. For the primary economic activities of **companies in the global apparel market**, and thus also of HUGO BOSS, the delegated acts currently only cover a very limited number of potentially relevant economic activities in connection with the objective (4) "Transition to a circular economy," including the sale of second-hand goods and repair and refurbishment services. While these activities currently only play a minor role in our business model, our **primary economic activities** are by definition not taxonomy-eligible. However, there are some activities listed in the delegated acts that, while not revenue-generating, are relevant to our Company's **basic infrastructure** such as real estate or energy generation facilities.

In light of the broad range of potentially eligible economic activities, HUGO BOSS applies the **principle of materiality** when reporting on the EU Taxonomy. Consistent with our approach in the prior year, we classify an economic activity as taxonomy-eligible if its KPI value at economic activity level is at least 0.5% of the total sales or total CapEx denominator.

Sales

The core business of HUGO BOSS is not covered by the current EU Taxonomy criteria. Therefore, we report the shares of **taxonomy-eligible and taxonomy-aligned sales** in fiscal year 2024 as 0%, as in the previous year. Irrespective of this, HUGO BOSS is striving to significantly expand its activities in circularity going forward, having firmly anchored a clear commitment to "Increase Circularity" in its sustainability strategy. > Resource Use and Circular Economy

Capital expenditure (CapEx)

For fiscal year 2024, no economic activities were identified with CapEx amounts exceeding the defined materiality threshold, except for the **construction of a new office building** at our headquarters in Metzingen (Germany), which qualifies under the taxonomy-eligible activity 7.1, "Construction of new buildings." HUGO BOSS is pursuing platinum certification from the German Sustainable Building Council (DGNB) for the building, with completion expected in 2025. While the DGNB certification reflects a high standard of sustainability, it does not fully cover all EU Taxonomy criteria. As a result, complete evidence of alignment with these specific criteria was unavailable as of the reporting date, and therefore, the CapEx related to the office building project is reported as not taxonomy-aligned for fiscal year 2024.

Consequently, the **taxonomy-eligible CapEx** for 2024 in relation to the total CapEx incurred of EUR 645 million ("denominator") amounts to 2% (2023: 0% with a denominator of EUR 537 million). The share of **taxonomy-aligned CapEx**, again in relation to the denominator, however, amounts to 0% (2023: 0%). In accordance with the taxonomy regulation, the CapEx to be used in determining the denominator mainly comprises additions to property, plant, and equipment and intangible assets before depreciation, amortization, and revaluations, as well as right-of-use asset additions from long-term leases. The amount of the denominator can be reconciled to the disclosures made in the Combined Management Report under "Financial Position" and in the Consolidated Financial Statements under Note 9. > Financial Position, Capital Expenditure

Operating expenses (OpEx)

In accordance with the EU Taxonomy, the OpEx used to calculate the denominator primarily includes direct costs relating to research and development, building renovation, short-term leasing, maintenance, and repair. However, the majority of the OpEx of HUGO BOSS, such as sales and marketing, general administration, and logistics expenses, do not fall under this definition. For fiscal year 2024, the OpEx denominator amounts to EUR 128 million (2023: EUR 135 million). In relation to the Company's total OpEx of EUR 2,299 million for fiscal year 2024 (reconcilable to the operating expenses presented in the consolidated income statement; 2023: EUR 2,171 million), the OpEx denominator is deemed immaterial. Consequently, in line with the specifications in Annex I of the delegated acts on Article 8 of the EU Taxonomy, HUGO BOSS has opted to waive the determination of **taxonomy-eligible and taxonomy-aligned OpEx** for fiscal year 2024. Accordingly, both shares are reported as 0% (2023: 0%). > Earnings Development, Income Statement

Climate risk analysis

HUGO BOSS conducted an **analysis of physical climate risks** for its key Company locations, meeting the requirements of the EU Taxonomy, and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), also encompassing the location of the mentioned investment project. The system-based analysis uses the emission reference scenarios established by the Intergovernmental Panel on Climate Change (IPCC). No significant short- to medium-term physical climate risks were identified for the respective project, ensuring there is no significant harm ("DNSH") to the environmental objective of "climate change adaptation." As a result, the Company deems that no immediate adaptation measures are required. > Climate Change

Social minimum safeguards

Compliance with the social minimum safeguards, which comprise the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the ILO Core Labor Standards and the International Bill of Human Rights, was thoroughly reviewed by topic experts at HUGO BOSS. As in the previous year, **HUGO BOSS complies with all the standards outlined**. > Workers in the Value Chain, > Business Conduct

Additional information

For **additional information** on the taxonomy-eligible and taxonomy-aligned proportions of sales, CapEx, and OpEx, please refer to the section "Additional Disclosures on the EU Taxonomy." > Additional Disclosures on the Combined Non-Financial Statement, Additional Disclosures on the EU Taxonomy

Social

Own workforce

At HUGO BOSS, we are convinced that the passion and dedication of our employees are vital for long-term business success. A strong commitment to empowering people and teams is therefore firmly anchored in our "CLAIM 5" strategy, guided by our HUGO BOSS values of **entrepreneurial spirit, personal ownership, team mentality, simplicity & quality, and youthful spirit**. Our values serve as the foundation for day-to-day cooperation. They foster a spirit of mutual trust, thereby promoting creativity as well as fast and rigorous execution. The aim is to create an environment that enables all employees to develop their individual talents and thus directly contribute to the success of HUGO BOSS. By fostering a diverse, equitable, and inclusive company culture, we create an environment that allows every individual to succeed. At the same time, employee development and training are central to our strategy, providing our workforce with the tools and opportunities they need to grow. Through these efforts, we aim to maintain our positioning as **one of the most attractive employers in the fashion industry**, where talent is nurtured and everyone is empowered to reach their full potential.

HUGO BOSS VALUES

TRUST				
ENTREPRENEURIAL SPIRIT	PERSONAL OWNERSHIP	TEAM MENTALITY	SIMPLICITY & QUALITY	YOUTHFUL SPIRIT

With our global presence across numerous markets, production facilities, and consumer touchpoints, HUGO BOSS recognizes that people are the cornerstone of its success. We are thus dedicated to protecting human rights as fundamental principles for safeguarding human dignity. Our own workforce mainly consists of **white-collar employees** at our headquarters and global subsidiaries, **commercial employees** within our own retail store network, as well as **blue-collar workers** at our production facilities and logistics. Each of these groups has specific needs for a safe, inclusive, motivating, and appreciative workplace environment that also fosters an atmosphere of trust and belonging across all levels of our business.

Our commitment extends beyond our own workforce to the entire value chain, including **workers in our global supply chain**. Further details on human rights risks and our human and labor rights approach in the supply chain are outlined in the “Workers in the Value Chain” section. > Workers in the Value Chain

Policies related to own workforce

HUGO BOSS is committed to respecting human rights, promoting fair labor practices, and fostering a productive work environment that prioritizes the well-being and rights of its employees across our operations, including local subsidiaries, own production and logistics facilities, and own retail stores. These commitments are reflected in our Company policies, which align with international labor standards, including those from the **United Nations Universal Declaration of Human Rights**, the **International Labour Organization (ILO)**, and industry-specific guidelines from the **Fair Labor Association (FLA)**.

Our **Human Rights Statement**, signed by the Managing Board, reinforces our commitment to upholding international standards, outlines our responsibility to address human rights risks, and emphasizes our dedication to eliminating all forms of discrimination. We review the statement annually to ensure its ongoing relevance, effectiveness, and actuality. Building on this, our **Human Rights Policy** sets binding standards for all employees and partners ensuring fair treatment, decent working conditions, and compliance with national laws on working hours, freedom of association, occupational health and safety, and environmental protection. The policy enforces working hour caps and guidelines on overtime to safeguard employee health, well-being, and productivity. Fair pay is fundamental to ensuring financial security, fostering equity. Employees must earn at least the statutory minimum wage, and in cases where local standards are insufficient, a living wage standard is applied. The policy undergoes regular updates, with the most recent revision completed in early 2025.

Complementing this, our **Health and Safety Commitment** and **Child Labor and Forced Labor Policy** are critical to safeguarding our own workforce. These policies emphasize the protection of physical safety, personal dignity, and the prohibition of child labor across all operations and with our partners. Our **Supplier Code of Conduct (SCoC)**, which is based on internationally recognized labor and social standards, applies not only to partners but also to our own production sites. Compliance with the SCoC is monitored through regular audits and supported with training on critical topics to foster mutual understanding across the supply chain. Further details on both these policies and our SCoC can be found in the **"Workers in the Value Chain"** section. > Workers in the Value Chain

The HUGO BOSS **Code of Conduct** outlines Group-wide legal and ethical principles for employee conduct, establishing a foundation of compliance across a range of areas, including fair competition, avoiding conflicts of interest, proper handling of Company information, and data protection. Ensuring fair working conditions and respectful treatment in the workplace is central to the Code, as is maintaining zero tolerance toward corruption. We do not tolerate any willful misconduct or violations of the Code. Employees receive a copy of the Code or online access via a QR code along with their employment contract. They are continuously familiarized with the regulations of the Code and the Group policies. More information on the Code of Conduct can be found in the "Governance" section. > Governance

At HUGO BOSS, we are dedicated to creating an inclusive, supportive, and fair workplace, where equal opportunities are available to all employees. Our **Anti-Discrimination, Anti-Harassment, and Gender Equality Commitment** and **Anti-Discrimination, Anti-Harassment, and Gender Equality Policy** emphasize our efforts towards a discrimination- and harassment-free working environment. HUGO BOSS promotes respect for the full spectrum of diversity, including race, gender, sexual orientation, age, and more. The Company has a strict zero-tolerance stance on any form of discrimination or harassment, upheld through strict policies and supported by management's commitment to equal treatment for all employees.

Diversity, equity, and inclusion (DE&I) is a cornerstone of our company culture, reflecting our commitment to creating a workplace free from discrimination and rich with opportunity. To underscore its importance, DE&I is firmly anchored within the global Human Resources (HR) department, ensuring alignment with our Company's broader HR goals and operations. A dedicated **policy on DE&I** is currently being developed, with publication expected in 2025, emphasizing our commitment to creating an inclusive working environment where all employees are treated equitably and empowered to thrive.

Additionally, the HUGO BOSS **Fair Pay Commitment** stipulates that all employees are to be compensated fairly and equitably, in accordance with local laws and international labor standards. We are committed to ensuring equal pay for work of equal value, with regular reviews to ensure pay practices are transparent and free from bias.

The international subsidiaries of HUGO BOSS structure their HR management by means of **additional, decentralized policies**. This enables them to adapt to their particular situation, while complying with national law. If not stated otherwise, Group-wide policies, are monitored yearly and if necessary updated by our Human Rights Officer.

Engagement with own workforce

At HUGO BOSS, we are committed to fostering a company culture where employees feel empowered to cooperate openly, express their views, and contribute to our Company's success. We engage directly with our workforce through various channels, ensuring that employees have the opportunity to voice their concerns, share ideas, and actively participate in decision-making processes. By promoting **active and direct dialog**, we aim to enhance employee retention and strengthen their connection to our Company's strategic goals.

A key initiative for engaging with our workforce while tracking the effectiveness of our overall approach to employee engagement is the annual **Great Place to Work** survey, conducted Group-wide by an external service provider. This survey offers critical insights into how our employees experience HUGO BOSS, their interactions with leaders and peers, and their overall engagement. In 2024, the Group-wide participation rate reached 70% (2023: 77%), with an **overall satisfaction level** of 69% (2023: 77%). This development mainly reflects the challenges posed by a difficult macroeconomic environment in some of our key regions, particularly in Turkey. These conditions impacted employees' financial well-being and overall sentiment throughout 2024. Looking ahead, we remain committed to sustaining a satisfaction level of at least 75% across the Group, consistent with previous years. For our employees at HUGO BOSS AG in Germany, overall satisfaction remained broadly stable at 86% in 2024 (2023: 87%). Our employees particularly appreciate the benefits and perks, team spirit and collaboration, as well as work-life balance and flexibility that HUGO BOSS offers. These findings provide us with **valuable insights** that we use to inform operational and strategic decision-making, with the aim of further improving employee engagement globally at HUGO BOSS. Importantly, the survey results, particularly the "Trust Index," represent a key component of the long-term incentive program (LTI) for the Managing Board and eligible senior management staff, underscoring the strategic importance of employee engagement.

Besides the annual survey, HUGO BOSS offers a culture of ongoing dialog through multiple channels aimed at strengthening the **internal dialog** both among employees as well as between employees and senior management. Regular updates from the Managing Board, alongside opportunities for direct dialog through internal events, provide platforms for employee engagement. In this context, we introduced the hybrid format **"How is Business?"** in 2024, in which the Managing Board provides our global workforce with relevant business insights on a quarterly basis, while also answering questions from the audience.

Workers' representatives are integral to our employee engagement process. Through works councils that are organized at both local and national levels, regular dialog takes place on key matters such as employee well-being, health and safety, and workplace development. Our workforce in Germany is represented by the works council at the level of our Group's parent company HUGO BOSS AG, in accordance with the German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG). The **annual works meeting** where both the Managing Board and the Works Council provide employees in Germany with updates on the Company's economic performance and strategic priorities, and strengthens transparency and the connection between leadership and the workforce. The **works council**, led by its Chairperson, regularly engages in open dialog with the Managing Board and our central HR division, addressing both strategic and individual matters. Each employee is assigned a dedicated HR manager to assist with any inquiries, complaints, or other matters requiring attention. Furthermore, we support the formation of employee organizations for safeguarding rights and respect the right of unionization of our workforce. HUGO BOSS maintains regular meetings with union representatives, both directly and through associations such as the Southwest German Textile and Clothing Industry.

To further strengthen engagement, we also leverage **digital tools** to enhance communication and collaboration. Our global employee **app "My HUGO BOSS"** and our **global intranet platform "ONE"** keep employees closely connected and engaged. These platforms provide timely updates on HUGO BOSS and our two brands BOSS and HUGO, featuring live streams, videos, and relevant industry news.

Grievance mechanisms and remediation processes

HUGO BOSS has established a comprehensive system to address human rights impacts stemming from its business activities. To facilitate reporting and overcome barriers to access, we provide three independent whistleblowing channels: our **Speak Up Channel**, an external **Ombudsperson** service, and our **Compliance department**. To reduce further barriers to reporting, these channels enable the reporting of issues confidentially, anonymously, and free of charge. In addition to these global channels, HUGO BOSS has implemented additional internal **whistleblowing channels on a local level**, providing our own workforce with access to localized points of contact. In doing so, HUGO BOSS aims to mitigate negative impacts on human rights, data protection, and compliance with its Code of Conduct, among other things.

Raising awareness of these grievance mechanisms ensures employees feel safe to report concerns. This awareness is built into various aspects of our company culture through a mandatory **compliance training course**, where all permanent employees are informed about grievance processes, and **internal information campaigns**. Additionally, the Company promotes awareness across its local subsidiaries, own production facilities, and own retail stores with comprehensive information on the intranet or posters detailing how to access the various whistleblowing channels. Employees can also raise concerns directly with their **managers** or **HR**. All reports are handled by the Compliance department, ensuring that issues are addressed in line with the Company's commitment to upholding human rights and ethical standards.

The HUGO BOSS Compliance department reviews the **effectiveness of the grievance procedure** at least once a year or, if necessary, on an ad-hoc basis. Based on the findings, further action steps are initiated to ensure continuous improvement. The grievance mechanisms and remediation processes, including whistleblowing protection against retaliation, are further detailed in the "Governance" section. > Governance

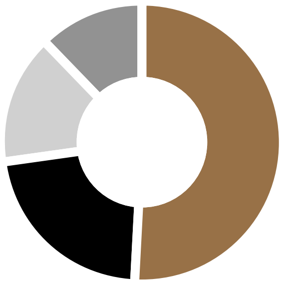
Characteristics of our workforce

At the end of fiscal year 2024, on a **headcount basis**, HUGO BOSS employed a total of 21,286 employees worldwide (2023: 21,899). This includes all active employees, including white-collar workers, commercial staff, blue-collar workers, learners (including working students, apprentices, and interns), and temporary staff. The decrease of 613 headcounts compared to the prior year primarily reflects a moderate decrease in both temporary staff as well as in corporate functions. On a **full-time equivalent (FTE)** basis, excluding learners and temporary staff, this corresponds to 18,623 employees as of December 31, 2024 (December 31, 2023: 18,738). The following metrics represent employee data calculated on a headcount basis.

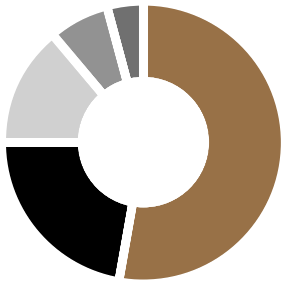
Our Company's **global positioning** is also reflected in our workforce. In 2024, 78% of our employees were based outside of Germany (2023: 80%). Within Germany, employees from over 100 different nations work for HUGO BOSS (2023: almost 100 nations). At the end of 2024, 15,230 employees (2023: 15,725) worked in the **commercial sector**, while 6,056 employees (2023: 6,174) were assigned to **industrial activities**.

HUGO BOSS EMPLOYEES[1] (IN %)

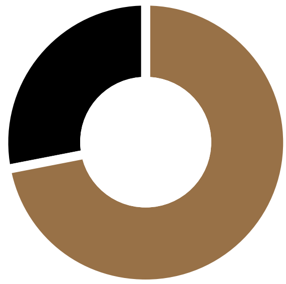
By region



By functional area



By type



EMEA (without Germany)
51 (53)

Germany
22 (21)

Americas
15 (14)

Asia/Pacific
12 (13)

Own retail business, sales, and marketing
53 (51)

Own production
22 (26)

Administration (incl. IT)
14 (12)

Logistics
7 (7)

R&D
4 (4)

Commercial and administrative employees
72 (69)

Industrial employees
28 (31)

2024 (2023)

1 On a headcount basis.

The following tables provide further characteristics of our own workforce, aligned towards ESRS S1 requirements:

EMPLOYEES BY GENDER (HEADCOUNT)

	2024	2023
Male	8,645	8,927
Female	12,638	12,971
Diverse	1	1
Not reported	2	0
Total employees	**21,286**	**21,899**

EMPLOYEES BY COUNTRY[1] (HEADCOUNT)

	2024	2023
Turkey	5,221	5,239
Germany	4,581	4,676
Other	11,484	11,984
Total employees	**21,286**	**21,899**

1 This table aligns with ESRS requirements, providing information on countries representing at least 10% of our global workforce. All countries below the 10% threshold are reported under "Other."

EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY GENDER (HEADCOUNT)

	Permanent	Temporary	**Total**	Thereof non-guaranteed hours
Female	10,989	1,649	12,638	1,044
Male	7,782	863	8,645	1,094
Diverse	0	1	1	0
Not disclosed	1	1	2	2

EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY REGION (HEADCOUNT)

	Permanent	Temporary	**Total**	Thereof non-guaranteed hours
EMEA	14,056	1,298	15,354	6
Americas	3,012	282	3,294	2,019
Asia/Pacific	1,704	934	2,638	115

In 2024, HUGO BOSS continued its focus on meeting its demand for talent, hiring 6,259 **new employees** worldwide (2023: 7,242). The total number of all **employees who have left** HUGO BOSS during the reporting period amounted to 6,667 employees (2023: 5,583), including inactive employment relationships. HUGO BOSS counts employees as having left the Company only upon official contract termination. Transitions from temporary roles, internships, or student positions to permanent roles are recorded as internal transfers, not new hires. For both of the above-mentioned metrics, HUGO BOSS accounts all employees excluding learners and temporary staff. The resulting **total turnover rate** of employees thus amounted to 32% in 2024 (2023: 27%). Employee turnover is calculated by dividing the total number of employees who left the Company ("leavers") during the year by the total number of employees at year-end (active and inactive employment relationships, excluding learners and temporary staff). This methodology shall ensure a clear and consistent snapshot of turnover relative to the workforce size at a specific point in time.

At a level of 22%, the **employee-related turnover**, based on total headcounts, increased slightly year over year (2023: 18%). This rate includes only those who voluntarily chose to leave the Company. To gain deeper insights into employee retention, we separately track the employee-related turnover for our retail operations and corporate functions. The rate in our retail business was 32% in 2024 (2023: 30%), while in corporate functions it amounted to 15% (2023: 10%). Our objective remains to further reduce employee-related turnover to below 30% in the retail functions, and below 8% in the corporate functions, by 2030. We conduct **exit interviews** with employees who have decided to leave HUGO BOSS to better understand the reasons for their departure. Their feedback is collected and analyzed for the purpose of adjusting our practices with the aim of further improving employee retention and reducing employee-related turnover.

Targets and actions related to own workforce

In the following section, HUGO BOSS outlines its **targets and actions related to its own workforce**, addressing topics identified as material through our double materiality assessment. This includes information on working conditions as well as equal treatment and opportunities for all.

Working conditions

At HUGO BOSS, we recognize that ensuring optimal working conditions is vital to fostering employee well-being, productivity, and overall job satisfaction across all regions. Also in our industry, employees may face longer working hours and heightened pressure, especially during peak seasons, which can challenge their ability to maintain a healthy work-life balance. We are continually working to enhance these conditions, in particular by improving **work-life balance**, managing **working time**, and ensuring the right to **freedom of association**.

HUGO BOSS is actively implementing more flexible working models and clear policies that define reasonable boundaries around working hours, promoting healthier work environments. Additionally, we are committed to further enhancing our **social dialog framework**, ensuring that employees' voices are heard and that their rights to fair representation are upheld. By strengthening these aspects, we aim to create an even more inclusive and supportive workplace where employees are empowered to participate in decision-making processes affecting their roles and working conditions.

Working time and work-life balance

In the fast-paced fashion industry, managing working time is essential to **ensuring fair working conditions and preventing overwork**. Effective regulation of working hours protects employees to their right to rest and promotes overall well-being.

Actions
We are convinced that a balanced personal and professional life fosters a productive and motivated workforce. To support this, we offer our employees a wide range of options to **strengthen work-life balance**. A variety of **flexible working models**, such as individual part-time arrangements, trust-based working hours, and remote work, are designed to help our employees manage private life commitments alongside their professional responsibilities. Most of our employees already benefit from flexible working hours. For example, employees in our own production facility in Izmir (Turkey) are also able to reduce accrued overtime hours or take advantage of other part-time arrangements.

Our **hybrid working model "Threedom of Work"** applies to administrative staff in Germany and provides for three days of attendance at our headquarters in Metzingen, whereas employees are free to choose their work location on the other two days. Similar models are in place at other Group companies, while most administrative staff worldwide benefit from mobile working options, further enhancing flexibility. Numerous initiatives at our headquarters support an **agile, cross-functional work environment**, utilizing modern office concepts and digital tools. Additionally, flexible models such as job sharing and co-leadership further contribute to a dynamic and efficient, yet flexible work culture. On top of this, in 2024, HUGO BOSS introduced **"ME TIME,"** a flexible sabbatical model for our employees in Germany, enabling time for education, social engagement, or travel, further enhancing our dynamic and adaptable work culture.

As we are also committed to strengthening family friendliness as part of the Germany-wide cooperation **"Success Factor Family,"** we are offering a broad variety of family-friendly options. This includes access to day care for around 50 toddlers at our Metzingen site as well as holiday care programs. In the U.S. and Canada, employees have access to an **Employee Assistance Program (EAP)** for independent advice on childcare and family care. In addition, most of our employees in the U.S. have the option of spending part of their gross personal income for external care and support services through **flexible spending accounts (FSAs)**.

Adequate wages

At HUGO BOSS, we firmly believe that **fair pay** is fundamental to ensuring financial security, fostering equity, and driving motivation and productivity. We are committed to providing **transparent, performance-based compensation** as part of fair working conditions. To this end, HUGO BOSS continually strives to enhance the fairness and competitiveness of its compensation structure, ensuring that employees worldwide are rewarded at least in line with local minimum wage standards.

Targets

We are committed to **maintaining competitive compensation practices** globally. In fiscal year 2024, all employees earned at least in line with the adequate wage benchmark set forth in the ESRS, reaffirming our commitment to fair and adequate compensation.

Actions

All our employees are entitled to fair compensation, aligned with market standards. All positions worldwide are thus evaluated via standardized criteria. Based on a regular assessment of all jobs in Germany as well as international key positions, the majority of our employees are remunerated based on job-specific salary bands. As an addition to the minimum local wage requirements, our salary bands are based on **external salary benchmarks** covering several sectors. In recent years, HUGO BOSS conducted a thorough evaluation of nearly all positions worldwide to establish a **unified compensation system** based on a Group-wide grading system, thus further improving transparency. The latter is built around job-specific qualifications and responsibilities, aimed at ensuring a compensation structure that remains fair, competitive, and free from discrimination. HUGO BOSS reviews its pay practices regularly to maintain competitiveness.

Our **compensation system** includes fixed and variable salary components, bonuses above the collective bargaining scale, non-cash compensation, and other benefits. It aligns with industry and collective bargaining agreements, while incorporating national and regional benchmarks. At HUGO BOSS AG in Germany, works agreements govern compensation components such as the employee profit-sharing bonus. Non-tariff employees receive a 13th monthly salary instalment and a short-term incentive (STI) linked to annual company targets. The compensation scheme for the Managing Board and senior management also includes a long-term incentive (LTI) program. Additionally, as part of a restricted stock units (RSU) plan, eligible senior management is granted options to purchase shares in HUGO BOSS, further aligning their interests with the long-term success of the Company.

HUGO BOSS further supports employees with a **company pension**, with specific conditions varying by country. In Germany, for example, all employees are eligible for a uniform pension plan. Additionally, there are **retirement programs** in place, such as partial retirement, allowing employees to maintain access to benefits like the company fitness studio and company restaurant at our Group headquarters.

To provide our employees with an additional benefit, HUGO BOSS offers an **employee share investment program (SHIP)**, enabling employees across 25 countries (2023: over 20 countries) to acquire HUGO BOSS shares at regular intervals under favorable conditions, thereby directly participating in the Company's success. In 2024, we significantly expanded the program's eligibility criteria, increasing the number of globally eligible employees by around 40%. Following this expansion, SHIP continues to enjoy strong participation, with an overall participation rate of 14% (2023: 19%), and a rate of 35% (2023: 43%) at HUGO BOSS AG in Germany.

Freedom of association and collective bargaining

Freedom of association and the right to collective bargaining are essential for ensuring that employees can **voice their concerns** and collaborate to maintain **fair working conditions**. These rights empower employees to advocate for better wages, safer environments, and overall improved well-being.

Targets
HUGO BOSS is firmly committed to respecting and upholding employees' rights to unionize and participate in collective bargaining. Our Human Rights Commitment and Policy underline our commitment towards an open and constructive dialog with employees and their representatives. Our objective is to ensure these rights are consistently respected across all operations, in compliance with national laws, and to **prevent any violations**.

In Germany, **all employees are covered by collective bargaining agreements** and are represented by workers' representatives.

Actions

HUGO BOSS actively engages with its workforce through a variety of channels, including **labor unions, works councils**, and **employee committees** across its global operations, fostering open dialog and promoting labor rights.

In **Germany**, home to our second-largest workforce, social dialog is facilitated by a close collaboration between the elected works council of HUGO BOSS AG, which represents employee interests, and the Managing Board, ensuring fair and constructive negotiations on topics vital to the workforce. As a result of this collaboration, we have implemented a variety of works agreements, offering broad-ranging benefits for our employees. These cover health protection, flexible working arrangements, childcare support, family assistance programs, and anniversary bonuses, among other things. In **Turkey**, where we have our largest workforce, the elected employee representation aims to ensure that workers can raise concerns and participate in discussions about their working conditions. In markets like **Mexico** and **China**, specialized worker-manager committees focus on health, safety, and workplace conditions, ensuring employees' voices are heard at the local level, while in **France**, the Social and Economic Committee (Comité social et économique, CSE) holds regular meetings with local management, representing different employee categories.

Equal treatment and opportunities for all

Our commitment to fostering equal opportunities is deeply rooted in promoting a workplace thriving on diversity, equity, and inclusion (DE&I). These principles, alongside our focus on gender equality, anti-discrimination efforts, and continuous training and development, form the foundation of a **supportive and empowering work environment**. We believe that an inclusive culture, where every individual feels valued, respected, and empowered to contribute, is vital to our Company's long-term success. By promoting fairness, trust, and collaboration, we strive to ensure an environment where employees can excel.

HUGO BOSS is committed to **tackling gender pay disparities**, ensuring that all promotions and compensation decisions are merit-based, and eliminating barriers to career advancement based on gender. We are actively working on closing the gender pay gap through further increasing transparency in our career development and compensation frameworks, fostering a more equitable workplace where everyone has equal opportunities to succeed.

At the same time, we are committed to maintaining a **zero-tolerance policy against workplace harassment and violence**, particularly those arising from discriminatory behavior. To safeguard our inclusive culture, we have implemented policies to protect employees from unethical conduct. By promoting a safe and respectful work environment, we empower all employees to excel free from the fear of discrimination or mistreatment.

We also place strong emphasis on the continuous development of our employees. Through a variety of **training and development programs**, HUGO BOSS ensures that all employees, regardless of their background or role, have the opportunity to enhance their skills, grow within the Company, and contribute to its collective success.

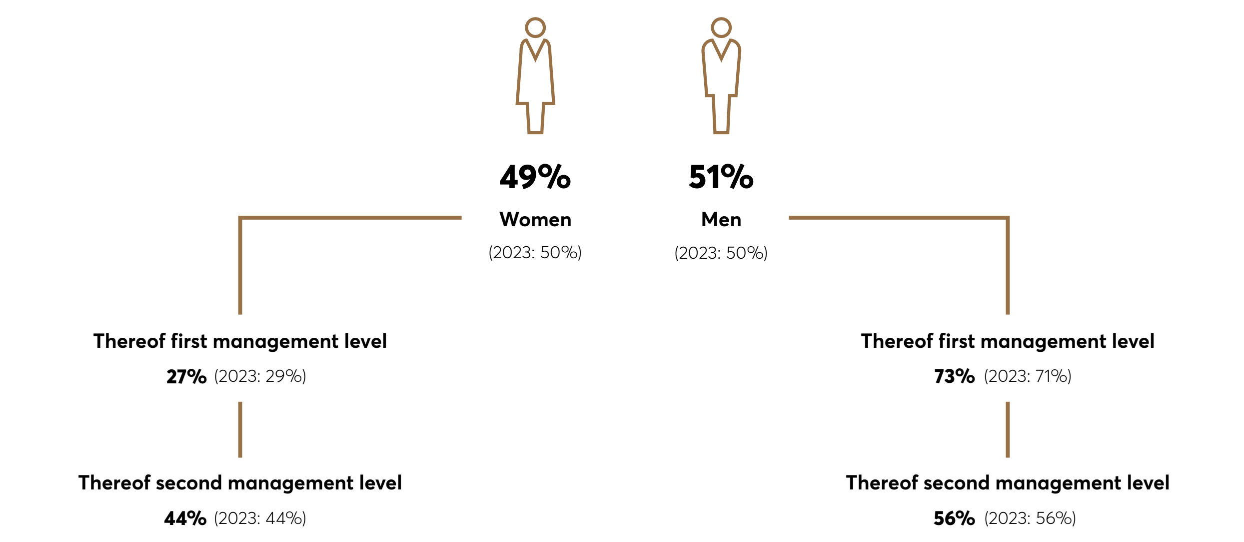
Diversity, equity, and inclusion (DE&I)

At HUGO BOSS, DE&I are central to our journey of reshaping fashion. With over 145 nationalities represented in our workforce, we embrace the power of **diverse cultural backgrounds and generational collaboration**. As a global company, we understand fashion's influence on society and are committed to fostering an inclusive, equitable world where diverse perspectives drive creativity and innovation.

Targets

HUGO BOSS is committed to promoting **gender equality across all organizational levels**. At year-end 2024, women represented 59% of our workforce, continuing to form the majority (2023: 59%). Across all management levels, 49% of positions were held by women, thus broadly stable as compared to the prior year (2023: 50%).

EMPLOYEES IN TOP MANAGEMENT AND SECOND MANAGEMENT LEVELS



HUGO BOSS has set ambitious targets for 2025, aiming for **at least 40% women in the first management level** (below the Managing Board) and **at least 50% in the second management level**. As of December 31, 2024, women accounted for 27% of top management positions and 44% of second management positions (December 31, 2023: 29% and 44%, respectively). Both these targets will undergo a comprehensive review in 2025, reaffirming our commitment to driving gender equality and strengthening the representation of women in leadership at HUGO BOSS.

HUGO BOSS is proud of its diverse and balanced workforce, spanning multiple generations. As of fiscal year 2024, employees under 30 accounted for 6,581 (31%), those aged 30–50 made up 12,205 (57%), and employees over 50 totaled 2,500 (12%). This **balanced age distribution** reflects the dynamic blend of emerging talent and experienced professionals that drives HUGO BOSS forward.

EMPLOYEES BY AGE GROUP (HEADCOUNT AND SHARE)

	2024		2023	
	Headcount	Share (%)	Headcount	Share (%)
<30 years	6,581	31	7,288	33
30 to 50 years	12,205	57	12,245	56
>50 years	2,500	12	2,366	11
Total	**21,286**	**100**	**21,899**	**100**

HUGO BOSS measures **equity** through its annual employee survey and has set a target of achieving an 85% agreement rate on the equity index by 2030. This index reflects employees' perceptions of fair treatment via several survey statements, including "People here are treated fairly regardless of their race, age, gender, and sexual orientation." In 2024, 80% of employees viewed HUGO BOSS as an equitable workplace. Respectively, **inclusion** is measured via the survey question "I can be myself around here," with a goal of 79% agreement by 2030. In 2024, 74% of employees agreed they feel included within the Company.

Actions

HUGO BOSS has defined a comprehensive DE&I ambition focused on five key pillars: Our People, Our Company, Our Consumers, Our Business Partners, and Our Community. To further advance DE&I within the organization and embedding it into our company culture, our **MIX & MATCH initiative** bundles numerous internal and external measures aimed at raising awareness, educating, and promoting a culture of inclusion. Our **Diversity Task Force (DTF)**, composed of employees from diverse backgrounds, supports the execution of these initiatives through dedicated working streams focused on topics like gender equality and LGBTQIA+ representation. Employees can also form self-organized groups, including the **Wonder Women CREW** and the **BE YOU CREW**, offering safe spaces for sharing experiences and fostering mutual support.

We offer our employees regular **DE&I training** courses, including programs that teach how overcoming bias supports business success. Launched in 2022, these training courses adopted a top-down approach, initially targeting the Managing Board, senior management, and middle management. They were subsequently extended to the broader workforce through individual team training sessions conducted in 2023 and 2024. In 2024, we also integrated an **unconscious bias training** course into our leadership development programs.

Gender equality remains a priority, with ongoing initiatives to enhance female representation in leadership roles. Our **Diversity Hiring Council** plays a central role in reviewing the recruitment process for top management positions and ensuring gender-balanced candidate shortlists. To further promote gender-diverse leadership, we launched the **SHE BOSS** program in 2024, aimed at developing high-potential female leaders at HUGO BOSS with active support and involvement from their managers.

By adhering to the **United Nations Women's Empowerment Principles**, we aim to promote equal opportunities, representation, and treatment for all genders in the workplace. We also support the **Partnership for Global LGBTIQ+ Equality (PGLE)**, a coalition of organizations committed to leveraging their individual and collective advocacy to accelerate LGBTIQ+ equality and inclusion globally. Furthermore, we support the **Klischeefrei initiative**, which encourages young people to make career choices free from gender stereotypes, introducing their method set in our Metzingen daycare center. Our goal is to ensure that gender equality is fully integrated into our company culture, with balanced gender representation in leadership positions and across all functions.

Gender equality and equal pay for work of equal value

At HUGO BOSS, we recognize the importance of fostering a balanced and diverse workforce. We are committed to **promoting gender equality and achieving balanced leadership**. HUGO BOSS fosters a work environment free from discrimination and harassment, promoting gender equality as a fundamental right. All employees, regardless of gender, are entitled to equal rights, opportunities, and access to resources.

Actions

Creating a workplace environment that promotes gender equality and prevents discrimination begins with **raising awareness**. HUGO BOSS has implemented training programs to educate employees on issues of bias, discrimination, and gender equality. The Company has signed the **UN Women's Empowerment Principles**, which provide guidance on promoting gender equality in business.

All employees are entitled to **fair compensation** in line with market conditions, and they also benefit from various additional support, including health insurance, maternity and parental leave, and financial support for external training. Our commitment to equal pay is demonstrated by ongoing **analyses of gender-specific compensation differences** among employees in comparable positions, based on our standardized grading system. This includes comparing the average annual compensation of women and men on a full-time basis within the individual grades, without adjusting for biographical factors. We are continuously expanding these analyses to better understand the drivers of pay disparities and work towards minimizing them. More information on our compensation system can be found in the "Adequate Wages" section further above.

At the same time, HUGO BOSS is actively empowering women, especially when re-entering its workforce, for example after parental leave, through initiatives like our **"Open Doors for Women"** program in Turkey, providing mentorship, career development opportunities, and support networks. By breaking down barriers and providing tools for success, HUGO BOSS is committed to fostering gender equality across all areas.

Measures against violence and harassment in the workplace

At HUGO BOSS, we are dedicated to fostering a working environment where all employees are valued for their individuality and are free to express themselves without fear of discrimination, violence, or harassment. HUGO BOSS requires all employees to treat each other with **respect and dignity**, irrespective of age, gender, race, sexual orientation, disability, nationality, faith, political opinion, or any other personal traits. This commitment is reinforced through regular training and a clear expectation that all employees contribute to a positive, inclusive workplace culture. Our commitment to creating a **respectful and safe workplace** is supported by respective policies and a zero-tolerance approach towards harassment and violence.

Targets
HUGO BOSS is committed to **maintaining a workplace free from violence and harassment**, in alignment with both statutory and internal company requirements on human rights and labor standards. As part of our Anti-Harassment Commitment and Policy, we strictly prohibit all forms of harassment and violence, aiming to ensure that these standards are consistently upheld across our operations.

During the reporting period, a total of **12 incidents of discrimination**, including harassment, were reported (2023: 17 incidents, with one incident reported in 2024). No complaints were filed with National Contact Points (NCPs) for OECD Multinational Enterprises through the available confidential internal channels (2023: no complaints).

In fiscal year 2024, as in the prior year, HUGO BOSS was **not aware of any human rights incidents or severe human rights violations** within its own workforce, including cases of child labor, forced labor, or human trafficking, or non-respect of the UN Guiding Principles and OECD Guidelines. Consequently, no material fines, penalties, or compensation payments related to human rights issues were recorded, reaffirming our commitment to ethical standards and employee rights.

Actions
HUGO BOSS actively promotes a culture of respect and individuality. To prevent discrimination, violence, and harassment, we have implemented regular compliance training that includes a dedicated **anti-discrimination e-learning module**. It reinforces our commitment to anti-discrimination and educates employees on recognizing, preventing, and addressing violence and harassment in the workplace. The training course is reviewed annually and updated as needed to reflect changes in business-specific requirements.

Training and skills development

Our employees' expertise and commitment are vital for achieving our strategic and financial goals. As the global business environment becomes increasingly complex and competitive, the demand for skilled employees continues to rise. To further strengthen our position in global competition for talent, we prioritize **individual development opportunities** that enhance both our employer attractiveness and employee retention.

Actions

HUGO BOSS is strongly committed to fostering a robust leadership culture and providing comprehensive development opportunities for its employees. This commitment aligns with our strategic objective of **"Empowering People and Teams,"** part of our "CLAIM 5" strategy, which is aimed at driving both individual and organizational success.

We offer a wide range of individual training and development opportunities. Structured HR development programs, such as the **Employee Development Program (EDP)** for professionals and managers, are designed to promote employees based on their competencies, expand their knowledge, and strengthen their skills, also with regard to a leadership career. In addition to role-specific training, we also provide **social skills development**, with the goal of fostering a performance-driven, inclusive, and collaborative company culture.

Through platforms such as the **HUGO BOSS University** and the **HUGO BOSS eLIBRARY**, employees have access to a broad selection of face-to-face, live online and e-learning courses that focus on professional, social, and management skills. We also offer the **"Tiny Training Thursday,"** a one-hour training format focused on relevant topics, and, since 2024, the **Global Learning Week**, an initiative that fosters knowledge-sharing and collaboration through diverse online training sessions led by internal experts from across the globe. At our own production and logistics sites, **face-to-face training** courses and **workplace briefings** form an integral part of the induction process for industrial staff.

Development offerings at HUGO BOSS include a strong focus on **leadership mentality**, as we are convinced that it has a significant positive impact on both our Company's performance and employee engagement. Through regular workshops, we aim to firmly anchor this mindset within our organization, fostering a common understanding of leadership at HUGO BOSS. Our leadership approach encourages leaders to act as enablers, providing employees with a framework for their work and personal growth. Key programs, such as the **Leadership Development Program (LDP)**, the **High Potential Program (HIPOSS)**, and the **Experienced Leaders Collection (ELC)**, are tailored to develop leadership potential and skills at different career stages. Leaders are also expected to build strong connections between individuals and teams, fostering team spirit, and ensuring equal opportunities for all.

HUGO BOSS also supports students and apprentices by partnering with universities and vocational training institutions globally. This collaboration enables us to offer **work-study programs** for students pursuing various degrees and **apprenticeships** in industrial, technical, and commercial fields, addressing the growing shortage of skilled professionals.

Internal mobility is a key factor in talent retention at HUGO BOSS. Our internal career platform **"GLOBAL JOBS"** and the employee recommendation program **"HUGO BOSS Spotted"** provide employees with transparency and growth opportunities across departments and divisions. At the same time, the annual **Performance & Development Dialog (PDD)** provides structured feedback and individual development planning. Using an online tool, data is collected on employee performance, potential evaluation, and development planning, ensuring objectivity and transparency. This process helps employees realize their potential, while promoting long-term retention. The tool also supports mid-year reviews and the collection of structured feedback from managers and peers.

Workers in the value chain

HUGO BOSS recognizes the impact its operations can have on **workers' lives and conditions** along the global value chain, particularly in the global south, where vulnerabilities are most pronounced. While challenges exist across both upstream and downstream parts of the value chain, they are especially material within the supply chain, where labor-intensive processes are prevalent. Workers may face challenges such as job insecurity, low wages, long working hours, and limited social protections, with women disproportionately affected. Barriers to freedom of association and collective bargaining further restrict workers' ability to negotiate fair wages or improve conditions, especially in regions with weak legal protections. Health and safety risks are pervasive across the value chain, from pesticide exposure in cotton farming to hazardous chemicals in dyeing processes. Across the broader textile industry, child labor and forced labor impacts remain critical issues, particularly in raw material production and manufacturing.

Addressing these challenges requires **collective action**. HUGO BOSS collaborates closely with its direct suppliers, fostering long-term relationships to constantly improve labor practices, while also engaging with stakeholders, such as NGOs, trade unions, and industry initiatives, to drive systemic improvements and care for fair, safe, and equitable working conditions.

For fiscal year 2024, HUGO BOSS is primarily reporting **targets and metrics for its Tier 1 suppliers** (including its own production facilities), with plans to expand reporting across Tier 2 through Tier 4 in the coming years, as data collection and reporting capabilities are further developed in alignment with ESRS requirements. For an overview outlining the **main features of our value chain**, please refer to the section "About this Combined Non-Financial Statement." > About this Combined Non-financial Statement, Business Model, Strategy, and Value Chain

Policies related to workers in the value chain

Respect for human rights is a core priority at HUGO BOSS, embedded in our company culture. We are committed to preventing violations both within our operations and across our supply chain. Our publicly available **Human Rights Policy** sets clear standards for upholding human rights, promoting fair treatment, and ensuring safe, decent working conditions. This policy is binding for all HUGO BOSS employees and business partners, who are expected to actively implement it. In particular, the policy emphasizes specific safeguards for vulnerable groups, including children, young workers, women, migrant workers, and Indigenous people – groups facing heightened risks in the global textile industry. HUGO BOSS is committed to safeguarding workers' rights, including fair working hours, the right to unionize, and healthy working environments. Equal opportunities, a zero-tolerance approach to discrimination and harassment, as well as fair compensation are central, and we encourage our suppliers to adopt living wage strategies to ensure fair treatment at all levels. HUGO BOSS monitors compliance with the policy through its due diligence process, which is further explained in the section on "Due Diligence and Sustainable Supply Chain Management." The policy undergoes regular updates, with the most recent revision completed in early 2025.

HUGO BOSS has a **Human Rights Statement** signed by the Managing Board, reinforcing our Company's long-standing commitment to respecting international standards. The statement outlines our responsibility to care for human rights within both our own operations and supply chain, highlighting our awareness of potential risks and defining our human rights responsibilities. The statement is reviewed annually, with the most recent update in 2024, and is available in several languages.

Our **Supplier Code of Conduct (SCoC)** sets minimum standards for all our partners and their networks, requiring a contractual commitment as a condition for collaboration. Therefore, compliance with the SCoC is mandatory for all suppliers and their partners unless they have equivalent standards. This shall ensure that business practices meet our expectations, particularly in regions where national legislation or its enforcement may be lacking. The code mandates standards on working hours and rest periods, with a cap on working hours where national laws are absent, to promote a healthy work-life balance. It prohibits child and forced labor, prescribes decent working conditions, and shall ensure fair wages. The SCoC also supports the right to freedom of association and collective bargaining and requires partners to foster continuous improvement across areas such as human rights, labor standards, and environmental protection. The code also states our zero-tolerance policy towards corruption and unethical behavior. While being available in multiple languages, a simplified one-page version in 30 languages is displayed at our partners' production facilities, providing direct access to our complaint mechanisms via QR code. Compliance with the SCoC is monitored through annual self-assessments and regular social audits, supported by training on ESG topics. Our SCoC is reviewed annually, with input from stakeholders such as NGOs, with the latest update made in 2024.

Both our Human Rights Policy and the SCoC are based on internationally recognized standards, including the **UN's Universal Declaration of Human Rights (UDHR)**, the **International Labour Organization (ILO) Core Conventions**, and the **OECD Guidelines for Multinational Enterprises**.

HUGO BOSS has a dedicated **Child Labor and Forced Labor Policy**, underscoring our zero-tolerance stance towards child labor, young labor, forced labor, and human trafficking across our global value chain. Aligned with international standards, including the ILO Core Conventions, the policy shall ensure ethical labor practices as it mandates strict prohibitions on child labor, forced labor and human trafficking in all forms, as well as the exploitation of vulnerable groups. It also sets clear guidelines regarding the employment of young workers to safeguard their rights. The policy requires preventive measures such as age verification during hiring, regular audits, and targeted training for employees and partners. In cases of violations, immediate action is taken to address the issue and support affected individuals, with confidential reporting channels reinforcing compliance. The policy is reviewed and updated regularly, with the latest revision finalized in early 2025.

Our **Anti-Discrimination, Anti-Harassment, and Gender Equality Commitment** and **Anti-Discrimination, Anti-Harassment, and Gender Equality Policy** reinforce our dedication to fostering an inclusive, respectful, and ethical work environment, with a strong emphasis on human rights. Aligning with international standards, including ILO and UN conventions, the policy extends beyond our organization to include workers in the value chain, guided by the obligations set forth in our SCoC. This commitment is particularly relevant in addressing challenges faced by vulnerable groups, including women, who are disproportionately affected by discrimination, harassment, and unequal pay.

Our Company's **Human Rights Officer** monitors human rights risks and reports at least twice per year to the Managing Board and the Audit Committee of the Supervisory Board on identified risks and the due diligence process to mitigate and prevent them. Our Human Rights Officer is responsible for overseeing the implementation, monitoring, and annual updating of our policies to ensure continued alignment with evolving international standards and our Company values.

Engaging with workers in the value chain

HUGO BOSS is committed to improving working conditions across the supply chain by actively engaging with key stakeholders, including partners, trade unions, civil society organizations, and workers themselves. Our **Stakeholder Engagement Commitment**, endorsed by the Managing Board, shall ensure ongoing collaboration to gather diverse perspectives on critical issues and collaboratively develop effective, sustainable solutions. Key to this effort is our biennial **Stakeholder Dialog** on sustainability at our headquarters in Metzingen (Germany). In 2024, the dialog also focused on human-rights-related topics, offering valuable insights to strengthen our policies and processes. To further foster collaboration, our regular **Supplier Days** offer a platform for open dialog, sharing best practices, and working together to drive, innovation, and ethical standards across our supply chain.

To ensure compliance with our SCoC and gather **direct worker input**, supplier employees are interviewed during risk-based social audits. Workers are provided with contact details for our Speak Up Channel to report retaliation or misconduct and can also raise concerns with the Fair Labor Association (FLA). In 2024, for example, we conducted a structured worker survey at a facility in Bangladesh to assess working conditions. Over the next three years, we aim to further increase engagement efforts, measuring their effectiveness within a broader process. We also recognize the importance of collective bargaining and the right to freedom of association, as workers shall have the ability to negotiate working conditions and wages.

Beyond direct engagement, HUGO BOSS participates in **multi-stakeholder initiatives** to promote fair labor conditions. As a member of the **Fair Labor Association (FLA)**, we support initiatives aimed at protecting employee rights, strengthening fair labor standards, and enhancing wages across the supply chain. The FLA also audits selected suppliers, with results published on their website. HUGO BOSS is also a signatory of the **International Accord for Health and Safety in the Garment and Textile Industry (International Accord)**, a legally binding agreement between companies and trade unions building on the legacy of the Bangladesh Accord, of which we have been a member since 2016. HUGO BOSS is also a member of the Pakistan Accord, extending this commitment to an additional sourcing country. Since 2015, we have also been a member of the **Partnership for Sustainable Textiles (Textilbündnis)**, a joint stakeholder initiative led by the German Federal Ministry for Economic Cooperation and Development. This partnership works to improve labor conditions in the supply chain, with HUGO BOSS actively participating in working groups on "Living Wages," "Complaint Mechanisms," and "Gender Equality."

Grievance mechanisms and remediation processes

HUGO BOSS does not tolerate violations of its defined social standards. All workers in our value chain are entitled to use our independent grievance channels, including our **Speak Up Channel** and a dedicated external **Ombudsperson**. We promote awareness of these channels through the SCoC Onepager displayed in suppliers' production facilities and by distributing communication cards with details of the Speak Up Channel during social audits. Beyond internal mechanisms, we actively monitor **external incident reports**, such as those from the Textile Partnership, to identify potential risks in the supply chain. If incidents are reported within our own or supplier facilities, we engage with management to ensure corrective actions are taken. If a potential violation is identified, we assess whether adjustments to our risk management are necessary, which – in case of doubt – may lead to an event-related risk analysis. Complainants are also free to assert their rights through **state authorities**. Further details on our grievance mechanisms and remediation processes can be found in the "Governance" section. > Governance

Targets related to workers in the value chain

HUGO BOSS is dedicated to **ensuring compliance** with the standards outlined in its Supplier Code of Conduct (SCoC) across the supply chain. To identify potential risks or violations, adherence to these standards is regularly assessed through audits, self-assessments, or external social compliance certificates.

By 2025, HUGO BOSS aims to source all goods from **Tier 1 suppliers (including own production) achieving the two highest social compliance performance levels ("good" or "satisfactory")**, with compliance being verified through audits, self-assessments, or external social compliance certificates. In 2024, 93% of goods were sourced from Tier 1 suppliers that achieved these two performance levels (2023: 86%). At the same time, by 2025, 80% of goods should be sourced from **Tier 1 suppliers (including own production) achieving the highest social compliance performance level ("good")**. In 2024, this figure amounted to 65% (2023: 62%). In calculating both metrics, we consider the performance levels of Tier 1 suppliers, as determined through (follow-up) evaluations conducted in the fiscal years 2022 to 2024.

The progress achieved along both indicators reflects our **continuous focus on improving human rights standards** in our supply chain. The targeted implementation of corrective actions at our suppliers demonstrates our commitment to increasing transparency and accountability in addressing human rights topics.

RESULT OF SOCIAL COMPLIANCE PERFORMANCE LEVEL OF TIER 1 SUPPLIERS[1] (IN %)

	2024	2023
Good	63	59
Satisfactory	22	23
Improvements needed	10	13
Risky	4	4
Insufficient	1	1

1 The table refers to the social compliance performance level of the production sites of active Tier 1 suppliers (including our own production sites) verified by audits, self-assessments, or external social compliance certificates.

Good = The supplier establishes necessary activities for safe, fair working conditions in its management and takes its own social responsibility very well.
Satisfactory = The supplier recognizes the need for activities for safe, fair working conditions and establishes processes and activities to be implemented.
Improvements needed = The supplier is aware of the need for safe working conditions, but consistent implementation of the relevant activities in daily practice and for the workers is lacking.
Risky = The supplier is aware of social compliance requirements. However, management does not feel that implementation is important and allows abuses to occur.
Insufficient = Management is not aware of the topic of social compliance or is unwilling to address it and deal with any recognizable weaknesses in management. There is an immediate threat to employees.

These results are based on 125 social compliance assessments conducted in 2024 (2023: 116) across 114 Tier 1 suppliers (2023: 113) out of a total from 200 Tier 1 suppliers (including own production) (2023: 205). The **due diligence process** outlined below forms the foundation for achieving these targets.

Actions related to workers in the value chain

Due diligence and sustainable supply chain management

At HUGO BOSS, ensuring compliance with human rights, labor, and environmental standards across the supply chain is a core commitment. To address these challenges, we have implemented a comprehensive **due diligence process** as part of our risk management framework, aligning with the OECD Due Diligence Framework and the UN Guiding Principles on Business and Human Rights.

HUMAN RIGHTS DUE DILIGENCE PROCESS

This risk-based process, informed by the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LkSG), aims to identify, prevent, mitigate, and account for potential human rights risks and violations. The process is routed in our risk management system that undertakes a **continuous risk analysis** to proactively address risks, minimize negative impacts, and, where necessary, implement remedial actions to uphold human rights and ethical standards throughout the supply chain.

The due diligence process begins with a **thorough selection of potential suppliers**. Before being accepted into our supplier portfolio, each potential partner must complete a standardized evaluation process. This involves agreeing to general purchasing and production conditions, as well as contractual commitments to our SCoC, the Restricted Substances List (RSL), and the Manufacturing RSL (MRSL) from the Zero Discharge of Hazardous Chemicals (ZDHC) initiative. It also includes completing questionnaires on topics such as customs or supplier governance. Additionally, suppliers are required to complete a standardized self-assessment focusing on human rights compliance and submit valid certifications. They must also successfully pass an online ESG training course covering topics such as social responsibility and environmental standards. For new supplier relationships in countries where HUGO BOSS has not yet operated, an internal decision-making committee evaluates the political, social, and environmental risks associated with the country before any partnership is initiated. > Pollution

Management systems

At the core of HUGO BOSS' due diligence framework is the SCoC, which establishes minimum standards for all partners and their networks, requiring a contractual commitment as a prerequisite for collaboration. To ensure these standards are upheld, we continually assess suppliers' social compliance through our **Sustainable Supply Chain (SSC) program**. This program operationalizes our due diligence process by systematically monitoring supplier adherence to the SCoC's principles.

Suppliers in the SSC program are classified based on criteria such as industry type and geographical location. This categorization enables targeted management of sustainability risks by addressing both process- and location-specific challenges. The SSC program comprises three core modules, which collectively address key aspects of sustainability management at all our Tier 1 and direct Tier 2 suppliers: the **Social Compliance Management module** focuses on ensuring respect for human rights and fair labor practices. The **Environmental Management module** prioritizes efforts to combat climate change, conserve water and soil, and prevent air pollution. The **Governance module** equips suppliers with tools to enable greater responsibility for sustainability in their operations and along their supply chains, in alignment with the SCoC. By integrating environmental and social criteria, the SSC program provides a comprehensive framework for assessing human rights and labor practices throughout the supply chain. The Social Compliance Management module has been accredited by the FLA since 2018.

THE SOCIAL COMPLIANCE MANAGEMENT MODULE IN FIGURES

	2024	2023
Total number of Tier 1 suppliers	**200**	**205**
Total verified Tier 1 suppliers in fiscal year	**114**	**113**
By social audit	46	55
By self-assessment	67	56
By certificate of external standard	1	2

The program's **decision-making and oversight processes** shall ensure effective risk monitoring. All relevant departments – including our operational teams as well as key central departments such as Corporate Sustainability, Risk Management, and Compliance – collaborate under defined responsibilities, while our Human Rights Officer oversees the overall due diligence process.

As part of its management systems, HUGO BOSS is also committed to **increasing supply chain transparency**. As part of our Digital TWIN initiative, we are working toward full upstream traceability for all BOSS and HUGO products. After a successful pilot phase in 2024, we began rolling out a traceability tool and continue to onboard additional suppliers, enabling us to collect additional valuable data on product provenance, composition, and further business-critical information in the future.

Risk assessment

HUGO BOSS conducts regular **human rights risk analysis** to evaluate the actual and potential impact of its business activities on individuals. This analysis distinguishes between supplier risks, country risks, and industry risks. Regarding workers in the supply chain, we assess human rights risks through two key instruments: **human rights self-assessments** to identify potential risks and **on-site social audits** to uncover actual risks. This dual approach shall ensure comprehensive oversight while enabling targeted risk management throughout the supply chain.

To **identify potential risks**, suppliers in Tier 1 and Tier 2 complete annual human rights self-assessments, evaluating compliance with the environmental and social requirements outlined in our SCoC. Conducted through a web-based platform, the system automatically calculates a risk level upon completion and generates Corrective Action Plans (CAPs). Suppliers are required to take corrective action and/or provide additional evidence to HUGO BOSS to improve their risk rating. This process is frequently supported by HUGO BOSS to ensure effective remediation. Based on the results of the self-assessments, social audits may also be conducted before initiating any business relationship.

To **uncover actual risks** and **identify violations**, HUGO BOSS conducts on-site social audits using risk-based planning. These audits focus on high-risk suppliers identified either through self-assessment results or previous audits that revealed weaknesses or violations requiring follow-up. They are conducted using systematic auditor guidance, aligning with ILO Conventions, UN Guiding Principles, and legal requirements such as the German Supply Chain Act (LkSG). Each audit generates a detailed report, informing suppliers on specific issues through CAPs and training programs. This approach shall enable suppliers to achieve compliance and continuously improve their performance. We also accept external social compliance certificates or standards, including SMETA, Amfori BSCI, SLCP, FLA, FairWear, and SA8000.

In fiscal year 2024, a total of 56 audits were conducted (2023: 58), with **unannounced audits** accounting for 13% of the total audits (2023: 3%). At HUGO BOSS, we aim to steadily increase the number of unannounced audits, reflecting our commitment to identifying areas for improvement and addressing potential non-compliances within our supply chain. In 2024, we identified 11 violations within our supply chain (2023: 8), which are detailed below.

VIOLATIONS OF THE SUPPLIER CODE OF CONDUCT[1] (NUMBER)

	2024			2023		
	Risky	Insufficient	Total	Risky	Insufficient	Total
Social compliance management	5	0	5	2	1	3
Compensation and benefits	0	1	1	0	2	2
Freedom of association and collective bargaining	1	0	1	0	0	0
Treatment of workers	0	1	1	0	0	0
Working hours	2	1	3	0	3	3
Total	**8**	**3**	**11**	**2**	**6**	**8**

1 In 2024, as in the prior year, no violations were identified in the ares of child labor and your workers, discrimination, forced labor, health and safety and supplier control.

Risk management

Suppliers with human-rights-related risks in their operations are provided with **Corrective Action Plans (CAPs)**, which are collectively developed, agreed upon, and monitored through a risk-based audit cycle to ensure compliance. These suppliers are required to implement the CAPs within a defined time frame. If adequate improvements are not achieved after several reviews, HUGO BOSS may ultimately end the partnership as a last resort through a **responsible exit process**. This involves gradually phasing out order volumes rather than abruptly terminating the relationship, ensuring suppliers have sufficient time to secure new customers and maintain stability, including the reliable pay of their workers. Audits of Tier 1 suppliers in 2024 resulted in a total of 52 **CAPs** (2023: 53), with their implementation set to be verified through follow-up audits.

Monitoring

Follow-up monitoring follows a risk-based approach, involving collaboration between suppliers, operational departments, and our Sustainable Supply Chain department. Re-audits are scheduled for suppliers with "risky" or "insufficient" results in prior audits to verify the successful implementation of corrective actions. Additionally, the **FLA** independently monitors our due diligence efforts by conducting annual audits at selected production sites. Any CAPs arising from these audits are implemented by suppliers, tracked diligently, and reported to the FLA to ensure accountability and transparency. This process is also mirrored in audits conducted by ACCORD, which focus on occupational health and safety (OHS) in Pakistan and Bangladesh, which aims to ensure consistent oversight and improvement in these critical areas.

Communication

In addition to the information provided in this combined non-financial statement, HUGO BOSS makes its due diligence policies, procedures, activities, and results available on its **Group website** as well as through relevant **ratings and rankings**, including S&P Global's annual Corporate Sustainability Assessment (CSA). In the case of any third-party complaints via the FLA, such information is publicly accessible on its website. During our biennial **Stakeholder Dialog**, we also share information on our policies, strategies, and efforts with different stakeholder groups, actively seeking their feedback.

Further actions

Training and capacity building

HUGO BOSS provides **ESG-related training** to suppliers on its Supplier Code of Conduct (SCoC) and offers access to a third-party **learning platform** with various training modules, covering topics such as working hours, fair labor practices, and ESG laws and regulations. In 2024, we conducted our **ESG onboarding training** for new suppliers and selected existing partners. Additionally, we work closely with key partners to enhance quality, efficiency, and other supply chain parameters, including offering **programs to improve digital skills** among their workforces. HUGO BOSS also contributes to worker training through its membership in the International Accord, which implements **OHS training** as part of corrective action plans in Bangladesh and Pakistan. Employees of HUGO BOSS whose roles involve social compliance, such as those in procurement, receive regular training on our SCoC and Social Compliance Management module. This shall ensure they are equipped to support suppliers in implementing CAPs.

Support for vulnerable groups

In high-risk countries, HUGO BOSS implements projects to support vulnerable groups in the supply chain. Since 2022, we have partnered with Phulki, an NGO in Bangladesh, to run a **women's café**. This initiative offers training on gender equality, grievance mechanisms, and OHS, while providing a platform to voice concerns and give feedback for ongoing improvements. In 2024, we also supported a **gender data initiative** in India, collaborating with two suppliers to train their representatives on the relevance and advantages of collecting gender-disaggregated data to promote and enhance gender equality within their operations. Additionally, HUGO BOSS actively contributes to the **Gender Equality Strategy Circle** within the German Textile Partnership, further advancing the rights of female workers.

Fair compensation and living wages

Fair compensation is a fundamental human right and a core principle of our SCoC, serving as a critical factor in fostering and maintaining long-term partnerships with our suppliers. In collaboration with the **FLA** and as part of an initiative initiated by the **German Textile Partnership**, we actively advocate for political and economic conditions that promote higher wage levels in the global supply chain. In 2021, we developed a **strategy** aimed at ensuring that wages paid by our suppliers adequately cover workers' basic needs, including food, water, housing, education, healthcare, transportation, and clothing for all household members. Additionally, workers should have enough disposable income to save for unexpected events. To achieve this, HUGO BOSS continuously works with suppliers to improve compensation practices and bring wages closer to the living wage standard. We also launched a **living wage pilot program** with a supplier in Bangladesh addressing wages, benefits, empowerment, social dialog, and purchasing practices. The initial wage analysis confirmed payments exceeding the statutory minimum wage. Based on insights gained, we developed a roadmap with our suppliers and extended the pilot until 2027. A final impact measurement will be conducted at the project's completion. Notably, in the past fiscal year, we increased the wage reference value in collaboration with the supplier in Bangladesh.

Responsible purchasing practices

Responsible purchasing practices are vital for promoting fair working conditions and wages across our supply chain. In 2024, HUGO BOSS developed **Responsible Purchasing Guidelines** set to be communicated internally in 2025. These guidelines emphasize trust-based and equitable partnerships, long-term collaborations, responsible exit strategies, efficient production planning, and open dialog with suppliers on order management and payments. To ensure alignment with the guidelines internally employees have been trained on these principles. Going forward, we will further strengthen these efforts by providing tailored **training and awareness initiatives** for employees in our sourcing and operations departments to ensure alignment with these principles. We are also actively participating in the **"Learning and Implementation Community" (LIC)** on responsible purchasing practices. This multi-stakeholder initiative provides a platform for companies, NGOs, and other stakeholders to share insights and best practices for improving purchasing behavior and mitigating risks in supply chains. Finally, to safeguard the financial health of our suppliers, we offer a **Supplier Financing Program**, enabling faster access to receivables and ensuring their solvency during challenging periods. This program not only strengthens supplier resilience but also supports their ability to meet obligations to their workers, such as paying wages on time and investing in compliance measures.

Consumers and end-users

In today's digital landscape, safeguarding **consumer privacy** and ensuring the **ethical use of data** are fundamental to sustaining trust and building long-term relationships. The aim of **data protection** is to guarantee the individual's right to self-determination in terms of information. With HUGO BOSS placing a strong emphasis on further digitalizing its business model, the importance of data protection continues to grow. Leveraging customer data, particularly from our own online business and our customer loyalty program, is essential for the future success of HUGO BOSS. Any breach of data protection laws or data privacy violations poses a risk to the data subjects affected, while also representing considerable compliance, financial, and reputational risks for HUGO BOSS.

Policies related to consumers and end-users

HUGO BOSS is committed to protecting personal data in compliance with the EU General Data Protection Regulation (GDPR) and other applicable legal standards. The Company's **privacy policies** inform consumers and end-users about the collection and processing of personal data from our own online store hugoboss.com, our customer loyalty program, mobile applications, and our Group website. This includes data such as contact details, purchase history, and browsing behavior, which are used to process orders, enhance customer service, and support marketing communications. The policies also outline the use of cookies and tracking technologies to enhance user experience and analyze website activities, given that consumers and end-users provide respective consent for such data processing. To safeguard personal data against unauthorized access, loss, or alteration, HUGO BOSS fosters the implementation of technical and organizational measures. Customers are informed of their rights under the GDPR, including the rights to access, rectification, erasure, restriction of processing, data portability, and the right to object. Procedures for handling data breaches and complaints are clearly defined, with our Data Protection Officer acting as the primary point of contact. Our privacy policies reflect the latest legal and organizational standards and are regularly reviewed to ensure compliance, with the most recent update completed in 2024.

Our **Data Protection Policy**, binding across all Group entities, provides a framework to ensure the secure and lawful processing of personal data, addressing identified risks through clear guidance. It adheres to key principles such as transparency, purpose limitation, data minimization, accuracy, and confidentiality, while establishing strict guidelines, in line with the GDPR and the German Federal Data Protection Act (BDSG). The policy applies to all personal data processed across the Group, including that of employees, customers, suppliers, and partners, ensuring secure and compliant data processing across the value chain. While anonymized data is excluded, the policy places a strong emphasis on protecting data subjects' rights in a timely manner, including access, rectification, erasure, restriction of processing, data portability, and the right to object.

Our **Data Breach Complaint Policy** provides a structured framework for managing personal data breaches in compliance with the GDPR and other legal requirements. The policy outlines processes to detect, report, and respond to data breaches promptly, minimizing potential harm to affected individuals and entities. Complaints are handled with clearly defined procedures, reinforcing trust and accountability.

Our privacy policies, the Data Protection Policy, and the Data Breach Complaint Policy are accessible in our online store and on the Group website, respectively. Our **Data Protection Officer**, reporting directly into the CFO/COO, is responsible for monitoring compliance with these policies, serving as the primary contact for all data protection matters.

Engaging with consumers and end-users

HUGO BOSS addresses data protection risks through structured **risk assessments** and transparent **communication**. Threshold analyses are conducted for each instance of customer data processing to determine the potential risk level. If a high risk is identified, a detailed data protection impact assessment (DPIA) is carried out. To document and streamline this process, HUGO BOSS has implemented a dedicated tool that tracks risk assessments and related measures. By prioritizing structured risk management, we aim to promote trust and maintain good corporate governance while adhering to regulatory requirements.

Particular attention is given to **high-risk processes**, such as our customer loyalty program "HUGO BOSS XP," which involves particularly sensitive data. Prior to the introduction of new processes, a comprehensive risk assessment is completed, and necessary technical or organizational measures are implemented. Supported by an interdisciplinary team that includes both IT specialists and the data protection department, this process shall ensure full compliance with data protection regulations. HUGO BOSS relies on internal analyses and indirect insights to align its data protection practices with customer expectations. The **effectiveness** of these measures is evaluated through a combination of structured monitoring processes, incident analyses, and the handling of data breach complaints. To drive continuous improvement, identified incidents are thoroughly analyzed, and corrective actions are implemented to prevent recurrence. These actions are overseen by the Data Protection Officer through structured monitoring processes. In the event of an incident, HUGO BOSS ensures timely complaint resolution and conducts detailed incident analysis to mitigate further risks.

Grievance mechanisms and remediation processes

Consumers and end-users can report data breaches or suspected incidents through **multiple secure channels**, including contacting the Data Protection Officer directly, submitting concerns via email, or contacting an external ombudsperson, with the option of anonymous reporting. These mechanisms are accessible via a dedicated data privacy section in our online store as well as via the Speak Up Channel on our Group website. Complaints are processed by the Compliance department that evaluates incidents to determine the risk to the rights of individuals. If a material negative impact is identified, remedial action is taken, thoroughly documented, and communicated within a specified time frame.

The **effectiveness of these channels** is assessed by monitoring how complaints are handled and resolved. Each case is tracked, analyzed, and reviewed to evaluate its resolution and identify areas for improvement. HUGO BOSS aims to build **stakeholder trust** in its grievance mechanisms through transparent communication across its platforms. In addition, policies are in place to protect individuals from retaliation when raising concerns, further reinforcing confidence in the system. Further details on our grievance mechanisms and remediation processes can be found in the "Governance" section. > Governance

Targets related to consumers and end-users

HUGO BOSS aims to **rule out any contraventions of applicable data protection laws** as far as possible.

In fiscal year 2024, as in the prior year, the Company was **not aware of any data protection violations** established by authorities or courts. Toward the end of 2024, the German competent supervisory authority initiated an investigation following a customer complaint alleging the receipt of marketing content without sufficient legal basis. The investigation is expected to conclude in 2025.

Actions related to consumers and end-users

HUGO BOSS uses an **information security and analysis system** to collect and analyze relevant data in real time. This approach shall enable the Company to anticipate potential incidents, data breaches, and cyberattacks, thereby enhancing information security across the Company. HUGO BOSS has established specific criteria for establishing, maintaining, and continuously improving its information security management system, in line with its ISO/IEC 27001 certification. The latter confirms that HUGO BOSS has implemented robust measures to safeguard the confidentiality, integrity, and availability of information assets, including sensitive customer and employee data. Additionally, our **Security Operation Center (SOC)** ensures permanent monitoring of the respective IT systems, aimed to guarantee continuous system security.

In 2023, HUGO BOSS further **advanced its software systems** for monitoring international data protection and cybersecurity regulations, aimed to minimize the risk of non-compliance. Building on these efforts, in 2024, the Company conducted a **comprehensive review of applicable data protection laws** across all its jurisdictions. A tailored risk assessment matrix, aligning with the Company's specific business structures in each country, shall support a focused and effective approach to managing regulatory risks.

All internal processes and systems for handling personal data are **continuously monitored and refined** to ensure compliance with legal data protection guidelines. These ongoing improvements aim to prevent data misuse and theft. We have also implemented **contingency plans** to enable the prompt implementation of both technical and organizational countermeasures in the event of legal violations.

Our employees are educated on data protection by means of **general and role-specific training**, complemented by regular documentation of digital confidentiality obligations. Employees handling the personal data of EU data subjects are required to complete a comprehensive **e-learning program** on data protection. This program, designed to enhance awareness of handling personal data in compliance with the GDPR, must be completed every two years.

Governance

The Managing Board and the Supervisory Board are convinced that **good corporate governance** is a key factor for long-term business success. Good corporate governance is therefore an integral part of HUGO BOSS and a guiding principle encompassing all areas of the Company. The Managing Board and Supervisory Board are committed to ensuring the Company's continuation as a going concern as well as sustainable value creation through responsible, transparent, and long-term corporate governance. At the same time, HUGO BOSS aims to live up to, and further strengthen, the trust placed in the Company by its employees, shareholders, business partners, and the public. In the following, information is provided oriented towards ESRS G1, while further information on corporate governance can also be found in the chapter "Corporate Governance and the Corporate Governance Statement" of this Annual Report. > Corporate Governance and the Corporate Governance Statement

Business conduct

At HUGO BOSS, a well-defined **corporate culture** is the cornerstone of responsible business conduct. By embedding clear values and expectations into our operations, we foster compliance, promote ethical behavior, and create a collaborative work environment supported by comprehensive policies and targeted training. This proactive approach aims to ensure alignment with laws and ethical standards while minimizing workplace conflicts. Effective **whistleblowing mechanisms** further strengthen our governance framework by providing a secure channel for employees and other stakeholders to report concerns. These mechanisms aim to enable the early identification and resolution of potential misconduct, supporting transparency, protecting stakeholder trust, and reinforcing adherence to laws and ethical norms. Our commitment to responsible practices also encompasses **animal welfare**. While we use a small proportion of animal-derived materials such as leather, wool, and down in our collections, we are dedicated to maintaining transparency and implementing robust control mechanisms to uphold high welfare standards throughout our supply chain. Additionally, we prioritize the prevention and detection of **corruption and bribery**, embedding stringent policies and monitoring systems to ensure integrity in all business dealings. Regular training programs for employees further reinforce our zero-tolerance approach to unethical practices.

Corporate culture

At HUGO BOSS, our **value-based corporate culture** (company culture) is the foundation for fostering employee engagement, driving innovation, and achieving sustainable business success. It shapes collaboration with employees, business partners, shareholders, the public, and other stakeholders, fostering clarity, trust, and ethical behavior. A strong company culture benefits employees and communities, while enhancing our Company's reputation and long-term success. Embedded in the execution of our "CLAIM 5" strategy, our company culture is built around our five core values – **entrepreneurial spirit, personal ownership, team mentality, simplicity & quality, and youthful spirit**. Trust serves as the foundation of our day-to-day work, overarching these values and fostering a collaborative and empowering environment. Our values guide employee actions and interactions, drive cooperation, and align individual growth with organizational goals. Living these values is central to the HUGO BOSS identity and permeates all aspects of our operations. > Own Workforce

To ensure these principles are consistently upheld, HUGO BOSS has implemented targeted engagement initiatives. A mandatory **e-learning module**, retaken every 18 months, educates employees on ethical conduct and reinforces our core values. **Workshops and town hall meetings** provide platforms to embed these principles into everyday actions and decisions, fostering a shared understanding across the organization. Leadership plays a pivotal role in fostering our company culture. Leaders at HUGO BOSS act as role models, empowering their teams and embodying these values. Our **Leadership Mindset** framework, built on the four pillars of orientate, challenge, harbor, and connect, ensures that leadership behavior aligns with our principles. Our **Leadership Development Program (LDP)** further strengthens this connection, inspiring teams to excel and reinforcing our cultural foundation.

We evaluate our company culture through an **annual employee survey**, to assess whether our core values are actively lived and to identify key drivers of our Company's work ethic. These insights help refine our initiatives, ensuring our culture remains a central element of employee engagement and organizational success. The results are shared with the Managing Board, senior management, and the wider organization and are discussed within teams to ensure alignment, incorporate feedback into strategic planning, and embed our values into daily operations. Importantly, the survey results, particularly the "Trust Index," represent a key component of the long-term incentive program (LTI) for the Managing Board and eligible senior management staff, underscoring the strategic importance of employee engagement. > Own Workforce

Code of Conduct

HUGO BOSS has summarized Group-wide principles of conduct in its Code of Conduct and in more detailed Group policies, thus creating the basis for ensuring the legality of all employee activities. The **Code of Conduct** is the foundation of our compliance efforts, embodying the core values and behaviors defining our Company. It provides clear guidance on how employees should interact with one another and with external stakeholders, including customers, suppliers, and other business partners. The Code establishes a binding framework for professional conduct, covering a wide range of topics.

TOPICS COVERED BY THE HUGO BOSS CODE OF CONDUCT

Topics covered by the HUGO BOSS Code of Conduct
Avoidance of conflicts of interest
Antitrust law and anti-corruption
Data protection
Decent, safe, and fair working conditions
Occupational health and safety
Environmental and biodiversity protection
Animal welfare

A key tenet of the Code is the **respect for internationally recognized human rights** and the **commitment to ensuring decent working conditions**. This includes prioritizing both physical safety and personal dignity. HUGO BOSS maintains a zero-tolerance approach to willful misconduct or deliberate violations of the Code. To reinforce these principles, employees receive a copy of the Code or online access via a QR code along with their employment contract. Available in more than 14 languages, the Code is publicly accessible on our corporate website. Its most recent revision in 2022 incorporated a statement of our company values, further aligning it with our cultural priorities. Oversight of compliance with the Code is the responsibility of the Managing Board. > Own Workforce

In addition to guiding internal operations, HUGO BOSS extends its ethical, environmental, and labor standards throughout its value chain. All suppliers are required to adhere to the **HUGO BOSS Supplier Code of Conduct (SCoC)** and commit to its provisions. We monitor compliance through a variety of means, including on-site audits, and support our suppliers with training on relevant topics. > Workers in the Value Chain

Whistleblowing Policy and channels to raise concerns

The **HUGO BOSS Whistleblowing Policy** underscores our commitment to transparency, integrity, and accountability by establishing a structured process for reporting, investigating, and addressing legal violations, unethical behavior, or breaches of the Code of Conduct. This includes topics such as human rights violations, corruption and bribery, fraud, and theft. The policy outlines the grievance mechanisms and the steps taken when a suspected violation is reported. It is intended to guarantee the highest level of confidentiality and protection for whistleblowers, affected individuals, and employees involved in the investigation of potential misconduct. The policy applies to all HUGO BOSS employees and extends its protection to external stakeholders, such as business partners, workers in the value chain, and customers. These measures aim to mitigate risks related to unethical behavior, legal non-compliance, and potential reputational harm.

HUGO BOSS offers its employees as well as external stakeholders independent internal and external whistleblowing channels to confidentially and, if necessary, anonymously report potential misconduct or legal violations. These include our **Speak Up Channel**, an external **Ombudsperson**, and the central **Compliance department**. Launched in 2024, the HUGO BOSS Speak Up Channel replaced the previous online portal, being accessible globally in over 50 languages via a toll-free hotline. Detailed information about these whistleblowing channels is also available on our corporate website, ensuring accessibility for all stakeholders.

For employees, additional reporting options include supervisors and compliance officers at subsidiary or Group level. Information about reporting mechanisms is featured on the Company's intranet and corporate website. To foster a strong culture of compliance, HUGO BOSS has implemented a Group-wide **Online Compliance Training** course. While accessible to all employees, it is mandatory for specific target groups and is conducted at least every 18 months. The training covers key topics, including Company Values, the Code of Conduct, Anti-Corruption, Anti-Money Laundering, Data Protection, Information Security, Antitrust, Conflict of Interests, Animal Welfare, and Whistleblowing. Against the backdrop of increasing regulatory requirements, the program was last updated, expanded, and rolled out in 2024. Employees responsible for managing cases receive specialized training, such as internal investigation workshops, provided by the Compliance department.

In the supply chain, we ensure grievance awareness through our **Supplier Code of Conduct (SCoC)**, a contractual prerequisite for doing business with HUGO BOSS. Tier 1 suppliers receive mandatory social compliance training that emphasizes grievance mechanisms and are required to share the SCoC information with their workforce and third parties. This shall ensure workers in the supply chain are aware of their rights and encouraged to report violations related to human rights, labor standards, and environmental laws. > Workers in the Value Chain

In 2024, several supply-chain-related complaints were submitted via our whistleblowing channels, with their resolution status being outlined below.

SUPPLY CHAIN COMPLAINT CASES IN 2024

Country	Sector risk	Resolution status
India	Working conditions	In progress
India	Working conditions	In progress
Pakistan	Working conditions	In progress
Turkey	Working conditions (unlawful dismissal)	In progress
Bangladesh	Working conditions	Closed
India	Discrimination and harassment	Closed
Taiwan	Migrant worker	Closed
Thailand	Working conditions	Closed
Turkey	Working conditions	Closed
Turkey	Working conditions	Closed
Turkey	Working conditions/freedom of association	Closed

The Compliance department maintains comprehensive documentation of all investigations and evaluates the **effectiveness of whistleblowing channels** annually or as needed. Our Whistleblowing Policy is reviewed annually, with the most recent update in 2024. Feedback from internal and external stakeholders is incorporated to ensure the policy remains effective and aligned with its purpose. The Compliance Officer regularly briefs the Managing Board on significant compliance cases.

Animal welfare

HUGO BOSS is committed to maintaining high standards of animal welfare and species protection throughout its operations. The **HUGO BOSS Animal Welfare Policy**, last updated in 2024, aligns with internationally recognized standards such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the World Organization for Animal Health (WOAH) guidelines. Developed in collaboration with the animal welfare organization FOUR PAWS, the policy incorporates "General Animal Welfare Aims" based on the Five Domains Model, which defines minimum requirements and measures addressing both the physical and mental well-being of animals involved in the supply chain. HUGO BOSS firmly opposes **animal testing** for all products, including licensed goods like cosmetics, extending this commitment to new product and material development. Our Animal Welfare Policy applies to all Group companies, with deviations allowed only in cases where country-specific regulations conflict with the policy, provided the essential content and purpose are upheld. Non-compliance may result in labor law consequences. **Responsibility** for the policy resides with the Managing Board, while the Compliance department ensures its implementation and adherence.

Targets related to animal welfare

HUGO BOSS has implemented specific standards and targets for sourcing animal-derived materials, reflecting its commitment to sustainability and animal welfare. **Leather** is sourced exclusively as a by-product of the food industry, including materials from sheep, goats, cows, and buffalo. Exotic leathers and farmed fur have been banned since 2016, and we also refrain from using **angora**. For **wool**, our policy emphasizes species-appropriate husbandry, gentle shearing methods, and avoidance of harmful practices such as live lamb cutting. HUGO BOSS is committed to sourcing 100% mulesing-free wool by 2030, reaching 53% in 2024. This goal aligns with our overarching target of sourcing 100% of our natural raw materials from regenerative or recycled sources. Our regenerative farming principles inherently prohibit mulesing and include further animal welfare aspects, such as grass feeding and minimizing animal transport. For **mohair**, HUGO BOSS exclusively uses materials certified under the Responsible Mohair Standard (RMS). For our brands' summer 2025 collections, we only use certified **cashmere** in all products containing more than 60% cashmere. Already in 2024, 78% of these products, which generally make up only a very small portion of our collections, met this standard. HUGO BOSS also uses only **down** produced without live plucking or forced feeding, ensuring all down is certified by DOWNPASS or recycled. To further **reduce reliance on animal-derived materials**, HUGO BOSS actively develops and integrates vegan alternatives, provided they enhance environmental balance without compromising quality or functionality. For additional information, please refer to the "Biodiversity and Ecosystems" and "Resource Use and Circular Economy" sections. > Biodiversity and Ecosystems, > Resource Use and Circular Economy

Our suppliers are integral to upholding our animal welfare standards. All suppliers of animal-derived raw materials, as well as Tier 1 suppliers using animal products, must comply with local **animal welfare regulations** as a minimum requirement. HUGO BOSS demands proof of compliance and conducts verification when potential risks are identified.

Prevention and detection of corruption and bribery

Ethically correct and lawful conduct includes the **prevention of corruption and anti-competitive behavior**. HUGO BOSS expects all employees to act lawfully in day-to-day business operations. For HUGO BOSS, corporate compliance is a key responsibility of the Managing Board and includes measures to ensure adherence to legal and official regulations, as well as internal guidelines and codes. These include anti-corruption, anti-bribery, anti-competitive, and antitrust regulations.

Policies related to the prevention and detection of corruption and bribery

Our employees are required to comply with the Group-wide **Code of Conduct** and supplementary specific compliance rules, such as an **anti-corruption policy** regulating the acceptance and the granting of gifts and invitations. In fiscal year 2024, efforts focused on enhancing the anti-corruption policy by streamlining approval processes, addressing additional risk areas, and establishing clear procedures for handling suspicious cases. The rollout of the revised policy is planned for the beginning of fiscal year 2025. Both the publicly accessible Code of Conduct and the internal policies are regularly reviewed, with their content updated, particularly in response to changes in legal requirements. > Own Workforce

The central **Compliance department** reports to the **Chief Compliance Officer**, who reports directly to the CFO/COO. The **Compliance department** is primarily responsible for supporting the monitoring of effective compliance management. Together with local compliance contacts in the Group companies, the department ensures the implementation and continuous further development of the respective policies as part of the compliance program. The Audit Committee of the Supervisory Board is regularly informed about the activities of the Compliance department.

Targets related to the prevention and detection of corruption and bribery

Compliance management at HUGO BOSS aims to ensure **Group-wide legally compliant behavior**. The aim is to prevent legal violations such as corruption, bribery, and antitrust violations, which may result not only in reputational and financial risk but may also lead to personal consequences under criminal and labor law.

In 2024, HUGO BOSS concluded a legal case in Denmark by agreeing to pay a fine related to an antitrust violation initially identified in 2020. Apart from this, **no violations** related to corruption, bribery, or antitrust law were identified by authorities or courts in fiscal year 2024 (2023: no violations).

Actions related to the prevention and detection of corruption and bribery

In 2024, the **Compliance Management System** was enhanced using a risk-based approach, with a focus on updating policies, advancing the whistleblowing system and case management, and refining the compliance risk assessment in the areas of anti-corruption and antitrust.

HUGO BOSS has implemented a mandatory Group-wide **Compliance Online Training** course for employees requiring regular completion, with further details provided in the section on whistleblowing. Employees in compliance-critical roles receive **additional training** through both online and in-person sessions, tailored to relevant topics such as antitrust law.

All Group companies are subject to **detailed audits** where applicable, ensuring adherence to internal policies and regulatory requirements. Any significant infringements are reported to the Managing Board and the Supervisory Board to ensure immediate attention and appropriate action.

To complement these measures, HUGO BOSS also provides various **whistleblowing channels** for employees, suppliers, and trading partners to confidentially and anonymously report potential misconduct or criminal offenses, as detailed in the dedicated section above. All reported cases are thoroughly investigated, with strict measures in place to protect whistleblowers from retaliation. This system underscores the Company's commitment to fostering a transparent and accountable corporate culture.

GENERAL ECONOMIC SITUATION AND INDUSTRY DEVELOPMENT

2024 marked by high macroeconomic and geopolitical uncertainty

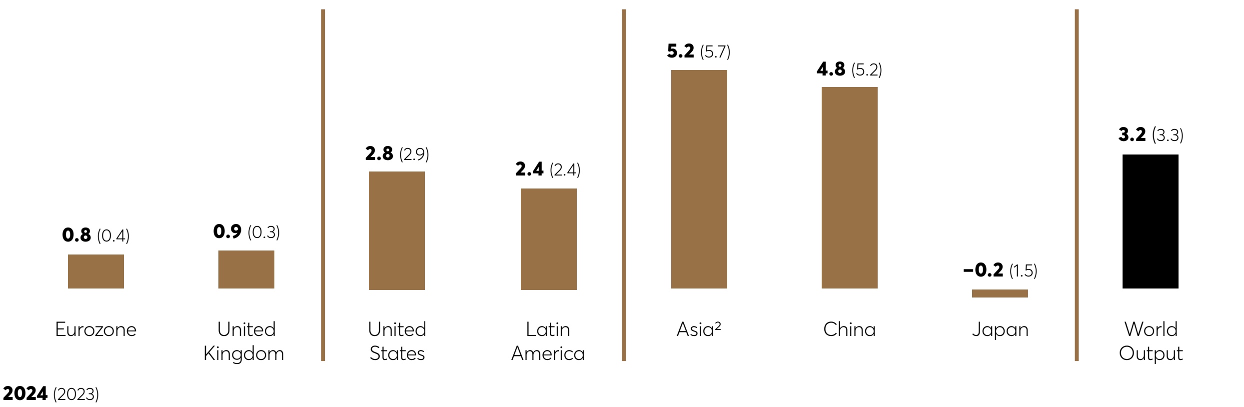
Weak consumer sentiment impacts global apparel industry in 2024

Muted industry growth particularly visible in Europe and China

General economic situation

In fiscal year 2024, the global economy faced **numerous challenges and uncertainties**, as persistently high interest rates, subdued global trade, and weak investment flows weighed on economic activity. Geopolitical tensions, including the conflicts in Ukraine and the Middle East, along with outcomes of key elections, further exacerbated uncertainty. These factors collectively dampened consumer confidence and contributed to heightened financial market volatility. On a positive note, tight monetary policies pursued by the U.S. Federal Reserve (Fed) and the European Central Bank (ECB) succeeded in lowering inflation to more manageable levels. However, inflationary pressures varied significantly across regions, with some sectors and countries still grappling with elevated price levels. Despite these headwinds, the global economy showed resilience. In its latest forecast, published in January 2025, the International Monetary Fund (IMF) estimates **global economic growth** for 2024 at 3.2%, thus broadly in line with the prior-year level (2023: 3.3%).

GROWTH OF THE GLOBAL ECONOMY[1] (IN %)



1 Estimates IMF.
2 Without Japan.

According to IMF estimates, economic growth in the **eurozone** showed a modest recovery, rising to 0.8% in 2024 (2023: 0.4%). While France maintained steady growth at 1.1% (2023: 1.1%), other European economies saw limited improvements. Germany lagged behind, with a continued contraction of −0.2% (2023: −0.3%), driven by persistent weaknesses in its manufacturing sector and subdued overall demand. Although the ECB's restrictive monetary policies helped ease inflationary pressures, elevated levels of uncertainty and structural challenges persisted. Economic growth in the **United Kingdom** improved to a level of 0.9% in 2024 (2023: 0.3%), driven by declining inflation and a gradual recovery in consumer spending.

The **U.S. economy** remained robust, achieving growth of 2.8% in 2024, broadly in line with the prior-year level (2023: 2.9%). Underpinned by solid consumer demand, a strong labor market, and a more measured approach from the Fed compared to 2023, the U.S. once again outperformed other major economies. While concerns lingered over potential policy shifts post-election, the country's underlying economic momentum remained a key driver of global growth. In **Latin America**, growth remained stable at 2.4% in 2024 (2023: 2.4%). The region demonstrated resilience despite global uncertainties, supported by gradual improvements in policy frameworks and a moderate uplift in consumer demand.

China faced notable economic headwinds in 2024, with growth slowing to 4.8% (2023: 5.2%). Cyclical challenges, including the ongoing property market crisis and particularly weak consumer confidence, weighed heavily on the economy, offsetting gains from stronger net exports. The broader **Asia region (excluding Japan)** experienced growth of 5.2% (2023: 5.7%), reflecting a deceleration in major economies like India and Southeast Asia amid slowing industrial activity. In **Japan**, economic growth contracted by −0.2% in 2024 (2023: 1.5%), primarily reflecting temporary supply disruptions and weaker export demand.

Industry development

For the **global apparel industry**, fiscal year 2024 was shaped by persistent macroeconomic and geopolitical uncertainties, including high inflation, tight monetary policies, and weak consumer sentiment. Additionally, ongoing shifts in global trade and supply chain disruptions added further volatility to the industry's performance. In the first half of the year, the market environment remained subdued across regions, with cautious optimism for improvement. However, regional developments deteriorated in the latter half of the year. According to a joint study by The Business of Fashion and McKinsey & Company, published in November 2024, **growth for the global apparel industry** (excluding the luxury segment) is expected in a range of 2% to 3%, reflecting the overall challenging market environment in 2024.

In **Europe**, the apparel industry (excluding the luxury segment) experienced muted consumer demand throughout 2024, resulting in revenue growth slowing to a range of 1% to 3% (2023: 4%). While inflationary pressures eased slightly, ongoing economic uncertainty and geopolitical concerns kept personal saving rates high, weighing on retail spending. In the important **U.S. market**, on the other hand, the industry (excluding the luxury segment) returned to growth, with revenues expanding 2% to 3% (2023: –1%). Industry sales benefited from a modest rebound in consumer demand and early signs of stabilization in the broader economic environment toward the end of the year, further supported by the outcome of the presidential election. **China**, in contrast, faced pronounced economic headwinds throughout the year. Cyclical challenges, including weak consumer sentiment, and limited impact from government stimulus measures resulted in projected industry growth (excluding the luxury segment) of 3% to 4% (2023: 9%). Industry growth in China thus remained modest compared to historical levels, reflecting persistent challenges as well as increased savings rates in the market. The Chinese luxury market, in particular, experienced significant setbacks, with revenues potentially contracting by as much as 10% at times during the year.

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

Fiscal year 2024 marked by challenging industry backdrop

Successful execution of "CLAIM 5" strategy supports business performance

Updated sales and earnings targets for full-year 2024 achieved

Since its introduction in fiscal year 2021, HUGO BOSS has achieved substantial progress in executing its **"CLAIM 5" strategy** as reflected by significant achievements across all five strategic priorities. By stepping up investments into our brands, products, and consumer touchpoints, momentum for both BOSS and HUGO has accelerated noticeably, driving record sales for three consecutive years and market share gains. At the same time, as part of "CLAIM 5," we have built a robust organizational and operational platform, laying the foundation for sustainable and profitable growth. This platform enables us to further enhance our operational execution, improve effectiveness, and realize efficiency gains across our business. Consequently, with "CLAIM 5," we have successfully paved the way towards achieving our financial ambition of EUR 5 billion in sales and an EBIT margin of at least 12%.

At the same time, the **global market environment** deteriorated substantially in fiscal year 2024, with weakening consumer sentiment across most markets leading to a slowdown in industry growth. While the overall muted consumer confidence inevitably impacted the Company's performance, resulting in a more moderate revenue increase compared to prior years, HUGO BOSS continued to benefit from the improved brand relevance of BOSS and HUGO. Consequently, **Group sales** grew by 3% to EUR 4.3 billion (2023: EUR 4.2 billion), both currency-adjusted and in Group currency. Throughout the year, we capitalized on **important growth opportunities**, further elevating brand relevance, enhancing product offerings, and deepening customer engagement. Highlights included the launch of successful 360-degree brand campaigns, the start of our partnership with David Beckham, and exciting brand events like the BOSS Spring/Summer 2025 Fashion Show in Milan. At the same time, we pushed ahead with strengthening both brands' 24/7 lifestyle images. Besides fully leveraging our BOSS brand lines across all touchpoints, we expanded our denimwear offering with the introduction of HUGO Blue. In addition, we further elevated our omnichannel activities to improve the customer experience, including the opening of new BOSS halo stores in Düsseldorf and Shanghai. At the same time, we successfully launched our new membership program HUGO BOSS XP, thus further **strengthening customer loyalty and deepening connections** to our brands and products. > Group Strategy, > Consumer Touchpoints

In response to the softer consumer sentiment, in the course of 2024, we accelerated our focus on **enhancing cost efficiency**. This included driving efficiency gains across our global sourcing activities and optimizing freight modes, which had a positive impact on gross margin development in fiscal year 2024. In the second half of the year, we implemented additional measures to enhance efficiency and effectiveness, capitalizing on our robust organizational platform. Besides putting strong emphasis on driving marketing effectiveness, we particularly targeted productivity gains within global sales and administration functions. This included optimizing the retail cost structure and **prioritizing spend in strategically relevant areas**. Against the backdrop of these efficiency measures, we were able to limit the increase in operating expenses in the second half of the year, thus supporting profitability in 2024. As a result, EBIT amounted to EUR 361 million in fiscal year 2024, translating into an EBIT margin of 8.4% (2023: EUR 410 million; 9.8%). Consequently, HUGO BOSS **achieved its full-year 2024 sales and earnings targets**, which had been adjusted in July 2024 against the backdrop of the challenging market environment. > Earnings Development

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

	Results 2023	Initial forecast 2024	Adjusted forecast 2024[1]	Results 2024
Group sales	EUR 4,197 million	Increase of 3% to 6%	Increase of 1% to 4% to EUR 4.20 billion and EUR 4.35 billion	Increase by 3% to EUR 4.3 billion
Sales by segments				
EMEA	EUR 2,562 million	Increase in the low to mid-single-digit percentage range	Increase in the low single-digit percentage range	Increase by 3% to EUR 2,625 million
Americas	EUR 955 million	Increase in the mid to high single-digit percentage range	Increase in the mid- to high single-digit percentage range	Increase by 8% to EUR 1,020 million
Asia/Pacific	EUR 576 million	Increase in the high single-digit to low double-digit percentage range	Moderate decrease	Decrease by 2% to EUR 553 million
Operating result (EBIT)	EUR 410 million	EUR 430 million to EUR 475 million	EUR 350 million to EUR 430 million	Decrease by 12% to EUR 361 million
Group's net income	EUR 270 million	Increase of 5% to 15%	Develop within minus 15% to plus 5%	Decrease by 17% to EUR 224 million
Trade net working capital (TNWC) as a percentage of sales	20.8%	Improvement to a level approaching 20%	Improvement to a level approaching 20%	Improvement by 120 basis points to 19.6%
Capital expenditure	EUR 298 million	EUR 300 million to EUR 350 million	Around EUR 300 million	Decrease by 4% to EUR 286 million

1 The forecast for Group sales and EBIT was adjusted in July 2024; the forecast for sales by segment, net income, and capital expenditure was adjusted with the publication of the first half year results in August 2024.

Group sales in fiscal year 2024 increased by 3%, both on a currency-adjusted and reported basis, amounting to EUR 4,307 million (2023: EUR 4,197 million). Revenues were thus in line with the most recent guidance range, which projected sales to grow between 1% and 4%. Growth in 2024 was supported by sales improvements across both our brands, BOSS and HUGO, as well as most regions and distribution channels.
> Earnings Development, Sales Performance

Supported by the solid top-line performance and an increase in gross margin, the decline in **operating profit (EBIT)** – caused by higher operating expenses compared to the prior year – was ultimately limited to 12%, totaling EUR 361 million in fiscal year 2024 (2023: EUR 410 million). Consequently, EBIT was in line with the most recent guidance of EUR 350 million and EUR 430 million. As a result, EBIT margin amounted to 8.4%, 140 basis points below the prior-year level (2023: 9.8%). Accordingly, the **Group's net income** decreased by 17% to EUR 224 million in fiscal year 2024 (2023: EUR 270 million). > Earnings Development, Income Statement

Trade net working capital (TNWC) as a percentage of sales improved to 19.6% (2023: 20.8%), thus exceeding our most recent guidance of approaching 20%. This development reflects an improvement in our inventory-to-sales ratio, lower trade receivables, as well as higher trade payables. > Net Assets

In 2024, **capital expenditure** decreased by 4% to EUR 286 million, slightly below the most recent guidance range of around EUR 300 million (2023: EUR 298 million). This development mainly reflects our progress in driving CapEx efficiency by prioritizing strategically relevant investments. > Financial Position, Capital Expenditure

In fiscal year 2024, **free cash flow** amounted to EUR 497 million, significantly exceeding the prior-year level (2023: EUR 96 million) and thus underlining our highly cash-generating business model. The strong increase was mainly driven by improvements in trade net working capital. > Financial Position, Statement of Cash Flows and Free Cash Flow

EARNINGS DEVELOPMENT

HUGO BOSS posts solid top-line growth despite challenging market environment

Strong focus on driving efficiency limits increase in operating expenses

Development of operating result (EBIT) supported by cost discipline

In fiscal year 2024, HUGO BOSS recorded **solid top-line improvements**, benefiting from the strengthened brand relevance of BOSS and HUGO in recent years. The slower growth compared to previous years mainly reflects persistent macroeconomic and geopolitical challenges, which dampened consumer demand in most markets and led to a slowdown in industry growth in 2024. While the Company continued to pursue its growth opportunities, in response to this softer consumer sentiment, HUGO BOSS accelerated its focus on **enhancing cost efficiency** across all business areas – operations, marketing, sales, and administration – with substantial progress achieved in the second half of the year. At the same time, the Company continued to **invest in key strategic initiatives** to boost brand power and deepen customers' connections with BOSS and HUGO. This balanced approach was crucial for limiting the increase in operating expenses in the second half of the year, thus supporting profitability in 2024. Acquisitions or divestments had no material impact on the Group's financial performance in the reporting period.

Sales performance

HUGO BOSS recorded solid top-line improvements in fiscal year 2024 amid a challenging macroeconomic and geopolitical backdrop. Overall, currency-adjusted **Group sales** came in 3% above the prior-year level, amounting to EUR 4,307 million (2023: EUR 4,197 million), marking another year of record sales for HUGO BOSS. In Group currency, revenues also expanded by 3%, as currencies had a broadly neutral impact. Growth in 2024 was supported by sales improvements across both our brands, BOSS and HUGO, as well as most regions and distribution channels.

Sales by brand

SALES BY BRAND (IN EUR MILLION)

	2024	In % of sales	2023	In % of sales	Change in %	Currency-adjusted change in %
BOSS Menswear	3,329	77	3,256	78	2	3
BOSS Womenswear	297	7	288	7	3	3
HUGO	682	16	653	16	4	5
Total	**4,307**	**100**	**4,197**	**100**	**3**	**3**

In 2024, both our brands continued to drive important brand and product initiatives as part of our "CLAIM 5" strategy. The latest BOSS and HUGO collections were once again well received by consumers and wholesale partners alike. Consequently, currency-adjusted revenues for both **BOSS Menswear** and **BOSS Womenswear** came in 3% above the prior-year level. This performance was supported by star-studded 360-degree brand campaigns, the launch of a long-term partnership with David Beckham, and the BOSS Spring/Summer 2025 Fashion Show in Milan. At **HUGO**, currency-adjusted sales expanded by 5%, as momentum was fueled by the successful launch of its new, denim-focused brand line HUGO Blue as well as compelling capsule collections such as HUGO x Racing Bulls. > Group Strategy

Sales by region

SALES BY REGION (IN EUR MILLION)

	2024	**In % of sales**	2023	In % of sales	Change in %	Currency-adjusted change in %
EMEA	2,625	61	2,562	61	2	3
Americas	1,020	24	955	23	7	8
Asia/Pacific	553	13	576	14	(4)	(2)
Licenses	109	3	104	2	4	4
Total	**4,307**	**100**	**4,197**	**100**	**3**	**3**

From a geographical perspective, growth in 2024 varied across regions. In **EMEA**, currency-adjusted revenues increased by 3%, supported by solid sales improvements in Germany and double-digit growth in emerging markets. In the **Americas**, revenues were up 8% currency-adjusted with all markets contributing to growth, including a high single-digit uptick in the important U.S. market. Sales in **Asia/Pacific**, on the other hand, remained 2% below the prior-year level. While HUGO BOSS posted high single-digit growth in Southeast Asia & Pacific, sales in China remained below the prior-year level, reflecting overall muted local consumer demand. > Earnings Development, Sales and Earnings Development of the Business Segments

Sales by distribution channel

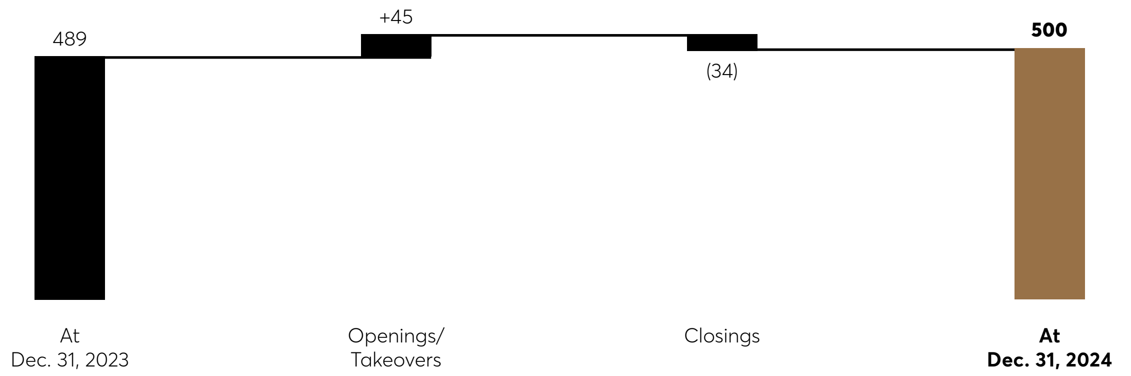
SALES BY DISTRIBUTION CHANNEL (IN EUR MILLION)

	2024	**In % of sales**	2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	2,241	52	2,262	54	(1)	0
Brick-and-mortar wholesale	1,111	26	1,033	25	8	8
Digital	846	20	798	19	6	6
Licenses	109	3	104	2	4	4
Total	**4,307**	**100**	**4,197**	**100**	**3**	**3**

From a channel perspective, growth in 2024 was driven by brick-and-mortar wholesale and the Group's digital business, while currency-adjusted revenues in **brick-and-mortar retail** (including freestanding stores, shop-in-shops, and outlets) remained on par with the prior-year level. In this channel, an increase in sales per transaction was largely offset by a decline in store traffic, reflecting muted consumer sentiment across key markets, first and foremost China. Currency-adjusted sales in **brick-and-mortar wholesale** expanded by 8% in 2024, reflecting robust demand for BOSS and HUGO among wholesale partners. While this enabled both brands to further improve visibility and penetration at key department stores, we also successfully expanded our global franchise business across select markets. At the same time, also the Group's **digital business** successfully continued its growth trajectory with currency-adjusted sales up 6%, reflecting further improvements at hugoboss.com as well as an increase in digital sales generated with partners. Overall, total digital sales thus expanded to 20% of Group sales in fiscal 2024 (2023: 19%). Sales in the **license business** increased 4% currency-adjusted, supported by particularly strong improvements in the eyewear business. > Consumer Touchpoints

Network of own retail stores

NUMBER OF OWN FREESTANDING RETAIL STORES



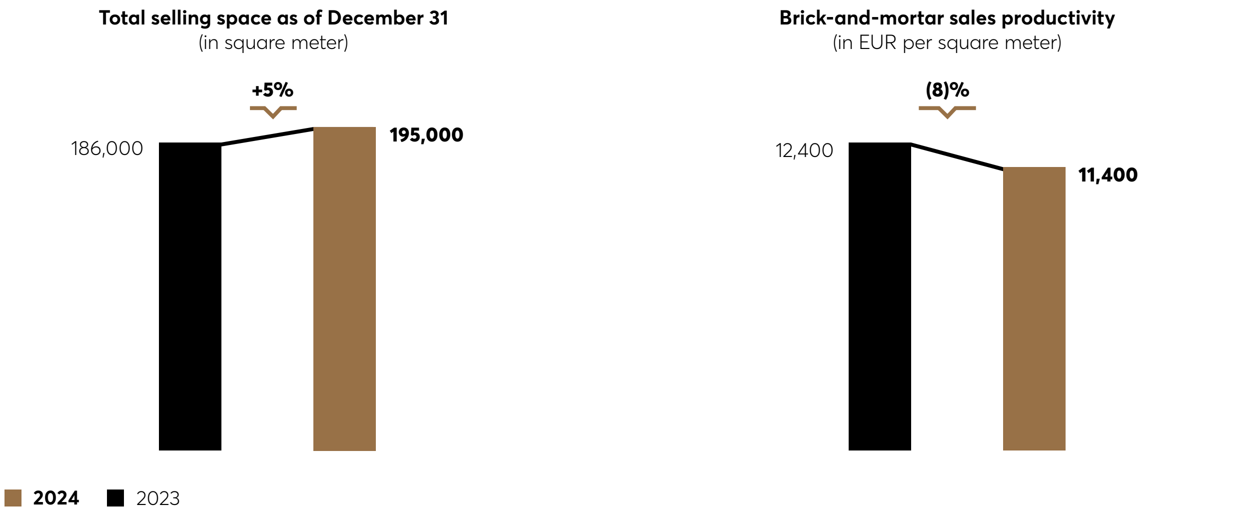
In fiscal year 2024, the number of **own freestanding retail stores** slightly increased to 500 (2023: 489), reflecting the selective expansion of our global retail footprint in key markets, including the U.S. and China.
> Consumer Touchpoints

A total of 37 BOSS stores were newly **opened** across all three regions, including halo stores in Düsseldorf and Shanghai. At the same time, we also added eight HUGO stores to our network, including three stores in Warsaw as part of a franchise takeover. On the other hand, 34 stores across EMEA and Asia/Pacific were **closed** in 2024. Besides stores with expiring leases, this also includes twelve stores in Russia, whose operations had already been suspended since March 2022 and which were sold to a wholesale partner in July 2024.

NUMBER OF OWN RETAIL POINTS OF SALES

2024	EMEA	Americas	Asia/Pacific	**Total**
Number of own retail points of sale	572	579	381	**1,532**
Thereof freestanding retail stores	199	139	162	**500**
2023				
Number of own retail points of sale	587	456	375	**1,418**
Thereof freestanding retail stores	212	115	162	**489**

Including shop-in-shops and outlets, the **total number of own retail points of sale** increased to 1,532 as of December 31, 2024 (2023: 1,418). Besides the slight increase in freestanding retail stores, this development primarily reflects the further expansion of our shop-in-shop business to strengthen our brands' presence with key retail partners, first and foremost in the Americas.



The **total selling space** of our own retail business increased by 5%, amounting to around 195,000 sq m at year-end (December 31, 2023: around 186,000 sq m). At the same time, **brick-and-mortar sales productivity** decreased by 8% to a level of around EUR 11,400 per sq m, mainly reflecting the lower traffic in brick-and-mortar retail (2023: around EUR 12,400 per sq m).

Income statement

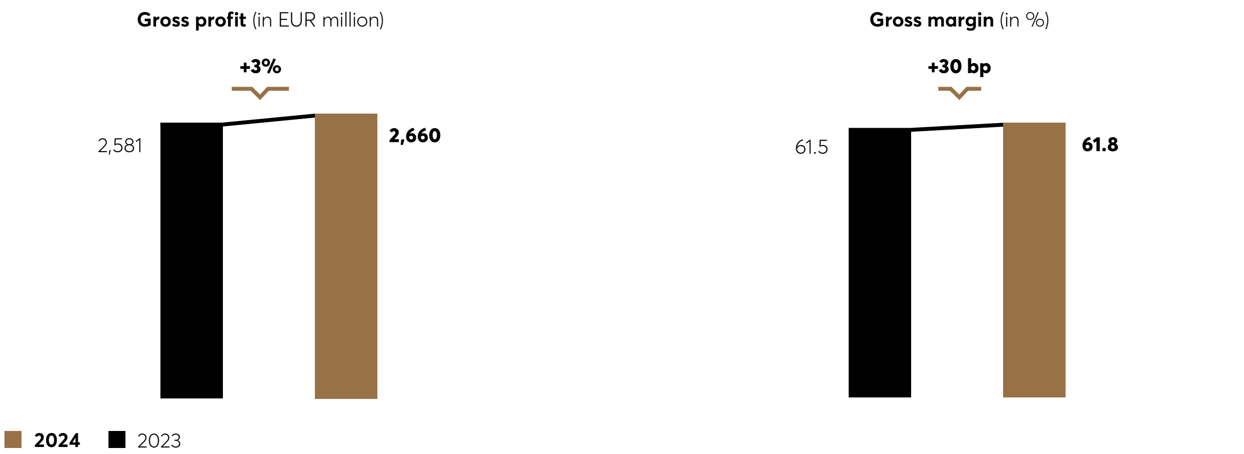
INCOME STATEMENT (IN EUR MILLION)

	Jan.–Dec. 2024	Jan.–Dec. 2023	Change in %
Sales	**4,307**	**4,197**	**3**
Cost of sales	(1,648)	(1,617)	(2)
Gross profit	**2,660**	**2,581**	**3**
In % of sales	61.8	61.5	30 bp
Operating expenses	**(2,299)**	**(2,171)**	**(6)**
In % of sales	(53.4)	(51.7)	(170) bp
Thereof selling and marketing expenses	(1,868)	(1,745)	(7)
Thereof administration expenses	(431)	(426)	(1)
Operating result (EBIT)	**361**	**410**	**(12)**
In % of sales	8.4	9.8	(140) bp
Financial result	(59)	(53)	(11)
Earnings before taxes	**302**	**357**	**(16)**
Income taxes	(78)	(87)	11
Net income	**224**	**270**	**(17)**
Attributable to:			
Equity holders of the parent company	213	258	(17)
Non-controlling interests	10	11	(11)
Earnings per share (in EUR)[1]	**3.09**	**3.74**	**(17)**
Income tax rate in %	**26**	**24**	

1 Basic and diluted earnings per share.

In fiscal year 2024, HUGO BOSS recorded a solid improvement in its **gross margin**, up 30 basis points to a level of 61.8% (2023: 61.5%). Efficiency gains in sourcing as well as a successful reduction in the airfreight share, which more than compensated for an overall rise in global freight costs, provided substantial tailwinds to gross margin development. These gains more than compensated for adverse channel and regional mix effects, unfavorable currency effects, as well as an overall promotional environment. > Business Operations

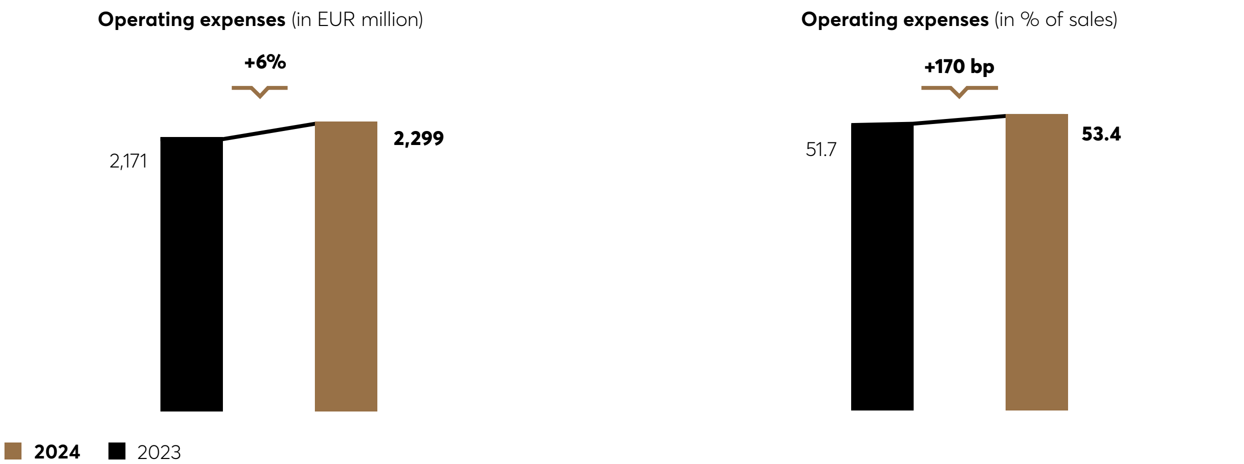
DEVELOPMENT OF GROSS PROFIT AND GROSS MARGIN



Following the rigorous implementation of several cost measures aimed at supporting profitability, HUGO BOSS efficiently mitigated the growth in **operating expenses** over the course of the year. Overall, this translated into operating expenses increasing by 6% in fiscal year 2024, with the increase in the second half of the year being substantially lower compared to the first half. Overall, this development mainly reflects higher selling and marketing expenses, while administration expenses remained broadly stable year over year. As a percentage of sales, operating expenses increased by 170 basis points to a level of 53.4% (2023: 51.7%).

> Notes to the Consolidated Financial Statements, Notes 2, 3, and 9

DEVELOPMENT OF OPERATING EXPENSES



Selling and marketing expenses increased by 7% compared to the prior year, growing 180 basis points to a level of 43.4% (2023: 41.6%). As part of this, selling expenses for the Group's **brick-and-mortar retail business** expanded by 14% to EUR 989 million, thus representing 23.0% of Group sales (2023: EUR 870 million; 20.7%). The increase was driven by inflation- and expansion-related costs, alongside higher non-cash impairment charges. At the same time, higher **fulfilment expenses** also contributed to the overall increase in selling and marketing expenses, up 10% to EUR 183 million (2023: EUR 166 million). **Marketing investments**, on the other hand, decreased 6% to a level of EUR 309 million (2023: EUR 328 million). This primarily reflects the Company's increased focus on driving marketing efficiency by prioritizing brand initiatives with the highest return. Consequently, marketing investments added up to 7.2% of Group sales, thus in line with the Company's target range of 7% to 8% as laid out in "CLAIM 5" (2023: 7.8%). > Notes to the Consolidated Financial Statements, Note 2, > Group Strategy, "Boost Brands"

Administration expenses remained broadly stable in 2024, as overall cost inflation was largely offset by disciplined overhead cost management. In particular, HUGO BOSS implemented several initiatives to enhance organizational productivity in fiscal year 2024, including eliminating non-essential spending and prioritizing key strategic initiatives. Consequently, at EUR 341 million, **general administration** expenses increased only slightly compared to the prior year (2023: EUR 336 million), while **research and development** expenses incurring in the collection development were broadly in line with 2023 levels, amounting to EUR 90 million (2023: EUR 89 million). Overall, as a percentage of sales, administration expenses decreased by 10 basis points to a level of 10.0% (2023: 10.1%). > Notes to the Consolidated Financial Statements, Note 3, > Product Development and Innovation

Supported by the Company's enhanced focus on cost efficiency, particularly in the second half of the year, the decrease in **operating profit (EBIT)** was limited to 12%, with EBIT amounting to EUR 361 million in 2024 (2023: EUR 410 million). Accordingly, the Group's **EBIT margin** decreased by 140 basis points to a level of 8.4% (2023: 9.8%), as the sales increase and improvements in gross margin were more than offset by the increase in operating expenses. Currency effects had a slightly negative impact on EBIT in fiscal year 2024.

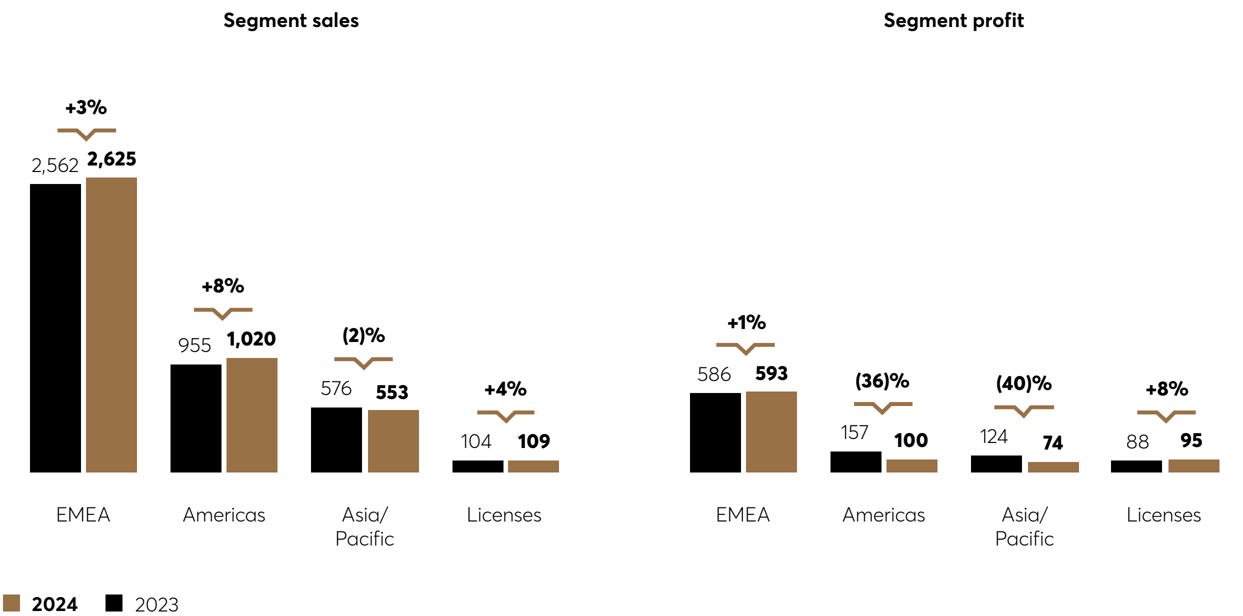
DEVELOPMENT OF EBIT AND EBIT MARGIN

Depreciation and amortization came in 21% above the prior-year level, amounting to EUR 414 million (2023: EUR 342 million). The increase is mainly attributable to **non-cash impairment charges** totaling EUR 47 million (2023: write-ups of EUR 4 million), reflecting impairments of fixed store assets and right-of-use assets, driven by the challenging brick-and-mortar retail environment in fiscal year 2024. > Notes to the Consolidated Financial Statements, Note 7

At EUR 59 million, **net financial expenses (financial result)** in fiscal year 2024 were 11% above the prior year (2023: EUR 53 million), as the Company recorded higher interest expense in lease accounting under IFRS 16, reflecting the overall high interest rate levels. The **Group tax rate** was slightly above the prior year, thus gradually normalizing to a level of 26% (2023: 24%). Accordingly, the **Group's net income** for fiscal year 2024 amounted to EUR 224 million, 17% below the prior-year level (2023: EUR 270 million). As part of this, net income attributable to shareholders also decreased by 17% to EUR 213 million (2023: EUR 258 million), resulting in **earnings per share** of EUR 3.09 (2023: EUR 3.74). Currency effects had a slightly negative impact on the Group's net income in fiscal year 2024. > Notes to the Consolidated Financial Statements, Note 4 and 5

Sales and earnings development of the business segments

DEVELOPMENT OF SEGMENT SALES AND SEGMENT PROFIT (IN EUR MILLION)



EMEA

Sales in the **EMEA** region (Europe, Middle East, and Africa) were up 3% currency-adjusted in fiscal year 2024. From a channel perspective, this performance was driven by an increase in both **brick-and-mortar wholesale** and in the Group's **digital business**, which more than compensated for a slight decline in **brick-and-mortar retail**, reflecting lower store traffic.

SALES DEVELOPMENT EMEA (IN EUR MILLION)

	2024	In % of sales	2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	1,108	42	1,133	44	(2)	(2)
Brick-and-mortar wholesale	860	33	813	32	6	6
Digital	657	25	616	24	7	6
Total	**2,625**	**100**	**2,562**	**100**	**2**	**3**

The performance in EMEA varied across markets. While **Germany** posted solid revenue improvements, sales in **France** and the **UK** remained below the prior-year level, reflecting overall subdued consumer sentiment. On the other hand, momentum in **emerging markets**, including Eastern Europe and the Middle East, remained strong throughout 2024, as reflected by double-digit improvements compared to the prior year.

At EUR 593 million, **segment earnings** in EMEA came in 1% above the prior-year level (2023: EUR 586 million). EBIT margin amounted to a level of 22.6% (2023: 22.9%), as sales and gross margin improvements were more than offset by higher operating expenses. The latter mainly reflects higher fulfilment expenses as well as an increase in brick-and-mortar retail expenses. > Notes to the Consolidated Financial Statements, Note 24

Americas

In the **Americas**, HUGO BOSS recorded currency-adjusted revenue growth of 8% in 2024. From a channel perspective, growth was broad-based as reflected by revenue improvements in **brick-and-mortar retail**, **brick-and-mortar wholesale**, and our **digital business**. The double-digit increase in brick-and-mortar wholesale emphasizes the improved visibility of BOSS and HUGO at key department stores, particularly in the important U.S. market.

SALES DEVELOPMENT AMERICAS (IN EUR MILLION)

	2024	In % of sales	2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	676	66	648	68	4	6
Brick-and-mortar wholesale	207	20	182	19	14	15
Digital	137	13	125	13	9	11
Total	**1,020**	**100**	**955**	**100**	**7**	**8**

All key markets contributed to growth in fiscal year 2024. In the **United States**, the biggest single market for HUGO BOSS, sales increased at a high-single-digit percentage rate, driven by revenue improvements across all consumer touchpoints. This performance reflects our brands' successful 24/7 lifestyle positioning, which kept fueling momentum throughout 2024. While sales in **Canada** were also up year over year, HUGO BOSS continued to record particularly strong momentum in **Latin America** as reflected by double-digit growth.

Segment earnings in the Americas were down 36% to EUR 100 million in fiscal year 2024 (2023: EUR 157 million), corresponding to an EBIT margin of 9.8% (2023: 16.4%). Improvements in sales were more than offset by a decline in gross margin as well as higher operating expenses, including a step-up in brick-and-mortar retail expenses. > Notes to the Consolidated Financial Statements, Note 24

Asia/Pacific

Currency-adjusted revenues in the **Asia/Pacific** region remained 2% below the prior year. While we recorded robust growth in **brick-and-mortar wholesale**, this development was more than offset by declines in **brick-and-mortar retail** and the Group's **digital business**, both reflecting muted local demand in China.

SALES DEVELOPMENT ASIA/PACIFIC (IN EUR MILLION)

	2024	**In % of sales**	2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	457	83	481	84	(5)	(3)
Brick-and-mortar wholesale	44	8	39	7	13	13
Digital	52	9	56	10	(8)	(7)
Total	**553**	**100**	**576**	**100**	**(4)**	**(2)**

Sales performance in Asia/Pacific varied significantly across markets. In **China**, sales remained below the prior-year level, as weak consumer demand weighed strongly on domestic retail consumption. **Southeast Asia & Pacific**, on the other hand, posted high-single-digit sales improvements in fiscal 2024, supported by strong double-digit growth in **Japan**.

Segment earnings in the Asia/Pacific region amounted to EUR 74 million, 40% below the prior-year level (2023: EUR 124 million), translating into an EBIT margin of 13.5% (2023: 21.5%). This development mainly reflects the softer sales performance as well as an increase in operating expenses, including higher brick-and-mortar retail expenses. > Notes to the Consolidated Financial Statements, Note 24

Licenses

Sales in our **license business** increased 4% currency-adjusted, supported by particularly strong improvements in the eyewear business. Additionally, lifestyle categories such as equestrian and cycling further spurred momentum in 2024. > Earnings Development, Sales by Distribution Channel

Consequently, the **license segment earnings** increased by 8% to EUR 95 million (2023: EUR 88 million). > Notes to the Consolidated Financial Statements, Note 24

Five-year overview of business segments

DEVELOPMENT OF SEGMENT SALES (IN EUR MILLION)

	2024	2023	2022	2021	2020
EMEA	2,625	2,562	2,303	1,742	1,231
Americas	1,020	955	789	543	308
Asia/Pacific	553	576	467	423	343
Licenses	109	104	92	77	64

DEVELOPMENT OF SEGMENT PROFIT (IN EUR MILLION)

	2024	2023	2022	2021	2020
EMEA	593	586	548	347	87
Americas	100	157	123	61	(97)
Asia/Pacific	74	124	74	74	32
Licenses	95	88	77	63	54

NET ASSETS

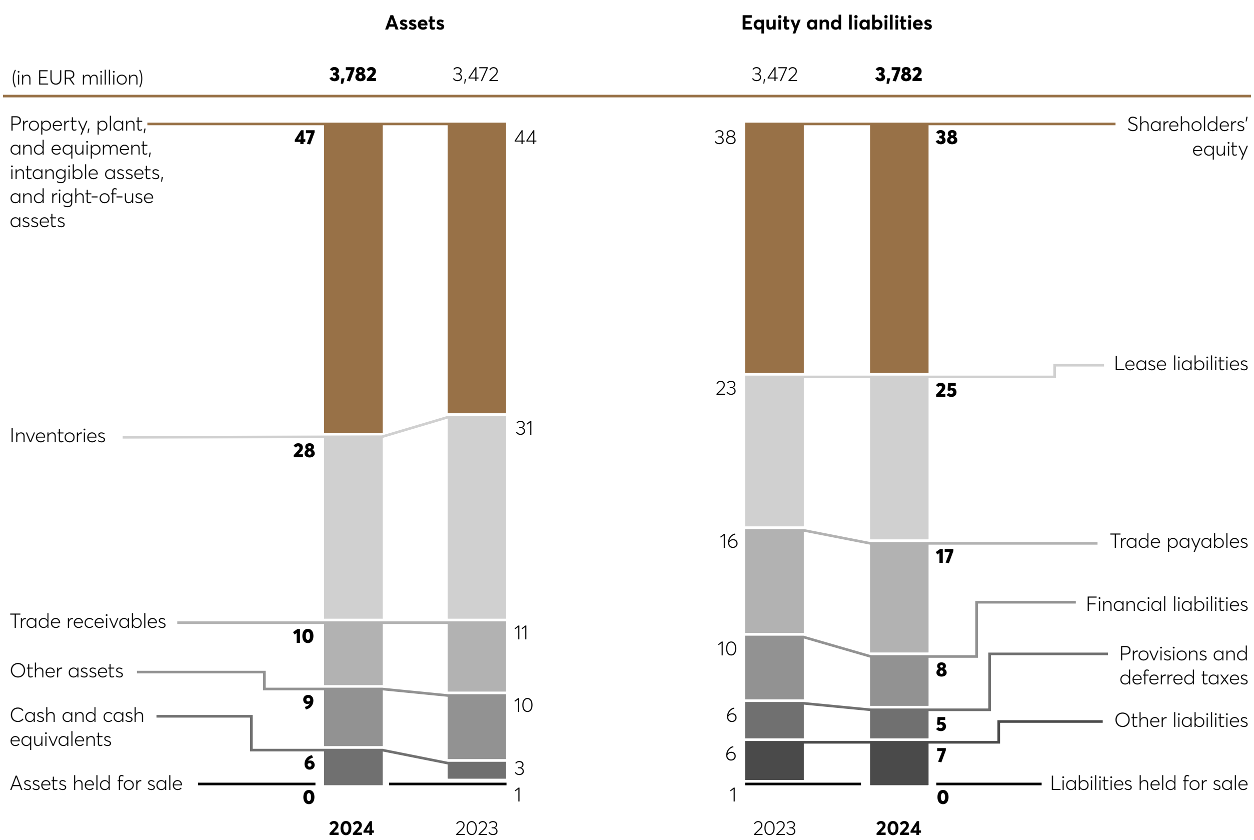
Increase of totals assets reflects investments in retail and logistics

Trade net working capital as a percentage of sales improves to 19.6%

Equity ratio remains stable at a level of 38%

Total assets increased by 9% to EUR 3,782 million at the end of fiscal year 2024 (December 31, 2023: EUR 3,472 million). This development mainly reflects higher property, plant, and equipment, intangible assets, and right-of-use assets as well as an increase in cash and cash equivalents.

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31 (IN %)



The **share of current assets** decreased to 49% as of December 31, 2024 (December 31, 2023: 52%), largely reflecting a reduction in trade net working capital. Accordingly, the **share of non-current assets** increased to 51% at the end of fiscal year 2024 (December 31, 2023: 48%). The **equity ratio** amounted to 38%, thus in line with the prior-year level (December 31, 2023: 38%). > Consolidated Financial Statements, Consolidated Statement of Financial Position

TRADE NET WORKING CAPITAL AS OF DECEMBER 31 (IN EUR MILLION)

	2024	2023	Change in %	Currency-adjusted change in %
Inventories	1,072	1,066	1	0
Trade receivables	362	376	(4)	(4)
Trade payables	643	572	12	12
Trade net working capital	**791**	**870**	**(9)**	**(9)**

Trade net working capital (TNWC) decreased by 9% on a currency-adjusted basis. As part of this, **inventories** remained broadly on the prior-year level. However, as a percentage of Group sales, inventories amounted to 24.9%, down 50 basis points compared to the prior-year level (2023: 25.4%). This development reflects the Company's measures to optimize inventory levels throughout the year. At the same time, **trade receivables** decreased by 4% currency-adjusted, primarily reflecting efficient receivables management. On the other hand, **trade payables** came in 12% above the prior-year level, mainly driven by higher sourcing volumes at year-end as well as increased utilization of the Company's supplier financing program. Accordingly, the moving average of **TNWC as a percentage of sales** based on the last four quarters improved to a level of 19.6% (December 31, 2023: 20.8%). > Notes to the Consolidated Financial Statements, Notes 12 and 13

Property, plant, and equipment, intangible assets, and right-of-use assets increased by 17% compared to the prior-year level, totaling EUR 1,775 million at year-end (December 31, 2023: EUR 1,521 million). This development primarily reflects strategic investments in the Company's global retail and logistics networks in 2024, along with lease extensions for key retail locations. **Cash and cash equivalents** amounted to EUR 211 million at the end of fiscal year 2024, reflecting the strong increase in free cash flow (December 31, 2023: EUR 118 million). > Notes to the Consolidated Financial Statements, Notes 8 and 14, > Financial Position, Statement of Cash Flows and Free Cash Flow

Total **current and non-current lease liabilities**, primarily related to the rental of retail store locations as well as logistics and administration properties, increased by 21% to EUR 959 million as of the reporting date (December 31, 2023: EUR 793 million). The increase was mainly driven by new retail and logistics leases, as well as retail lease extensions. **Current and non-current financial liabilities** decreased 13% to EUR 297 million (December 31, 2023: EUR 340 million), mainly reflecting a lower utilization of the Company's credit lines, driven by strong cash flow generation. **Provisions and deferred tax liabilities** decreased 15% to EUR 187 million (December 31, 2023: EUR 220 million), mainly reflecting lower personnel provisions. > Notes to the Consolidated Financial Statements, Notes 9, 17, 19, and 20, > Financial Position, Capital Structure and Financing

As HUGO BOSS completed the sale process of its Russian subsidiary during the course of 2024, **assets and liabilities held for sale** were fully derecognized, each amounting to EUR 0 million as of December 31, 2024 (December 31, 2023: EUR 27 million and EUR 19 million, respectively). > Notes to the Consolidated Financial Statements, Accounting Policies

FINANCIAL POSITION

ESG-linked syndicated loan provides high level of financial flexibility

Significantly positive free cash flow generation in 2024

CapEx efficiency gains achieved by prioritizing strategic investments

Principles and goals of financial management

Group-wide financial management is controlled centrally by the Group Treasury department. The goals pursued include securing financial stability and flexibility, ensuring liquidity at all times, and the management of financial risks. Company-wide financial management comprises Group financing, cash and liquidity management, the management of market price risks, and the management of counterparty risks. **Treasury principles** that are applied Group-wide govern all matters relevant to treasury, such as the approval of banking relationships, the handling of financing agreements, the liquidity and asset management, as well as the management of currency and interest rate risks.

Within **Group financing**, factors such as market capacity, cost of financing, covenants, and terms to maturity are considered when selecting financial instruments. External loans for Group financing are taken out centrally and primarily in the Group's reporting currency (euro) within the framework of an **"inhouse bank" concept**. To cover the financing needs of the Group companies, funds are made available in the form of intercompany loans in the respective local currency. This allows the Company to increase economies of scale and minimize the cost of capital. Occasionally, credit lines are also agreed upon with local banks in order to account for legal, tax, or other framework conditions. The Group's financial liabilities are generally unsecured and may be subject to customary market obligations, which are reviewed on a quarterly basis.

The most important source of liquidity for HUGO BOSS is the cash inflow from operating activities. The Group Treasury department optimizes and centralizes payment flows through its **cash and liquidity management**. Generally, Group companies transfer excess liquidity to the "inhouse bank," e.g., as part of a cash-pooling procedure. In doing so, the excess liquidity of individual Group companies can be used to cover the financial needs of others. This intercompany financing offsetting system reduces the external financial requirement and thus optimizes overall interest expenses.

Management of market price risks is intended to limit the impact of interest rate and currency fluctuations on the Group's financial result. The use of hedging instruments such as foreign exchange forwards and swaps, plain-vanilla options, and interest rate swaps, is intended to secure HUGO BOSS against unfavorable interest rate and currency developments. > Report on Risks and Opportunities, Currency Risks

The **counterparty risk** to banks mainly results from the investment of liquid funds as part of cash and liquidity management and from the use of derivative financial instruments as part of interest rate and currency risk management. With regard to trading transactions, HUGO BOSS aims for the broadest possible diversification of volumes and ensures that financial instruments are only executed with counterparties of very good credit ratings.

Capital structure and financing

HUGO BOSS holds **strong investment-grade ratings** from leading agencies, Standard & Poor's (S&P) and Moody's, underscoring its robust financial position and long-term growth potential. S&P rates the Company "BBB" while Moody's assigns a "Baa2" rating, both **reaffirmed in 2024**. While S&P revised its outlook to negative in March 2024 – citing macroeconomic volatility, short-term supply chain challenges, and increased capital expenditure levels – the agency acknowledged that the HUGO BOSS performance remains strong relative to peers. These ratings, first assigned in 2022, place HUGO BOSS among the highest-rated companies in the global premium apparel industry, reflecting the Company's strong brand perception, sound financial health, and **financing flexibility**.

The cornerstone of HUGO BOSS' financing structure is a EUR 600 million **ESG-linked revolving syndicated loan**, offering strong financial flexibility to support the successful execution of the Company's strategic initiatives. The facility, concluded in 2021, is available for general corporate purposes or guarantees and initially carried a three-year term. With both one-year extension options having been successfully exercised, the term was extended through 2026. Additionally, the loan includes an option to increase the credit volume by up to EUR 300 million, further enhancing the Company's financial agility. The syndicated loan contains a standard covenant requiring the maintenance of **financial leverage**, defined as the ratio of net financial liabilities (including lease liabilities in accordance with IFRS 16) to EBITDA. As of December 31, 2024, financial leverage totaled 1.3, thus on the prior-year level (December 31, 2023: 1.3) and well below the maximum permissible level. The syndicated loan is based on variable interest rates with applicable credit margins depending on the external credit rating and fulfillment of predefined **ESG criteria**. At the end of fiscal year 2024, its **utilization** totaled EUR 11 million used for bank guarantees (December 31, 2023: utilization of EUR 92 million of which EUR 83 million was used for general corporate purposes and EUR 9 million for bank guarantees).

To meet the ongoing strong demand for its **supplier financing program**, HUGO BOSS has established a comprehensive solution comprising a single-bank program and a bank-independent platform. The combined credit limit for both programs amounts to EUR 268 million, with EUR 148 million utilized at the end of 2024 (December 31, 2023: EUR 107 million).

HUGO BOSS successfully issued a **Schuldschein loan** of EUR 175 million in 2023, comprising four tranches with three- and five-year maturities, offered at both fixed and variable interest rates. Proceeds are allocated to general corporate purposes, primarily supporting investments aligned with the Group's strategy, including the ongoing expansion of our global logistics network. In addition, HUGO BOSS secured **real estate financing** in the amount of EUR 43 million in 2024 for the expansion of its headquarters in Metzingen (Germany). The financing comprises two separate amortizing loans with fixed interest rates in the amount of EUR 10 million and EUR 33 million, both with a maturity period of ten years. At the end of fiscal year 2024, the full financing amount of EUR 43 million remained outstanding. > Financial Position, Capital Expenditure

To further secure liquidity, HUGO BOSS possesses committed and uncommitted **bilateral credit lines** totaling EUR 208 million (December 31, 2023: EUR 153 million), of which EUR 108 million was utilized at the end of fiscal year 2024 (December 31, 2023: EUR 63 million). In addition, HUGO BOSS had at its disposal **cash and cash equivalents** in the amount of EUR 211 million at year end (December 31, 2023: EUR 118 million). > Notes to the Consolidated Financial Statements, Note 14, > Financial Position, Statement of Cash Flows and Free Cash Flow

Overall, the Group's **liabilities** totaled EUR 2,332 million at the end of the fiscal year (December 31, 2023: EUR 2,161 million), representing an unchanged 62% share of total assets (December 31, 2023: share of 62%). Of this amount, EUR 959 million was attributable to **current and non-current lease liabilities** (December 31, 2023: EUR 793 million), primarily relating to the rental of retail store locations as well as logistics and administration properties. **Current and non-current financial liabilities** totaled EUR 297 million at the end of fiscal year 2024 (December 31, 2023: EUR 340 million). > Net Assets, > Notes to the Consolidated Financial Statements, Notes 9 and 20

Statement of cash flows and free cash flow

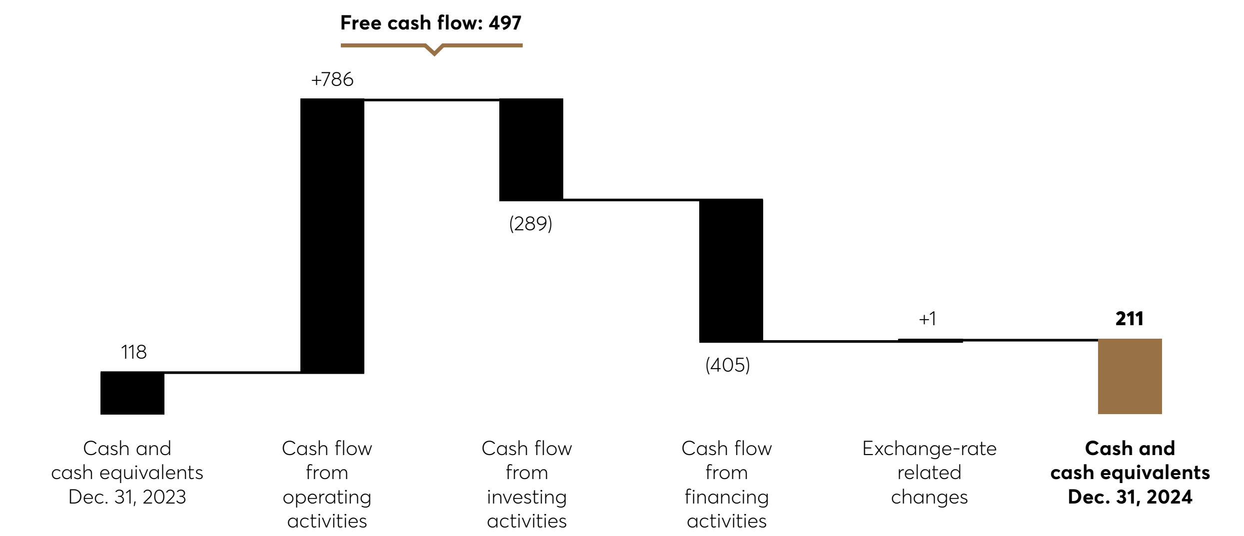
STATEMENT OF CASH FLOWS[1] (IN EUR MILLION)

	2024	2023
Cash flow from operating activities	786	394
Cash flow from investing activities	(289)	(298)
Cash flow from financing activities	(405)	(122)
Change in cash and cash equivalents	**92**	**(29)**
Cash and cash equivalents at the beginning of the period	118	147
Cash and cash equivalents at the end of the period	211	118

1 As the statement of cash flows is presented on a currency-adjusted basis, the values cannot be derived from the statement of financial position.

Free cash flow amounted to EUR 497 million in fiscal year 2024, significantly exceeding the prior-year level (2023: EUR 96 million) and thus underlining our highly cash-generative business model. This development was mainly driven by strong improvements in trade net working capital. Free cash flow is calculated as the sum of cash flow from operating activities (excluding lease expenses under IFRS 16) and cash flow from investing activities. > Net Assets

CHANGE IN CASH AND CASH EQUIVALENTS (IN EUR MILLION)



Cash flow from operating activities doubled compared to the prior-year level amounting to a level of EUR 786 million (2023: EUR 394 million), largely reflecting the improvements in trade net working capital achieved in 2024. **Cash flow from investing activities** remained 3% below the prior year, amounting to EUR 289 million (2023: EUR 298 million). This development reflects the decrease in capital expenditure in fiscal year 2024 against the backdrop of our progress made in driving CapEx efficiency by prioritizing strategically relevant investments. > Financial Position, Capital Expenditure

At EUR 405 million, **cash flow from financing activities** significantly increased year over year (2023: EUR 122 million). In the prior year, HUGO BOSS recorded a higher cash inflow in connection with the issue of the Company's first Schuldschein loan. > Financial Position, Capital Structure and Financing

Net financial position

The **net financial position** is measured as the total of all financial and lease liabilities less cash and cash equivalents. **Excluding the impact of IFRS 16**, the net financial position of HUGO BOSS at the end of fiscal year 2024 improved to minus EUR 78 million (December 31, 2023: minus EUR 213 million). **Including the impact of IFRS 16**, this corresponds to a total of minus EUR 1,038 million (December 31, 2023: minus EUR 1,006 million).
> Financial Position, Capital Structure and Financing, > Notes to the Consolidated Financial Statements, Note 9

Capital expenditure

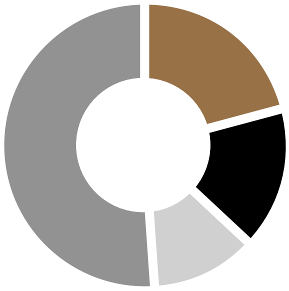
In fiscal year 2024, HUGO BOSS invested EUR 286 million in **property, plant, and equipment, and intangible assets**, representing a decrease of 4% as compared to the prior year (2023: EUR 298 million). This development mainly reflects our successes in driving CapEx efficiency by prioritizing strategically relevant investments. In this context, we continued to invest in key initiatives and projects, including our global distribution network, the further digitalization of our business model, and the expansion of our logistics capacities and headquarters.

CAPITAL EXPENDITURE (IN %)

By functional area

- **Own retail business** **45** (53)
- **Administration (incl. IT and buildings)** **41** (29)
- **Other capital expenditure** **14** (17)

By region



- **EMEA** **21** (30)
- **Americas** **16** (18)
- **Asia/Pacific** **12** (13)
- **Corporate units** **51** (40)

2024 (2023)

HUGO BOSS is committed to providing a superior shopping experience and a best-in-class omnichannel journey to consumers all around the globe. Our own retail business plays a key role in this context. Consequently, we are putting strong emphasis on the ongoing **optimization and modernization** of our global store network. Our **innovative store concepts** are intended to make a significant contribution in upgrading our points of sale and enhancing customer engagement. At the end of 2024, the majority of our freestanding BOSS and HUGO stores were already comprehensively refreshed or equipped with the latest store concepts. Reflecting our strategic emphasis on prime retail destinations, capital expenditure on our own retail network amounted to EUR 129 million in fiscal year 2024, thus modestly below the prior-year level (2023: EUR 157 million). As part of this, investments in the continuous **optimization and modernization of existing locations** totaled EUR 82 million (2023: EUR 118 million), while we spent EUR 47 million on the selective **opening of new retail points of sale** (2023: EUR 40 million), including new BOSS stores in Düsseldorf and Shanghai. > Consumer Touchpoints

Capital expenditure on **administration** amounted to EUR 117 million in the past fiscal year (2023: EUR 88 million). This includes investments of EUR 62 million in our global **IT infrastructure** (2023: EUR 55 million), emphasizing our strategic claim "Lead in Digital." These investments mainly supported the further digitalization of our business model, including key initiatives of our Digital Campus and the Company-wide rollout of our next-generation ERP system as part of a multiyear project. At the same time, EUR 54 million was allocated to capital expenditure in **buildings** (2023: EUR 33 million). This mainly includes ongoing investments into the expansion of our distribution center for flat-packed goods located in proximity to the Company's headquarters, the further expansion of our Group's campus in Metzingen (Germany), as well as the opening of our latest showroom in Düsseldorf (Germany). Finally, **other capital expenditure** on production, distribution, and research and development amounted to EUR 40 million in 2024 and was thus below the prior-year level (2023: EUR 53 million). > Group Strategy, "Lead in Digital," "Organize for Growth," > Business Operations

Accumulated depreciation and amortization on property, plant, and equipment, and intangible assets, including own capitalized cost, totaled EUR 1,321 million in fiscal year 2024 (2023: EUR 1,204 million). Existing **obligations from investment projects** amounted to EUR 18 million as of December 31, 2024 (December 31, 2023: EUR 33 million), mainly relating to the ongoing expansion of our Group's headquarters in Metzingen (Germany).
> Notes to the Consolidated Financial Statements, Note 8

HUGO BOSS AG

HUGO BOSS AG is the parent company of HUGO BOSS Group

Operational performance driven by service agreements with subsidiaries

Annual financial statements prepared in accordance with HGB provisions

HUGO BOSS AG is the **parent company of HUGO BOSS Group**. Its annual financial statements are prepared in accordance with the provisions of HGB ["Handelsgesetzbuch": German Commercial Code]. In addition to the operating business, the results of HUGO BOSS AG are predominately driven by the management of the central functions. A material item in this context is the allocation of costs for services rendered to Group companies.

Earnings development

INCOME STATEMENT HUGO BOSS AG (IN EUR MILLION)

	2024	In % of sales	2023	In % of sales	Change in %
Sales	**2,264**	**100.0**	**2,297**	**100.0**	**(1)**
Cost of sales	(1,469)	(64.9)	(1,562)	(68.0)	6
Gross profit	**795**	**35.1**	**735**	**32.0**	**8**
Distribution expenses	(480)	(21.2)	(459)	(20.0)	(5)
General administrative expenses	(155)	(6.8)	(178)	(7.8)	13
Other operating income	52	2.3	149	6.5	(65)
Other operating expenses	(89)	(3.9)	(96)	(4.2)	7
Operating result	**123**	**5.4**	**151**	**6.6**	**(19)**
Net interest income/expenses	(11)	(0.5)	(15)	(0.7)	27
Income from profit and loss transfer agreements	94	4.1	89	3.9	5
Taxes on income and other taxes	(35)	(1.6)	(16)	(0.7)	<(100)
Net income	**170**	**7.5**	**209**	**9.1**	**(19)**
Transfer to (–)/from (+) other revenue reserves	85	(3.8)	(105)	(4.6)	(19)
Accumulated income previous year	46	(2.0)	34	1.5	33
Unappropriated income	**131**	**5.8**	**139**	**6.0**	**(6)**

Sales of HUGO BOSS AG primarily comprise brick-and-mortar retail, brick-and-mortar wholesale, and digital revenues generated in Germany and Austria as well as intercompany sales with its international subsidiaries.

SALES BY REGION (IN EUR MILLION)

	2024	In % of sales	2023	In % of sales	Change in %
EMEA	1,860	82	1,775	77	5
Americas	264	12	316	14	(16)
Asia/Pacific	140	6	206	9	(32)
Total	**2,264**	**100**	**2,297**	**100**	**(1)**

In fiscal year 2024, revenues of HUGO BOSS AG remained broadly on the prior-year level. In **EMEA**, HUGO BOSS AG recorded further top-line improvements, including solid growth in **Germany**. This largely compensated for a decline in revenue with subsidiaries in **Americas** and **Asia/Pacific** due to an adjusted intercompany pricing reflecting current external market factors.

SALES BY BRAND (IN EUR MILLION)

	2024	In % of sales	2023	In % of sales	Change in %
BOSS	1,566	69	1,627	71	(4)
HUGO	413	18	380	17	9
Other services	285	13	289	13	(1)
Total	**2,264**	**100**	**2,297**	**100**	**(1)**

While revenues for **BOSS** remained below the prior year, **HUGO** posted robust sales growth, supported by the launch of its new denim brand line HUGO Blue. At the same time, **sales from other services** also remained slightly below 2023 levels, reflecting lower intercompany charges passed on to subsidiaries, in particular related to service and IT.

At 35.1%, the **gross margin** of HUGO BOSS AG was well above the prior-year level (2023: 32.0%), mainly reflecting benefits from increased sourcing efficiencies. **Distribution expenses** were up 5%, largely attributable to inflation- and expansion-related cost increases in brick-and-mortar retail. **General administration expenses** were down 13% year over year, mainly reflecting disciplined overhead cost management. In particular, HUGO BOSS implemented several initiatives to enhance organizational efficiency in fiscal year 2024, including eliminating non-essential spending while prioritizing key strategic initiatives. The decrease in **other operating income** is primarily due to the profit realized in the previous year from merging HUGO BOSS Trade Mark Management GmbH & Co. KG into HUGO BOSS AG. **Other operating expenses** came in 7% below the prior-year level, with lower currency effects also contributing to the development. The **income from profit and loss transfer agreements** of EUR 94 million is attributable to HUGO BOSS Internationale Beteiligungs-GmbH (2023: EUR 89 million).

Net assets and financial position

Property, plant, and equipment, and intangible assets of HUGO BOSS AG increased by 10% year over year, totaling EUR 1,115 million (December 31, 2023: EUR 1,012 million). This development mainly reflects investments in the ongoing expansion of its headquarters in Metzingen (Germany) and the Company's distribution center for flat-packed goods in Filderstadt (Germany), with completion scheduled for 2025 and 2026, respectively.

TRADE NET WORKING CAPITAL (IN EUR MILLION)

	2024	2023	Change in %
Inventories	288	262	10
Trade receivables	91	116	(21)
Trade payables	284	242	17
Trade net working capital	**95**	**135**	**(30)**

The increase in **inventories** mainly reflects higher goods in transit at the end of fiscal year 2024. HUGO BOSS AG is the main supplier for the Group's global distribution companies. **Trade receivables** of HUGO BOSS AG remained well below the prior-year level, mainly attributable to efficient receivables management. At the same time, the Company recorded an increase in **trade payables**, driven by higher sourcing volumes at year-end also reflected by an increased utilization of the Company's supplier financing program. Consequently, **trade net working capital (TNWC)** of HUGO BOSS AG ended fiscal year 2024 well below the prior-year level.

At EUR 98 million, **receivables from affiliated companies** at the end of fiscal year 2024 were above the prior-year level (December 31, 2023: EUR 74 million). **Liabilities to affiliated companies** slightly decreased to EUR 94 million, mainly due to repayments of loans to HUGO BOSS International B.V. (December 31, 2023: EUR 103 million). **Provisions** also decreased, amounting to EUR 163 million at the end of the year (December 31, 2023: EUR 186 million). At EUR 219 million, **liabilities to credit institutions** were above the prior-year level (December 31, 2023: EUR 177 million), mainly reflecting the Company's real estate financing in the amount of EUR 43 million secured in 2024 for the expansion of its headquarters in Metzingen.

As of December 31, 2024, **cash and cash equivalents**, defined as the total of cash on hand and bank balances, amounted to EUR 7 million (December 31, 2023: EUR 2 million), with the increase mainly reflecting a higher **cash flow from operating activities**. The latter particularly benefited from the improvements in trade net working capital.

Outlook, risks, and opportunities

Due to its close relationships with the Group companies and its relevance for the Group, the expectations for HUGO BOSS AG are largely reflected in the Group's outlook. In this context, the **net income** of HUGO BOSS AG, which represents the Company's key performance indicator, is expected to record robust improvements in fiscal year 2025. There are no specific particularities regarding HUGO BOSS AG. In addition, the business performance of HUGO BOSS AG is, to a large degree, also subject to the same **risks and opportunities** as those faced by the Group. Consequently, the statements within the Group's Report on Risks and Opportunities also apply to HUGO BOSS AG. > Outlook, > Report on Risks and Opportunities

OUTLOOK

Macroeconomic uncertainty to weigh on industry growth in fiscal year 2025

Group sales in 2025 to range between EUR 4.2 billion and EUR 4.4 billion

EBIT to increase to a level of EUR 380 million to EUR 440 million

Subsequent events

Between the end of fiscal year 2024 and the preparation of this report on March 5, 2025, there were no material macroeconomic, sociopolitical, industry-related, or Company-specific changes that the Management expects to have a significant impact on the Group's earnings, net assets, or financial position.

Outlook

The following report presents the **view of the Management of HUGO BOSS** with respect to the Company's expected business performance in fiscal year 2025. It also describes the expected development of significant macroeconomic and industry-specific conditions. The outlook reflects Management's current knowledge at the time the report was prepared. However, actual developments may differ significantly, either positively or negatively, if risks and opportunities materialize as described in the Risks and Opportunities section of this Annual Report. Other than the statutory publication requirements, HUGO BOSS does not assume any obligation to update the statements contained in this report. > Report on Risks and Opportunities

Macroeconomic and industry-specific developments can have a major influence on the development of the Company's operational and financial development. Statements made in this section regarding the Company's expected business performance are therefore based on certain assumptions with regards to developments in the global economy and in the apparel industry. Over the course of the year, the Group will closely monitor the development of external conditions to respond to any possible changes as quickly and comprehensively as possible.

Outlook for the global economy

In 2025, global growth is expected to remain subdued as the **global economy continues to face several challenges**. In particular, economic policy uncertainties have further intensified, driven by expectations of policy shifts under newly elected governments, ongoing political instability in certain regions, and persistent geopolitical tensions. At the same time, global headline inflation is anticipated to decline moderately, with advanced economies projected to return to target inflation levels more quickly than emerging markets and developing economies. Consequently, according to the International Monetary Fund (IMF), **global growth** is projected at 3.3% in 2025 and thus only slightly above the prior-year level (2024: 3.2%). Compared with the historical average of 3.7% (2000–2019), global growth in 2025 is likely to remain significantly lower.

Regional economic growth expectations vary significantly, according to the IMF. In the **eurozone**, growth is expected to improve only modestly to 1.0% in 2025 (2024: 0.8%), given ongoing geopolitical tensions and persistent weakness in manufacturing. The **U.S.** economy is projected to grow at 2.7% in 2025 (2024: 2.8%), supported by robust demand, improving financial conditions, and less restrictive monetary policies. On the other hand, cyclical challenges in **China** are anticipated to continue impacting domestic consumption, with growth forecast to slow further to 4.6% (2024: 4.8%).

Risks and uncertainties associated with these assumptions remain fundamentally high. Geopolitical tensions, including conflicts in regions such as the Middle East and Eastern Europe, could disrupt trade routes and commodity supplies also in 2025. In addition, policy-generated disruptions to the ongoing disinflation process could complicate the transition to easing monetary policy, increasing fiscal and financial vulnerabilities. Finally, trade policy uncertainty – exacerbated by potentially new tariffs and protectionist measures – could distort global trade flows, hinder investment, and reduce market efficiency.

Industry outlook

The **global apparel industry** is anticipated to face a challenging fiscal year 2025, shaped by ongoing macroeconomic and geopolitical uncertainties, which in turn might continue weighing on global consumer sentiment. According to a joint study by The Business of Fashion and consulting firm McKinsey & Company, published in November 2024, revenue growth for the global apparel industry (excluding the luxury segment) is projected to remain modest at 2% to 4% (2024: 2% to 3%), marking only a slight improvement compared to the prior year.

In **Europe**, industry growth (excluding the luxury segment) is forecast to range between 2% and 4% in 2025 (2024: 1% to 3%). While economic uncertainty and geopolitical concerns persist, declining inflation and increased tourism are expected to slightly lift retail spending. In the **U.S.**, consumption is set to benefit from expected Federal Reserve rate cuts, alongside robust job data and a strong stock market and property sector. These factors are anticipated to sustain the ongoing recovery, with industry growth (excluding the luxury segment) expected to expand by 3% to 4% (2024: 2% to 3%). In contrast, **China** continues to face a cyclical economic slowdown. In particular, consumer confidence is expected to remain subdued, hovering only slightly above the record lows of 2022, leading to elevated household savings rates. Although government measures are aimed at stimulating the economy, it is uncertain whether they will sufficiently boost consumer sentiment in 2025. Consequently, industry growth (excluding the luxury segment) is expected to decelerate slightly to a range of 2% to 4% (2024: 3% to 4%), remaining well below historical averages, as some industry players increasingly pivot their focus to other Asian markets.

Outlook for HUGO BOSS

Following more than three years of **successfully executing "CLAIM 5,"** HUGO BOSS has achieved notable progress across its strategic priorities, resulting in record sales of EUR 4.3 billion in fiscal year 2024. At the same time, over the last years, we have built a **robust organizational and operational platform** that is aimed to allow HUGO BOSS to generate sustainable, profitable growth by enhancing execution while focusing on effectiveness and efficiency. Consequently, with "CLAIM 5" we have paved the way towards achieving our financial ambition of EUR 5 billion in sales as well as an EBIT margin of at least 12% in the future. > Group Strategy

Also in 2025, the **final year of "CLAIM 5,"** we remain fully committed to making further strategic progress. In particular, we are determined to continue exploiting global growth opportunities, as we keep investing in key brand, product, and omnichannel initiatives to further drive brand relevance and deepen customers' connections with BOSS and HUGO. At the same time, we remain focused on leveraging our strong operational platform and driving additional cost efficiencies by rigorously managing operating expenses. This **balanced approach** is essential for driving robust profitability improvements in 2025 and beyond, while ensuring the long-term success of HUGO BOSS.

OUTLOOK FOR FISCAL YEAR 2025

	Results 2024	Outlook 2025
Group sales	Increase by 3% to EUR 4,307 million	Between EUR 4.2 billion and EUR 4.4 billion (−2% to +2%)
Sales by region		
EMEA	Increase by 3% to EUR 2,625 million	Remain around the prior-year level
Americas	Increase by 8% to EUR 1,020 million	Increase in the low to mid single-digit percentage range
Asia/Pacific	Decrease by 2% to EUR 553 million	Moderate decrease
Operating result (EBIT)	Decrease by 12% to EUR 361 million	Increase to a level of EUR 380 million to EUR 440 million (+5% to +22%)
Group's net income	Decrease by 17% to EUR 224 million	Increase in line with EBIT
Trade net working capital as a percentage of sales	Improvement of 120 bps to 19.6%	Remain at a level of between 19% and 20%
Capital expenditure	Decrease by 4% to EUR 286 million	Between EUR 200 million and EUR 250 million

In 2025, we expect macroeconomic and geopolitical volatility to remain high and to continue weighing on consumer sentiment. Against this backdrop, HUGO BOSS expects **Group sales** in reporting currency to range between EUR 4.2 billion and EUR 4.4 billion in 2025 (2024: EUR 4,307 million). Sales in the **EMEA** region are forecast to remain around the prior-year level, while sales in the **Americas** are projected to increase in the low single-digit percentage range. For **Asia/Pacific**, HUGO BOSS anticipates sales to moderately decrease, reflecting ongoing uncertainties regarding consumer sentiment in the Chinese market.

HUGO BOSS anticipates robust profitability improvements in fiscal year 2025, with **operating profit (EBIT)** expected to increase to a level of between EUR 380 million and EUR 440 million (2024: EUR 361 million). Consequently, the Company anticipates the EBIT margin to improve in 2025, supported by its ongoing focus on driving additional sourcing efficiencies and maintaining disciplined cost management. The **Group's net income** is expected to develop broadly in line with EBIT and is thus also expected to increase by around 5% to 22% (2024: EUR 224 million).

Trade net working capital (TNWC) as a percentage of sales is expected to remain at a level of between 19% and 20% in 2025 (2024: 19.6%), with continued optimizations in inventory management anticipated to support this development. **Capital expenditure** is forecast to range between EUR 200 million and EUR 250 million in 2025 (2024: EUR 286 million), reflecting the Company's increased emphasis on driving CapEx efficiency. Investment activity in 2025 remains focused on modernizing our global store network, advancing digitalization, and enhancing our logistics capacity. As in the previous year, the majority of our investments will be allocated to Corporate Units and the EMEA segment.

Despite the decline in earnings in fiscal year 2024, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 15, 2025, a **dividend** of EUR 1.40 per share for fiscal year 2024, reflecting an increase of 4% compared to the prior-year level (2023: EUR 1.35). This decision underscores the Company's robust financial position as well as management's confidence in its long-term growth opportunities and its continued ability to generate a significantly positive free cash flow in the future. The proposal is equivalent to a **payout ratio** of 45% of the Group's net income attributable to shareholders in fiscal year 2024 (2023: 36%), in line with the Company's mid-term target payout ratio of between 30% and 50%, as laid out in "CLAIM 5." Assuming that shareholders approve the proposal, the dividend will be paid out on May 20, 2025, equaling EUR 97 million (2023: EUR 93 million).

REPORT ON RISKS AND OPPORTUNITIES

Transparent handling of risks and opportunities as part of the risk management system

No going concern risks to the Group identified

Exploiting business opportunities important element for sustainable increase in enterprise value

The success of HUGO BOSS is based on the systematic exploitation of opportunities as part of the Group strategy. The **risks and opportunities policy** of HUGO BOSS is aimed at achieving the Group's strategic and financial objectives. In addition to pursuing the target of securing the Group's continuation as a going concern, it therefore primarily is aimed at successfully executing the "CLAIM 5" strategy and sustainably increasing enterprise value. The reporting of risks and opportunities in the combined management report refers to a one-year period.

Risk and opportunity management principles

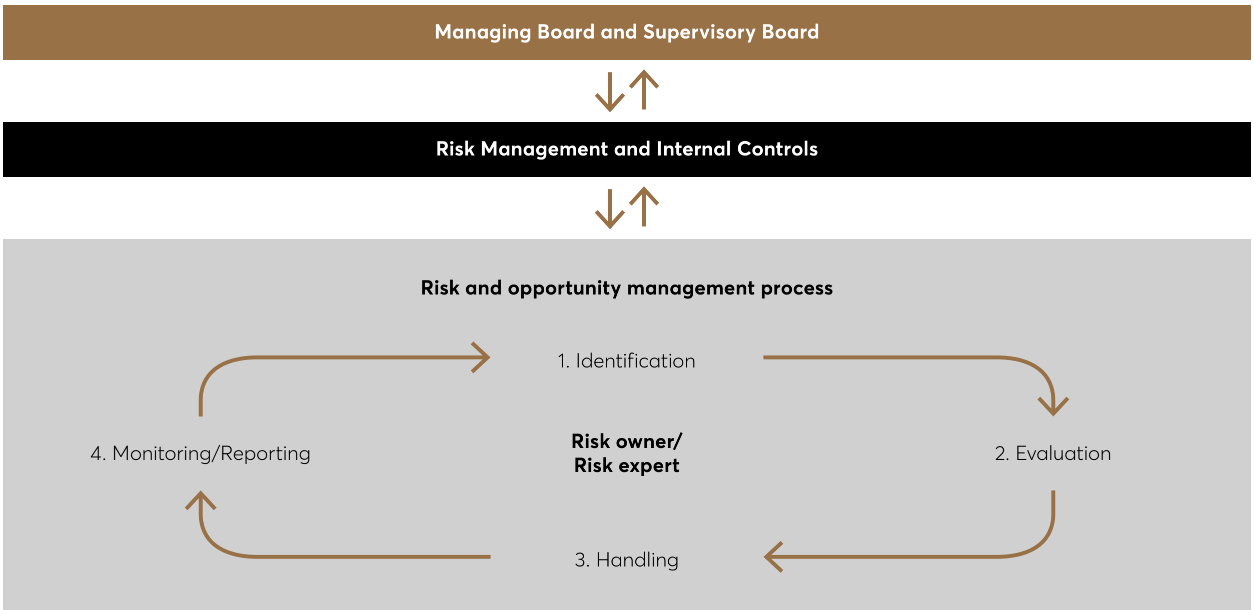
The Company's **risk and opportunity management system** comprises all measures of a systematic and transparent approach towards risks and opportunities. It aims to **identify risks as early as possible**, evaluating them adequately, limiting or avoiding them through suitable measures, as well as monitoring and documenting them. In this context, risks are defined as potential future developments or events that may lead to negative deviations from the planned operating result (EBIT). At the same time, the **early identification and consistent exploitation of business opportunities** is of particular importance as part of the successful execution of the Group's strategy and essential for ensuring the Company's long-term success. At HUGO BOSS, opportunities are defined as potential positive deviations from the planned EBIT, with appropriate measures initiated as needed to exploit them. Opportunities are always considered in conjunction with any associated risks. They are only pursued if they outweigh the associated risks and the risks are considered to be manageable and limited in impact.

Risk and opportunity management system

The Managing Board of HUGO BOSS AG has **overall responsibility for an effective risk and opportunity management system**. On its behalf, the central Risk Management & Internal Controls department coordinates the execution and continuous development of the risk and opportunity management system. In this context, it is responsible for the centrally managed risk and opportunity management process and is in close contact with the respective central departments and Group companies. The relevant risk owners and risk experts are responsible for identifying and evaluating risks, adequately dealing with identified risks, and implementing effective risk mitigation measures. The Supervisory Board of HUGO BOSS is responsible for **monitoring the effectiveness of the risk and opportunity management system**. This responsibility is exercised by the Audit Committee, with support from the Internal Audit department. In this context, risk and opportunity management at HUGO BOSS is subject to regular internal auditing. As part of the audit of the consolidated financial statements, the external Group auditor assesses the adequacy of the measures for the early identification of risks that could impact the Company's ability to continue as a going concern.

Group-wide standards for the systematic handling of risks and opportunities form the basis of an efficient risk and opportunity management system. They are set by the Managing Board and documented in the **risk and opportunities principles** that are applicable throughout the Group and available to all employees on the Company-wide intranet. All employees of HUGO BOSS are obliged to be aware of the risks posed by their behavior, especially regarding those risks that may threaten the going concern of the Group. The use of modern **risk and opportunity management software** allows for recording and evaluating all identified risks and opportunities, as well as related measures, in a uniform way throughout the Group. As part of the audit of the consolidated financial statements, the external Group auditor assesses the effectiveness of selected internal controls, including IT controls. The risk and opportunity management system of HUGO BOSS is designed in accordance with the international standard ISO 31000.

MAIN FEATURES OF THE RISK AND OPPORTUNITY MANAGEMENT SYSTEM



The **risk and opportunity management process** at HUGO BOSS consists of four steps: identification, evaluation, handling, and ongoing monitoring and reporting.

To ensure **risks and opportunities are identified** at the earliest possible stage, the Group continuously monitors the macroeconomic and geopolitical environment, the competitive landscape in the premium and luxury goods industry, and all internal processes. Risk Management & Internal Controls supports all internal risk owners with regular identification and efficient categorization of risks and opportunities using a risk catalog, as well as the risk and opportunity principles that is available in the intranet throughout the Group.

Risk owners delegate the **regular evaluation** of identified risks and opportunities to the defined risk experts and give their assessment after a thorough evaluation. Risk experts are supported by Risk Management & Internal Controls, which also includes regular training, at least once per year, on risk and opportunities management principles and topic-specific focus areas. Individual risks and opportunities are evaluated by assessing their likelihood of occurrence and systematically analyzing their potential impact on the planned operating result (EBIT). Tax risks and interest rate risks, however, are evaluated based on their potential impact on cash flow. > Outlook

MEASUREMENT CRITERIA FOR BUSINESS RISKS AND OPPORTUNITIES

Extent of financial impact (in % of planned EBIT)		Likelihood of occurrence (within 1 year)	
low	≤2.5%	remote	≤10%
moderate	>2.5–5%	unlikely	>10–25%
essential	>5–15%	possible	>25–50%
high	>15–30%	probable	>50–90%
very high	>30%	certain	>90%

Individual risks and opportunities are evaluated on the basis of the two dimensions of **likelihood of occurrence and potential financial impact**. This is intended to create transparency regarding the Company's current risk and opportunity situation and provide support in prioritizing risks and opportunities. Classification is done by means of summing up all individual risks' and opportunities' weighted average of likelihood (likelihood) as well as the weighted averages of the impact scenarios of all individual risks and opportunities (potential financial impact). Net risks and opportunities are defined as the remaining risk or opportunity potential after accounting for the impact of corresponding mitigation measures, whereas gross risks and opportunities represent their initial, unmitigated impact.

Risks and opportunities are treated in accordance with the Company's risk and opportunity management principles. Preparing and implementing appropriate risk mitigation measures is the responsibility of the respective risk owner. In general, **risks are handled** in four different ways: risk avoidance, risk reduction, risk transfer to third parties, and risk acceptance. One component of risk management is thus the transfer of risk to insurance companies, which is intended to offset the financial impact of insurable risks as far as possible. The costs of the respective measures in relation to their effectiveness are also taken into consideration when deciding how to implement the respective risk management strategy. In close cooperation with the risk owners, Risk Management & Internal Controls monitors the progress and effectiveness of planned and already implemented measures.

The current status of all identified risks and opportunities is assessed twice a year. However, depending on their extent, some risks or opportunities may be assessed at a higher frequency of up to once a month. As part of the **risk monitoring**, insights into the latest trends are documented, and risk evaluation as well as risk handling are revised if necessary. The continuous monitoring of early warning indicators is intended to allow possible deviations from the budget to be identified at an early stage. Reporting chains and the adoption of appropriate countermeasures defined in advance aim to ensure a timely response in the event of a risk occurring. > Group Management

As part of the **regular risk and opportunities reporting**, risk owners report all risks and opportunities identified to Risk Management & Internal Controls, including the respective likelihood of occurrence, the potential financial impact, as well as any risk mitigation measures. Risk Management & Internal Controls aggregates the information reported and regularly presents a consolidated report to the Managing Board and the Audit Committee. Substantial individual risks and opportunities are given particular emphasis. When critical or urgent issues arise, the regular reporting process is supplemented by an ad-hoc report.

Assessment of the risk and opportunity situation by the Managing Board

The individual risks are aggregated using two methods to obtain the most accurate possible overview of the **total risk position** of HUGO BOSS. On the one hand, the expected loss values of all assessed risks are added together. On the other hand, the probability distributions of all identified risks are aggregated to form a single probability distribution for a possible total loss by means of a Monte Carlo simulation and thus determining maximum annual loss values. The simulation encompasses risks of all categories, thus also including non-financial risks. The result of this simulation for fiscal year 2024 shows that, as in the prior year, the Group's aggregated risk position does not exceed the Company's risk-capacity threshold with a likelihood of at least 99%.

The implemented risk management system forms the basis for the **assessment of the risk and opportunity situation by the Managing Board**, which reviews the system on a regular basis. Risks and opportunities with a potential financial impact classified as at least essential are discussed and evaluated by the Managing Board at regular intervals. While the assessment of individual risks and opportunities in fiscal year 2024 has changed, mainly due to the development of external conditions as well as the impact of our own countermeasures, the overall risk situation for HUGO BOSS has not changed significantly as compared to the prior year. In particular, the Managing Board did not identify any individual or aggregate risks that could jeopardize the **continuation of the Company as a going concern** at the time this report was prepared.

Illustration of risks

Risks identified in the risk management process with an at least essential potential impact on HUGO BOSS are detailed below in descending order of their potential financial impact. In contrast, risks assessed as having only a low or moderate impact are not explained in more detail. This includes risks related to brand and corporate image, changes in interest rates, competition, counterparties, facilities, financing and liquidity, investments, legal, occupational health and safety, product piracy, and vision and direction. In general, it is possible that further latent risks or risks currently assessed as immaterial may have a greater adverse effect on the Group's future development than anticipated. Regardless of the measures implemented to manage the identified risks, business activity is always exposed to **residual risks** that cannot be entirely avoided, even by a risk and opportunity management system such as the one implemented at HUGO BOSS.

RISK OVERVIEW

Categories	Potential financial impact (in % of planned EBIT)		Likelihood (within one year)		Trend[1]
Politics and society	very high	>30%	unlikely	>10%–25%	↘
Sales and distribution	very high	>30%	unlikely	>10%–25%	↘
Suppliers and sourcing	very high	>30%	unlikely	>10%–25%	↗
Taxes[2]	high	>15%–30%	possible	>25%–50%	→
Global economy	high	>15%–30%	unlikely	>10%–25%	→
Governance and compliance	high	>15%–30%	unlikely	>10%–25%	↗
IT	high	>15%–30%	unlikely	>10%–25%	→
Collection	high	>15%–30%	remote	≤10%	↘
Logistics	high	>15%–30%	remote	≤10%	↘
Currencies	essential	>5%–15%	probable	>50%–90%	↗
Quality	essential	>5%–15%	unlikely	>10%–25%	↗
Personnel	essential	>5%–15%	unlikely	>10%–25%	→
Environment and health	essential	>5%–15%	remote	≤10%	↘

1 As compared to the prior year. Change equals deviation of >5%.
2 Tax risks are assessed based on their potential financial impact on cash flow.

Political and social risks

HUGO BOSS is exposed to **political and social risks** due to its global business activities. Political and regulatory changes, geopolitical tensions, military conflicts, government transitions, and terrorism can all negatively impact consumer sentiment. However, in light of its global distribution footprint with a presence in approximately 130 markets, the Company benefits from a **natural hedge** against challenges in individual regions.

Global political and social uncertainties are expected to remain elevated in 2025. Geopolitical tensions, including those in Ukraine and the Middle East, the potential escalation of trade conflicts, policy shifts under new governments, and the ongoing threat of terrorism pose significant risks for the global apparel industry and thus also for the Group's business development. For example, geopolitical tensions may disrupt key trade routes, causing higher transportation costs and supply delays due to longer lead times. Additionally, the escalation or expansion of ongoing military conflicts could trigger a global economic downturn, weakening consumer sentiment and adversely affecting the sales and earnings performance of HUGO BOSS.

Due to its increasing relevance, HUGO BOSS classifies risks from political and social changes as an **"emerging risk."** These risks pose strategic challenges, such as the impact of demographic shifts on consumer behavior, global business activities, and supply chain structures – highlighting the close connection of social, industry, and sourcing risks. Given the broad spectrum of risks, future developments are characterized by a high level of uncertainty, which might lead to unknown, potentially significant effects in the long term. In evaluating and managing these risks, the risk owners and risk experts at HUGO BOSS work in interdisciplinary teams on the **ongoing analysis and monitoring** of current political and social developments and their impact on the Group's business activity, with Risk Management & Internal Controls coordinating and supporting this process.

Sales and distribution risks

Sales and distribution risks exist in connection with the Group's own retail activities, in particular with regard to inventory management as well as the duration of storage and consequently the recoverability of merchandise. In the wholesale business, sales and distribution risks mainly relate to a possible dependence on individual wholesale partners as well as bad debt losses.

The aim of the Company's centrally organized **inventory management** is to ensure the forward-looking, optimal allocation of Group-wide inventories while, at the same time, maintaining flexibility in order to be able to respond to demand fluctuations at short notice. Material **downturns in demand** or **misjudgments of sell-through rates** can have a negative impact on inventory turnover. HUGO BOSS therefore strives to continuously improve its inventory management. **Granting additional discounts** as a potential countermeasure for excess inventory inevitably has a negative impact on the gross margin and ultimately on the Group's profitability and are therefore constantly monitored by the central Business Planning & Analysis department. A centrally managed pricing policy, differentiated retail formats, and collections tailored to these formats are aimed at achieving a constant improvement in efficiency in own retail.

Inventory risks may result from increased storage periods and a related potential reduction in the marketability of inventories. In line with the principle of net realizable value, **impairments on inventories** are recognized accordingly and reviewed on a monthly basis based on a seasonal approach. As of the reporting date, the Managing Board considers the recognized allowances to be sufficient. > Notes to the Consolidated Financial Statements, Note 12

In its wholesale business, HUGO BOSS pays close attention to ensuring a balanced customer structure to avoid a potential **overdependence on individual customers**. Business Planning & Analysis constantly monitors key metrics such as order intake, sales, and delivery quotas, providing regular reports to the Managing Board. This enables prompt action to mitigate potential risks. > Group Management

HUGO BOSS is exposed to the risk of **bad debt losses** due to the potential insolvency of wholesale partners or cumulative losses from economic slowdowns in specific markets. To mitigate this, the **Group-wide receivables management** applies uniform receivables management policies, including credit rating checks, customer credit limits, receivables aging monitoring, and strict handling of doubtful accounts. In some cases, deliveries are only made upon prepayment, or business relationships with high-risk customers are discontinued. The Internal Audit department regularly reviews compliance with the respective Group guidelines. As of the reporting date, there was no significant concentration of default risks from individual customers. > Notes to the Consolidated Financial Statements, Note 13

Risks associated with suppliers and sourcing

Risks associated with **suppliers and sourcing** relate to potential dependencies on individual suppliers or production sites, rising product costs, and a possible divergence between production and sales.

HUGO BOSS attaches great importance to the careful selection of suppliers and long-term strategic partnerships. However, there is a risk that production may be temporarily interrupted at one or more suppliers due to supplier-related or regional events, such as trade conflicts and restrictions introduced by governments. Excessive **dependence on individual suppliers or production sites** could lead to disruptions in the Group's supply chain and thus to operational shortcomings. HUGO BOSS therefore pursues a **regionally balanced strategic sourcing mix**, in order to minimize risks such as local or regional capacity shortfalls as far as possible. In this context, the production and sourcing process is coordinated centrally by Business Operations. Supplier relationships are regularly monitored and evaluated to identify risks in a timely manner and initiate appropriate measures to safeguard product availability. In fiscal year 2024, the largest external supplier accounted for 5% of the total sourcing volume, while the largest single external production site accounted for 4% (2023: 4% each).

Within the framework of **"nearshoring,"** HUGO BOSS is pursuing the strategic ambition of relocating parts of its sourcing volume closer towards its largest sales markets, EMEA and the Americas, thus further strengthening their respective share of the global sourcing mix. In 2024, 53% of the Company's merchandise was sourced in EMEA, representing a slight increase compared to last year (2023: 52%). Notably, own production in Izmir (Turkey) now accounts for 17% of the global sourcing and production volume (2023: 15%). This shift not only brings HUGO BOSS closer to its most important sales markets, enabling faster replenishment, but also enhances the Company's resilience by **reducing reliance on external factors**. > Business Operations

In view of **earthquake risks** and possible risks due to **political uncertainties**, HUGO BOSS has implemented comprehensive measures at its largest production site in Izmir to limit the impact of a potential production downtime on product availability and consequently also on Group revenues. For the majority of the production volume, contingency plans are in place to transfer production to external suppliers, while the financial risk from earthquakes is partially covered by insurance policies.

Rising wages in sourcing countries and higher prices for raw materials like cotton, wool, or leather, may lead to **higher production costs** and thus negatively impact the gross margin, ultimately weighing on the Group's profitability. HUGO BOSS counters these risks with margin-based collection planning, measures to improve efficiency in its production and sourcing processes, continuous optimization in the use of materials, and regular reviews of its pricing policy.

The risk of **new or increased tariffs**, particularly between the U.S., China, and European economies, may impact the cost of sourcing materials and manufacturing. Such tariffs could lead to higher duties, potential supply chain disruptions, and reduced margins. An increase in product prices due to higher tariffs could also dampen consumer demand, especially in price-sensitive markets. To mitigate these risks, HUGO BOSS closely monitors global trade developments and adjusts its strategies as needed to minimize potential impacts on its operations. As part of its broader risk-mitigation efforts, HUGO BOSS has also significantly reduced its reliance on sourcing and production in China in recent years, helping to limit potential exposure to tariffs between the U.S. and China. > Business Operations

The forecasting of sales volumes, planning of production capacities, and allocation of raw materials and finished goods as part of the sourcing process involves **scheduling risks**. Deviations from the appropriate allocation can lead to over-scheduling, resulting in elevated inventory levels. On the other hand, it may also lead to under-scheduling with the risk of missed sales opportunities. To reduce scheduling risks, HUGO BOSS is working on constantly improving its forecasting quality. This involves further increasing the transparency along the value chain as well as growing flexibility of merchandise management across distribution channels and markets. In this context, in 2024, HUGO BOSS pushed ahead with the implementation of its **Digital TWIN** initiative – a smart and tech-driven business operations platform aimed at strongly enhancing real-time data utilization. By creating a digital copy of the Company's supply chain and using artificial intelligence, HUGO BOSS aims to further improve demand and supply planning and better align its various planning activities. This, in turn, is intended to provide the most accurate procurement of products and fabrics, both in terms of timing and quantity. > Business Operations

Tax risks

As a globally operating Company, HUGO BOSS is subject to a variety of **tax laws and regulations**. Changes in this area could lead to higher tax expenses and tax payments, and also impact recognized current and deferred tax assets and liabilities. All tax-related issues are regularly analyzed and evaluated by the Group Tax department, supported by external experts such as lawyers and tax advisors. **Tax audit risks** exist for all assessment periods still open. Sufficient provisions were recognized for known tax risks, with the amount based on various assumptions, for example the interpretation of respective legal requirements, the latest court rulings, and the opinion of the authorities, which is used as a basis for measuring the loss amount and its likelihood of occurrence.

The Group Tax department regularly assesses the likelihood of the future recoverability of **deferred tax assets** that have been recognized on unused tax losses. This assessment takes into account various factors, such as future taxable results in the planning periods, past results, and measures already implemented to increase profitability. HUGO BOSS applies a forecast period of four years for this purpose. Actual figures may differ from the estimates in this regard. As for taxes, risks may occur primarily from **modifications of tax legislation** in various countries, due to varying assessment of existing topics by tax authorities or tax field audits. There are also risks in transfer pricing in relation to the Company's business model. > Notes to the Consolidated Financial Statements, Note 5

Global economic risks

HUGO BOSS is exposed to **global economic risks** that can impact demand for premium and luxury goods. Consequently, economic downturns, whether global or regional, may weigh on the Company's top- and bottom-line performance. Additionally, regional economic challenges can have ripple effects across markets, further influencing business performance.

In 2025, global growth is expected to remain subdued as the **global economy continues to face several challenges**. In particular, economic policy uncertainties have further intensified, driven by expectations of policy shifts under newly elected governments, ongoing political instability in certain regions, and persistent geopolitical tensions. Further details on the global economic outlook for fiscal year 2025, including key risks and uncertainties, are provided in the "Outlook" chapter. > Outlook

To mitigate economic volatility, identify risks at an early stage, and respond as quickly as possible, the Group actively monitors the macroeconomic environment and global industry trends. **Internal early indicators** are analyzed regularly to allow a forecast of the potential impact of macroeconomic risks. Actions to address downturns in demand include adjusting production and sourcing activity, more strictly managing trade net working capital, further optimizing the global distribution network, tightening cost controls, and implementing price adjustments. > Group Management

Governance and compliance risks

All HUGO BOSS employees are required to comply with the **Code of Conduct** applicable throughout the Group and the **compliance rules** applicable in specific areas. The Group companies are subject to regular risk analyses and detailed audits where applicable. Adherence to the compliance rules is monitored by the central Compliance department and any breaches are reported accordingly to the Managing Board and Supervisory Board. > Corporate Governance and the Corporate Governance Statement, > Combined Non-financial Statement, Own Workforce

Breaches of **data protection laws** represent a substantial compliance risk. The Group counters this risk using a system complying with data protection laws and via **appropriate technical and organizational measures**. All employees are educated on data protection matters through activity-related training courses, the obligation to adhere to the Code of Conduct, and a separate duty of confidentiality. All internal processes and systems for processing personal data are assessed on an ongoing basis and continuously improved to ensure compliance with legal data protection requirements. > Consumers and End-Users

IT risks

Smooth business operations with efficient processes are strongly dependent on a powerful and secure IT infrastructure, uniformly implemented throughout the Group. Serious **failures of the Group's IT system** may result in significant business interruptions. In addition, **cyberattacks** can lead to major and long-lasting system interruptions, loss of confidential data, and the ensuing loss of reputation and liability claims. A long-lasting system interruption might have a significant impact on business operations, for example on the processing of goods in key warehouses. In order to reduce these risks, the central IT department conducts regular maintenance and security checks, has implemented multilevel security and antivirus concepts, and has assigned job-related access rights. In addition, access control systems, daily data backups of the Group-wide ERP system, an uninterrupted power supply, as well as regular online training sessions for staff aim to **increase IT security** within the Group. Internal Audit regularly monitors the security and reliability of the IT systems as well as the effectiveness of implemented control mechanisms.

HUGO BOSS anticipates global cyberattacks to continue increasing in the long term, driven by mounting geopolitical tensions and advancements in artificial intelligence. As reliance on technology deepens, the potential financial impact of cyberattacks is likely to grow, posing unknown but potentially severe risks. Consequently, HUGO BOSS classifies cyber threats as an **"emerging risk."** To strengthen its resilience, the Company remains committed to continuously enhancing its information security program. In this context, HUGO BOSS has implemented a dedicated security information and event management system, designed to provide a comprehensive overview of the Group's IT security landscape.

Collection risks

Changing fashion and lifestyle trends can cause **collection risks**, with challenges primarily occurring in identifying and incorporating trends quickly into commercially successful collections. To mitigate these risks, HUGO BOSS comprehensively **analyses relevant target groups and markets**, uses **digital tools** to identify trends, and evaluates **sell-through rates** of previous collections. Beyond that, direct customer interaction in our brick-and-mortar retail and own digital business, feedback from wholesale partners, as well as insights gathered via our **customer loyalty program "HUGO BOSS XP"** and relevant social media platforms enable early detection of shifts in buying behavior for future collections. Due to their 24/7 lifestyle approach, both BOSS and HUGO offer **highly diversified product ranges**, thus covering all wearing occasions and reducing the risk from individual collections. > Product Development and Innovation, > Consumer Touchpoints

Logistics risks

HUGO BOSS is exposed to **logistics risks** that relate to potential interruptions in the transport of goods, for example due to a possible shortage of sea and airfreight, or insufficient warehouse capacity. This directly involves risks of a global increase in freight costs as well as significantly delayed product availability. In 2024, HUGO BOSS further reduced its reliance on airfreight, highlighting our commitment to balancing cost-efficiency with operational excellence, while at the same time emphasizing sustainable sourcing practices. Looking ahead, HUGO BOSS is committed to continuing reducing airfreight dependence while ensuring on-time product availability.

Amid ongoing geopolitical tensions, **global transport and logistics capacity** remained under pressure throughout 2024, driving up global sea freight rates and prolonging shipping routes, particularly between Asia and Europe. While the situation in the Red Sea gradually stabilized, freight costs remained elevated, impacting input costs. Looking ahead to 2025, a potential re-escalation of the Middle East conflict could once again disrupt key shipping routes, further straining global logistics capacity and driving up transportation costs. HUGO BOSS will continue to closely monitor developments and implement appropriate measures if necessary. While no significant impact on product availability is currently anticipated, supply chain risks and potential lost sales opportunities in general cannot be ruled out. > Business Operations

In addition, the **temporary downtime or loss of warehouse locations or conveyor systems** may lead to missed sales opportunities. Ensuring sufficient warehouse capacity and a seamless delivery of goods forms an essential aspect as part of Company's growth ambitions. The storage of inventories is centered on selected sites, with most of them directly operated by HUGO BOSS. The Group's own central distribution centers for hanging goods, flat-packed goods, and the Company's own online business, all located in proximity to the headquarters in Metzingen (Germany), form the core of the Group-wide logistics network. Overall, capacity bottlenecks caused by strong top-line growth represent a noticeable risk as they may lead to a delayed delivery of goods or interruptions in product availability at the point of sale. With the aim of **constantly improving the efficiency and flexibility of its logistics setup** while minimizing the associated risks as far as possible, HUGO BOSS has gradually optimized its global logistics platform in recent years. In this context, the strategic expansion of one of our key logistic hubs was initiated already in 2023. This multiyear project aims to significantly increase both shipping as well as storage capacity while also focusing on the further digitalization and automation of key processes. In addition, compliance with comprehensive **fire protection and safety measures** is continuously monitored at all warehouse locations. HUGO BOSS has also taken out insurance to cover the direct financial risk from a loss of goods or equipment stored in warehouses. > Business Operations

Currency risks

Due to the global nature of its business activities and the Group's internal financing activities, HUGO BOSS is exposed to **currency risks** that may have an impact on its profitability, net income, and equity. Currency risks are managed centrally by the Group Treasury department. Corporate guidelines form the basis for the management of currency risks, implying the strategic selection and scope of hedging and, at the same time, are intended to ensure strict functional separation of the trading, settlement, and control of all financial market transactions. The primary objective is to mitigate currency exposure through **natural hedges**, which are used to minimize the complexity of the exposure, the scope of hedging measures, and associated costs. In this way, foreign currency exposures from business operations across the Group are to be offset as far as possible. **Foreign exchange forwards and swaps** as well as **plain vanilla options** can be used to hedge the remaining exposure. > Notes to the Consolidated Financial Statements, Note 22

In the Group's operating business, currency risks primarily arise due to products being sourced and sold in different currencies **(transaction risk)**. In particular, HUGO BOSS does not hedge the transaction risk in connection with its global sourcing activities as these are mainly denominated in U.S. dollars with the corresponding exposure being largely offset by means of a natural hedge via revenues generated in the U.S. market. Currency risks in financial result mainly occur from financial receivables, liabilities, and loans to finance Group companies **(transaction risk)**. As of the reporting date, the main financing loans were hedged via foreign exchange forwards and swaps. In addition, currency risks exist in connection with the translation of financial statements of Group companies outside the eurozone into the Group currency, the euro **(translation risk)**. While this risk is continuously monitored, it is not hedged, as its impact on the Group's statement of financial position and income statement is non-cash in nature. > Notes to the Consolidated Financial Statements, Consolidation Principles

Future cash flows from the Company's **production activities in Turkey** nominated in Turkish lira may be hedged by using forward transactions. The corresponding future cash flows are thus designated as an effective hedging relationship recognized on the balance sheet (hedge accounting). As of December 31, 2024, there were no such hedging transactions for future cash flows in place.

In accordance with the **requirements of IFRS 7**, HUGO BOSS has determined the impact of transaction risk on the Group's net income and equity based on the balance sheet currency exposure as of December 31, 2024. The exposures include cash, receivables, and liabilities, as well as intercompany loans and deposits held in currencies other than the functional currency of the respective Group company.

HUGO BOSS applies the **value-at-risk method** to quantify and manage currency risk. In this context, it can be assumed that the total financial currency exposure and its hedging ratio as of the reporting date are representative for the entire reporting period. Due to the method's limitations, the actual impact on the Group's net income may deviate from the values determined using the value-at-risk method.

Aggregated across all currencies considered, the **diversified portfolio risk** for the Group's net income after hedging amounted to minus EUR 6 million at the end of fiscal year 2024 (2023: plus EUR 11 million). Hedging costs and returns for concluding forward exchange transactions are not included. The risk value reduced compared to the previous year due to the overall anticipated higher hedge ratios. The largest foreign currency exposure results from the balance sheet exposure towards the U.S. dollar, Swiss franc, Japanese yen, and Mexican peso.

Quality risks

When sourcing materials and manufacturing its products, HUGO BOSS places the highest emphasis on **quality**. To uphold these standards, the Company consistently utilizes premium materials and innovative production techniques. Comprehensive **quality controls at all stages of production** and the incorporation of customer feedback are intended to contribute to the continuous improvement of the production process and mitigate inherent risks. In addition, both the Company's own production sites as well as those of its partners are regularly monitored to ensure strict compliance with central quality guidelines. Incoming goods inspections as well as intensive quality tests at the Group's headquarters in Metzingen (Germany) are designed to ensure the high quality standards of HUGO BOSS. Generally, HUGO BOSS also incorporates risk criteria into its product development, aiming to constantly reduce return rates and thus minimizing the impact on the sales development. > Product Development and Innovation, > Business Operations

Personnel risks

The successful execution of our Group strategy and the financial and operational performance of HUGO BOSS are largely dependent on the expertise, commitment, and performance of our global workforce. A fair and **value-based corporate culture** serves as a crucial foundation for fostering employee engagement and long-term success. Personnel risks mainly relate to **recruitment bottlenecks**, **shortages of specialists**, and **excessive employee turnover**. HUGO BOSS counters these risks with a value-based corporate culture, forward-looking personnel planning, comprehensive development and training measures, the continuous development of its performance-based compensation system, as well as flexible working models to better combine work and private life. To measure employee satisfaction on a regular basis, HUGO BOSS conducts an annual **employee survey** in cooperation with Great Place to Work. In this context, in 2024, the overall satisfaction amounted to 69% (2023: 77%). The decline compared to the prior year mainly reflects the challenges posed by a difficult macroeconomic environment in key regions such as Turkey, which weighed on employees' financial well-being and overall sentiment in 2024. At HUGO BOSS AG, overall satisfaction remained broadly stable at 86% in 2024 (2023: 87%). Looking ahead, we remain committed to sustaining a satisfaction level of at least 75% across the Group, consistent with previous years. > Combined Non-financial Statement, Own Workforce

Environmental and health risks

The global value chain of HUGO BOSS is subject to **environmental and health risks** from pandemics, environmental and natural disasters, the impact of climate change, and the loss of biodiversity. Building on the experience gained from the COVID-19 pandemic, HUGO BOSS has drawn up appropriate pandemic emergency plans. At the same time, HUGO BOSS conducts regular climate risk analyses to identify potential business impacts and enable timely countermeasures. A **central emergency management system** ensures prompt and effective responses to all kinds of emergencies, including extreme weather events and natural disasters. This system integrates cross-functional expertise and facilitates efficient coordination with clear decision-making processes. > Combined Non-financial Statement, Climate Change

Illustration of opportunities

HUGO BOSS sees strong **growth opportunities** across its entire business model and remains fully committed to leveraging these across both brands, all channels, and all regions. For 2025, HUGO BOSS has identified several key opportunities arising from the corporate environment, its Group strategy, and operational execution. Opportunities identified in the risk and opportunity management process with an at least essential potential impact on HUGO BOSS are detailed below in descending order of their potential financial impact. In contrast, opportunities with a low to moderate potential financial impact are not discussed in detail.

OPPORTUNITY OVERVIEW

Categories	Potential financial impact (in % of planned EBIT)		Likelihood (within one year)		Trend[1]
Suppliers and sourcing	high	>15%–30%	possible	>25%–50%	↘
Global economy and currencies	high	>15%–30%	unlikely	>10%–25%	→
Sales and distribution	essential	>5%–15%	possible	>25%–50%	↘
Brand heat and product offering	essential	>5%–15%	unlikely	>10%–25%	→
Personnel	essential	>5%–15%	unlikely	>10%–25%	→

1 As compared to the prior year. Change equals deviation of >5%.

Opportunities related to suppliers and sourcing

As part of its global sourcing and production activities, HUGO BOSS fosters a robust and efficient operational infrastructure supporting long-term growth ambitions. Constantly, we put strong efforts into **increasing the resilience, efficiency, and flexibility** of our global sourcing and production activities. In particular, HUGO BOSS puts a strong focus on maintaining a resilient supplier network by fostering strong supplier relationships and collaboration. At the same time, the Company places a strong emphasis on realizing **greater economies of scale** through strategic price negotiations supported by increased order volumes. At the same time, the Company could benefit from a short-term **decrease in prices** for raw materials such as cotton, wool, and leather. To actively drive greater economies of scale, the Company aims to further streamline its raw material sourcing across fabrics and trimmings, balancing focus and diversification to ensure both cost efficiency and supply stability. With regards to the latter, HUGO BOSS is implementing a **Digital TWIN**, a smart and tech-driven business operations platform. The Digital TWIN is expected to strongly enhance real-time data utilization going forward, further improving demand and logistics planning, inventory allocation, and transparency within our supply chain. Greater-than-expected successes in these areas may have a direct positive impact on the sales and earnings performance of HUGO BOSS. > Business Operations

Global economic and currency opportunities

HUGO BOSS benefits from positive macroeconomic developments and their potential impact on consumer sentiment and buying behavior. For example, a faster-than-expected normalization of global inflation and interest rates, or a stronger than expected rebound in global trade and investment flows might lead to stronger economic growth overall and thus to a noticeable **uplift in global consumer sentiment**. This, in turn, could have a fundamentally positive impact on global demand for premium apparel and accessories. In addition, evolving social trends that support the upper premium apparel market could further support the top-line performance and full-price sell-through of HUGO BOSS, regardless of the development of broader consumer sentiment. At the same time, **regulatory and legal changes** also present opportunities. For example, more consistent prosecution and punishment of infringements of trademark rights can positively impact the sales performance, while the removal of tariffs may improve profitability. On top of that, favorable **exchange rate developments** can have a positive impact on earnings development. Our Group Treasury department continuously monitors the market environment and identifies relevant opportunities within the framework of financial management principles. > Financial Position

Opportunities related to sales and distribution

As a global fashion and lifestyle company, HUGO BOSS has built a strong distribution footprint in recent years both physically and digitally. Building on our strong brand power, we aim to further advance our omnichannel activities in the coming years, ensuring a **seamless brand experience across all consumer touchpoints**. To this end, we will continue to optimize and modernize our existing store network with the global rollout of our latest store concepts for BOSS and HUGO already in full swing. This is expected to support future productivity improvements in **brick-and-mortar retail**. At the same time, we are also striving to build on our regained strength in **brick-and-mortar wholesale** and further leverage the 24/7 lifestyle images of BOSS and HUGO, having already successfully increased visibility and market presence since the introduction of "CLAIM 5." In addition, we will further strengthen our global franchise business by adding several full-price franchise stores, with particular emphasis on emerging markets. With regards to our **digital business**, we will focus on further driving traffic and conversion, particularly within our digital flagship hugoboss.com and, at the same time, fostering growth with digital partners. Consistent exploitation of these opportunities may have a direct positive impact on the business performance of HUGO BOSS.

HUGO BOSS aims to turn consumers into fans, thus putting a strong emphasis on retaining and accompanying its most valuable customers. In this context, we implemented our **loyalty program HUGO BOSS XP** in 2024, aimed at further driving brand loyalty in the coming years. By closely engaging with our customers, the program offers important opportunities in boosting member sales and driving customer lifetime value. Already in 2024, fueled by the introduction of HUGO BOSS XP, we successfully increased our member base by around 25% to more than ten million (2023: more than eight million). To further deepen and expand our existing customer relationships, but also attract new BOSS and HUGO customers, we will further roll out the program in the coming years. Effectively leveraging these opportunities can directly enhance HUGO BOSS' business performance. > Consumer Touchpoints

Opportunities related to brand heat and product offering

Also in fiscal year 2025, the execution of our strategic priorities will remain key. In this context, we will continue to build on the **brand power** of BOSS and HUGO and focus on further engaging with our customers. In particular, we will continue to put strong emphasis on high-profile brand campaigns to further fuel brand relevance and win over new customers. On top of that, exceptional events and high-impact collaborations – such as the one with David Beckham – are intended to further increase brand relevance. A further significant increase in brand relevance can have a positive impact on consumer demand and thus drive sales as well as full-price sell-through, consequently resulting in higher-than-expected revenue and earnings development. > Group Strategy, "Boost Brands"

At the same time, we will keep investing in our product assortment to further enhance our **price-value proposition**, aiming to gain further market shares in the coming years. On top of that, HUGO BOSS will continue to strongly leverage the potential of further **digitalizing its product development** also in the years to come, for example when it comes to AI-powered trend detection and virtual try-ons with avatars. In this context, we also aim to improve efficiency and drive greater economies of scale by further **reducing complexity** across our product offerings. This should enable us to maintain premium quality as well as a high level of innovation and sustainability, while also growing units-per-style and lowering product costs. HUGO BOSS also incorporates risk criteria into its product development, as this can have a direct positive impact on its business performance. A further improvement in product quality, for example, can have a positive impact on the return rate and thus on the sales development. We are also committed to continue **exploiting the full potential of our 24/7 product range**, leveraging all wearing occasions. In particular, the Company aims to further capitalize on product groups such as denim, shoes and accessories, and bodywear. Fully leveraging our 24/7 lifestyle approach should enable us to reinforce our leading position in the upper premium apparel market. > Group Strategy, "Product is Key"

Personnel opportunities

At HUGO BOSS, we are convinced that the passion and dedication of our employees are vital for long-term business success. Our **Human Resources management** focuses on attracting, retaining, and developing the best talent in the fashion industry, putting a strong emphasis on further enhancing our attractiveness as an employer. A competitive compensation, additional benefits, as well as an attractive workspace are intended to further strengthen our position in international competition, enabling the Company to efficiently fill vacant positions with qualified people, and to increase motivation, commitment, and loyalty among our employees. At the same time, supporting employees in their individual development may have an additional positive impact on the Company's financial performance.

As an international company, **diversity, equity, and inclusion (DE&I)** is a fundamental part of our corporate culture. We are convinced that heterogeneous and inclusive teams can achieve better and more creative solutions to complex issues and thus make a positive contribution to the successful execution of our Group strategy. Consequently, HUGO BOSS has implemented numerous initiatives to ensure a discrimination-free working environment with equal opportunities and inclusive work culture for all employees. We are convinced that intensifying our activities in the important area of DE&I positively contributes to employee satisfaction and is also considered a relevant factor by potential applicants. > Combined Non-financial Statement, Own Workforce

Key aspects of the internal control and risk management system

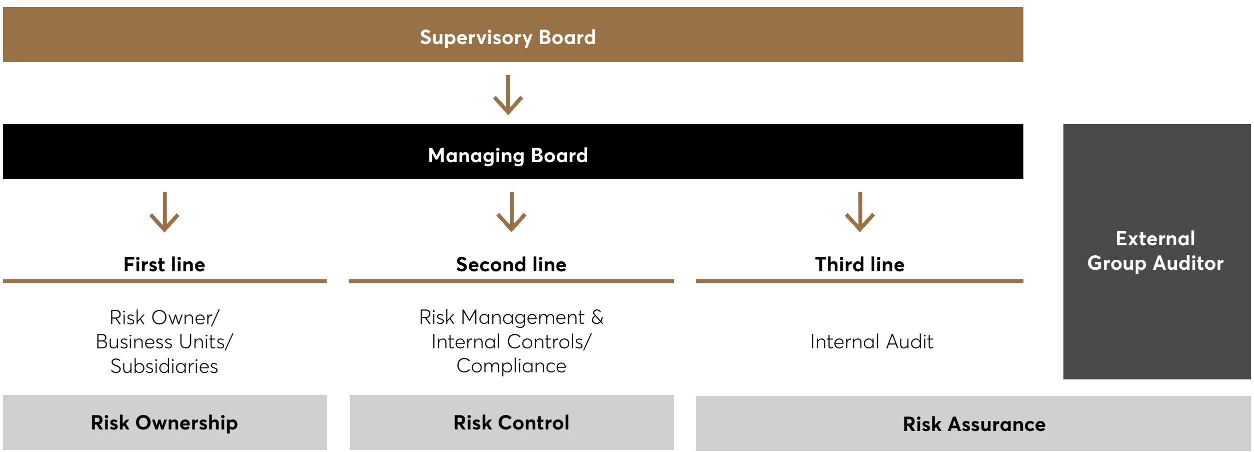
The information provided in this section is extraneous to the management report and therefore not part of the external audit.

Internal Control System (ICS) and Risk Management System (RMS)

The **Internal Control System (ICS)** and **Risk Management System (RMS)** of HUGO BOSS are designed in accordance with the principles, guidelines, and measures defined by the Managing Board, aiming to execute the strategic and operational decisions of the Managing Board from an organizational perspective. It includes the management of risks and opportunities with regard to the achievement of business objectives, the correctness and reliability of internal and external accounting, and compliance with the legal provisions and regulations relevant to HUGO BOSS. This also includes sustainability aspects, which are continuously further developed in accordance with regulatory requirements. Our ICS and RMS are based on the globally recognized **COSO framework** (Committee of Sponsoring Organizations of the Treadway Commission) and are continuously adapted to the specific requirements of HUGO BOSS.

HUGO BOSS has a **comprehensive, integrated ICS and RMS methodology (RIC methodology)** with a standardized procedure according to which necessary controls are defined, documented according to uniform specifications, and regularly reviewed for their adequacy and effectiveness. Further information on our RMS can be found in the Risk and Opportunity Management System section of this Report on Risks and Opportunities. > Report on Risks and Opportunities, Risk and Opportunity Management System

THREE-LINES MODEL



HUGO BOSS has implemented a **three-lines model** to clearly define and allocate responsibilities and to effectively defend against risks. In the first line of defense, the **operating units** assume responsibility for defining and implementing appropriate measures and effective controls to mitigate risks in their respective areas of responsibility in accordance with Group-wide standards. The second line of defense consists of specialized **governance functions**, in particular the central Risk Management & Internal Controls and Compliance & Human Rights departments. These are responsible for the definition and methodology of the internal control framework as well as the management of the control process, providing objective monitoring and advice independently of the operating units. The Managing Board, the Audit Committee, and the Supervisory Board of HUGO BOSS are informed regularly and on an ad-hoc basis about potential material control weaknesses, the adequacy and effectiveness of the controls in place, and the Company's risk situation. The Audit Committee and the Supervisory Board of HUGO BOSS AG are responsible for monitoring the ICS and RMS, including their adequacy and effectiveness. As part of its monitoring function, the third line of defense, **Internal Audit**, reviews compliance with the legal framework and internal Group guidelines for the Group's ICS and RMS, in particular the design, compliance, and effectiveness of the controls defined as part of the ICS and RMS. If necessary, appropriate measures are initiated in cooperation with Risk Management & Internal Controls and the relevant specialist department in order to eliminate the identified weaknesses as part of a defined process. Internal Audit regularly reports the results of its work to the Managing Board and the Audit Committee of HUGO BOSS.

As part of the audit of the consolidated financial statements, the external **Group auditor** assesses the adequacy of the measures implemented in the Company for the early identification of risks that could jeopardize its continued existence. They also report to the Audit Committee on any material weaknesses identified in the ICS and RMS as part of the audit of the financial statements. The Company continuously monitors the processes and systems for both the ICS and the RMS in order to eliminate identified weaknesses and ensure **continuous improvement** of the processes and systems.

As of the reporting date, there are **no indications**, in all material respects, that the ICS and RMS are inadequate or ineffective as a whole. Notwithstanding this, there are inherent limitations to the effectiveness of any ICS and RMS. Even if a system has been assessed as appropriate and effective, there is no guarantee that all risks that actually arise can be identified in advance or that any breaches of processes can be ruled out under all conceivable circumstances.

Compliance Management System (CMS)

The ICS and RMS of HUGO BOSS also include risks and controls from the **CMS**, which are derived from the close cooperation between Risk Management & Internal Controls and Compliance & Human Rights. The CMS is an integral part of the ICS and RMS and is based on the elements of the IDW PS 980 standard. It covers relevant risk areas such as anti-corruption, antitrust law, data protection, money laundering prevention, sanction prevention, and the safeguarding of human rights and is based on a comprehensive set of internal guidelines. The **HUGO BOSS Code of Conduct** defines the fundamental principles and standards of behavior that must be observed by all employees in the business units and in dealings with external stakeholders. In addition, there are comprehensive internal **compliance regulations**, including corresponding controls, which oblige all employees to ensure that the CMS is being executed. They contain topic-specific application provisions on compliance processes and tools as well as additional guidelines and information for the individual risk areas.

Compliance risk management and compliance reviews are components of the CMS, aimed at identifying **compliance risks** at an early stage and thus enabling appropriate and effective measures to avoid or minimize these risks. The results of the CMS are incorporated into the Company-wide RMS. The Compliance department uses various measures to ensure that the CMS and the corresponding processes are executed, adhered to, and continuously developed throughout the Group. Taking into account the findings of compliance risk management and compliance controls and audits, the **CMS is continuously adapted** to Company-specific risks and local legal requirements in particular. The Managing Board and Supervisory Board are regularly informed about key compliance issues.

Report on the accounting-related internal control system and the risk management system pursuant to Sec. 289 (4) and 315 (4) HGB

The system of internal control and risk management of HUGO BOSS, as applied to the (Group) financial reporting process and the financial statements closing process, aims to accurately reflect all business transactions in the accounting records. This is intended to ensure the **reliability of the financial reporting** and that **all accounting-related activities comply with laws and guidelines**. All assets and liabilities should be recorded accurately in the consolidated financial statements with regard to recognition, disclosure, and valuation, which should enable a reliable statement to be made on the Group's net assets, financial position, and results of operations. As well as adherence to legal regulations and the Company's internal guidelines, the use of efficient IT systems, a clear definition of responsibilities, and suitable training and development for employees in the Group Finance & Tax and Business Planning & Analysis departments form the basis of a proper, consistent, and efficient financial reporting process.

Using efficient IT systems

Controls across all business units require reliable information to be available and provided on time. The reporting systems of HUGO BOSS are therefore of great importance. The multiyear project launched in 2022 to upgrade the Group's current SAP-based ERP system to SAP S/4HANA is also intended to ensure an even **higher level of control quality** in the future.

The aim of the **Group-wide SAP Security Policy** is to prevent unauthorized access to data and to ensure the integrity, availability, and authenticity of data of relevance to financial reporting at all times. It also contains requirements for controls designed to ensure a properly functioning central Finance department. System-enabled controls and workflow-based processes that impose the dual-control principle, a suitable separation of functions, and internal approval procedures supplement the IT security of the accounting-related processes. This includes invoice verification and approval, sourcing processes, and SAP authorization management carried out by the central IT department.

Clear definition of responsibilities

As part of the standardized reporting, the Group companies prepare IFRS financial statements on a monthly basis and, together with further key performance indicators and explanations, submit these to the **Group Finance & Tax** division. The latter is also responsible for specifying and monitoring compliance with reporting obligations and deadlines. Automated and standardized reporting formats are in place for the vast majority of reporting topics. Group Finance & Tax is responsible for the maintenance of all the master data for the chart of accounts applicable throughout the Group as well as the continuous review of all reporting formats with respect to their compliance with the latest applicable international financial reporting requirements. When preparing the consolidated financial statements, the department also aims to show all business transactions in the Group in a uniform manner.

Group Finance & Tax is also responsible for developing uniform **guidelines and instructions** for accounting and tax-related processes and keeping them up to date. This mainly encompasses the preparation and revision of a bad debt allowance policy, an investment guideline, an IFRS accounting manual, and binding intercompany reconciliation requirements.

All Group companies are legally independent entities. Apart from the managing directors, who are responsible for business operations in the respective market, the **finance managers** are responsible for all topics of relevance to the Company's financial reporting or tax situation. They are also responsible for the continuous monitoring of the most important key performance indicators as well as the monthly reporting of financial KPIs to Central finance departments and the preparation of a multiyear budget for the respective market. In his capacity as technical supervisor of all finance managers, the Chief Financial Officer (CFO)/Chief Operating Officer (COO) of HUGO BOSS is authorized to issue directives on, and is thus responsible for, the Group-wide financial management and financial reporting processes.

On a quarterly basis, the finance managers and managing directors of the Group companies confirm **compliance in writing with the defined principles** and the **execution of management controls** with regard to the accounting process. Reports also have to be submitted regarding the appropriateness of controls for ensuring data integrity and data protection in the event of fraud or serious infringements of the internal control system.

Material accounting and valuation topics and the impact of the new or changed IFRS standards and interpretations are discussed with the **Group auditors** in regular meetings held at least on a quarterly basis.

The **Internal Audit department** is part of the system of internal control and in its oversight function reviews compliance with, and the effectiveness of, the defined controls with regard to the accounting process. The annual audit plan is coordinated with the Managing Board and the Audit Committee of the Supervisory Board. This is where key audit matters are defined. Additional ad-hoc audits can also be performed at any time. All audit reports are submitted directly to the CFO/COO and, on request, to the full Managing Board. The Internal Audit department also reports regularly to the Audit Committee of the Supervisory Board.

Training and development of employees

Training sessions are organized at regular intervals for employees involved in the accounting process. Updates on accounting-related topics are also communicated across the Group via the “Accounting Newsletter.” The finance managers also meet at regular intervals with managers in the central Group Finance & Tax and Business Planning & Analysis departments for the “Global Finance Summit.” Regular training courses are held for finance employees of the entire Group under the auspices of the “Digital Finance Forum” in current developments, international financial reporting, and any topics relevant for preparing the annual financial statements.

OVERALL STATEMENT ON THE BUSINESS PERFORMANCE AND SITUATION OF THE GROUP

Since its introduction in fiscal year 2021, HUGO BOSS has achieved substantial progress in executing its **"CLAIM 5" strategy** as reflected by significant achievements across all five strategic priorities. By stepping up investments into our brands, products, and consumer touchpoints, momentum for both BOSS and HUGO has accelerated noticeably, driving record sales for three consecutive years and market share gains. At the same time, as part of "CLAIM 5," we have built a robust organizational and operational platform, laying the foundation for sustainable and profitable growth. This platform enables us to further enhance our operational execution, improve effectiveness, and realize efficiency gains across our business. Consequently, with "CLAIM 5" we have successfully paved the way towards achieving our financial ambition of EUR 5 billion in sales and an EBIT margin of at least 12%. > Group Strategy

At the same time, the **global market environment** deteriorated substantially in fiscal year 2024, with weakening consumer sentiment across most markets leading to a slowdown in industry growth. While the overall muted consumer confidence inevitably impacted the Company's performance, resulting in a more moderate revenue increase compared to prior years, HUGO BOSS continued to benefit from the improved brand relevance of BOSS and HUGO. Consequently, **Group sales** grew by 3% to EUR 4,307 million (2023: EUR 4,197 million), both currency-adjusted and in Group currency. Growth was supported by revenues increases across both our brands as well as most regions and distribution channels. Throughout the year, we capitalized on **important growth opportunities**, further elevating brand relevance, enhancing product offerings, and deepening customer engagement. Highlights included the launch of successful 360-degree brand campaigns, the start of our partnership with David Beckham, and exciting brand events like our BOSS Fashion Show in Milan. At the same time, we pushed ahead with strengthening both brands' 24/7 lifestyle images. Besides fully leveraging our BOSS brand lines across all touchpoints, we expanded our denimwear offering with the introduction of HUGO Blue. In addition, we further elevated our omnichannel activities to improve the customer experience, including the opening of new BOSS halo stores in Düsseldorf and Shanghai. At the same time, we successfully launched our new membership program HUGO BOSS XP, thus further **strengthening customer loyalty and deepening connections** to our brands and products. > Comparison of Actual and Forecast Business Performance, > Consumer Touchpoints

In response to the softer consumer sentiment, in the course of 2024, we accelerated our focus on **enhancing cost efficiency**. This included driving efficiency gains across our global sourcing activities and optimizing freight modes, which had a positive impact on gross margin development in fiscal year 2024. In the second half of the year, we implemented additional measures to enhance efficiency and effectiveness, capitalizing on our robust organizational platform. Besides putting strong emphasis on driving marketing effectiveness, we particularly targeted productivity gains within global sales and administration functions. Against the backdrop of these efficiency measures, we were able to limit the increase in operating expenses in the second half of the year, thus supporting profitability in 2024. As a result, the decline in **operating profit (EBIT)** was ultimately limited to 12%, amounting to EUR 361 million, translating into an EBIT margin of 8.4% (2023: EUR 410 million; 9.8%). Consequently, HUGO BOSS **achieved its full-year 2024 sales and earnings targets**, which had been adjusted in July 2024 against the backdrop of the challenging market environment. > Business Operations, > Earnings Development

Also in 2025, the **final year of "CLAIM 5,"** we remain fully committed to making further strategic progress and driving robust profitability improvements. In particular, we are determined to continue exploiting global growth opportunities, as we keep investing in key brand, product, and omnichannel initiatives to further drive brand relevance and deepen customers' connections with BOSS and HUGO. Taking into account the ongoing macroeconomic and geopolitical uncertainties, which are anticipated to continue weighing on consumer sentiment, HUGO BOSS expects **Group sales** in reporting currency to range between EUR 4.2 billion and EUR 4.4 billion in 2025. At the same time, we remain focused on leveraging our strong operational platform and driving additional cost efficiencies by rigorously managing operating expenses. Therefore, we anticipate **EBIT** in fiscal year 2025 to increase to a level of between EUR 380 million and EUR 440 million. Consequently, the Company anticipates EBIT margin to improve in 2025, supported by its ongoing focus on driving additional sourcing efficiencies and maintaining disciplined cost management. These initiatives, coupled with strategic investments, are essential for driving robust profitability improvements in 2025 and beyond, while ensuring the long-term success of HUGO BOSS. > Outlook

HUGO BOSS remains confident in its long-term growth opportunities and its continued ability to generate significantly positive free cash flow in the future. Consequently, and despite the decline in earnings in fiscal year 2024, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 15, 2025 a **dividend** of EUR 1.40 per share for fiscal year 2024, reflecting an increase of 4% compared to the prior-year level (2023: EUR 1.35). In view of its healthy balance sheet structure and strong free cash flow generation, the Group remains in an **exceedingly solid economic situation** at the time of preparing this report. > Outlook

Metzingen, March 5, 2025

HUGO BOSS AG
The Managing Board

Daniel Grieder
Yves Müller
Oliver Timm

CHAPTER 3 CORPORATE GOVERNANCE

3

CORPORATE GOVERNANCE AND THE CORPORATE GOVERNANCE STATEMENT

Good corporate governance as a key factor for long-term business success

Close and continuous dialog between Managing Board and Supervisory Board

Managing Board and Supervisory Board issue declaration of compliance

The Managing Board and the Supervisory Board are convinced that **good corporate governance** is a key factor for long-term business success. Good corporate governance is therefore an integral part of HUGO BOSS and a guiding principle encompassing all areas of the Company. The Managing Board and Supervisory Board are committed to ensuring the Company's continuation as a going concern as well as sustainable value creation through responsible, transparent, and long-term corporate governance. At the same time, HUGO BOSS aims to live up to and further strengthen the trust placed in the Company by its employees, shareholders, business partners, and the public.

In fiscal year 2024, the Managing Board and Supervisory Board dealt in detail with compliance with the requirements of the German Corporate Governance Code (GCGC) and, as a result, issued the **Declaration of Compliance** dated December 2024. It is included at the end of this chapter and, like previous declarations of compliance, published on the corporate website. Apart from the exceptions mentioned therein, HUGO BOSS complies with the recommendations of GCGC as amended on April 28, 2022, published in the "Bundesanzeiger" [German Federal Gazette] on June 27, 2022.

The **Corporate Governance Statement** (pursuant to Sec. 289f and Sec. 315d HGB ["Handelsgesetzbuch": German Commercial Code]) contains, among other things, the declaration of compliance, disclosures on corporate governance practices, and a description of the working methods of the Managing Board and the Supervisory Board. It is also available at cgs.hugoboss.com.

Corporate governance practices

As an international company, HUGO BOSS is aware of its corporate responsibility vis-à-vis employees, society, and the environment. In this context, **responsible corporate action** is an important prerequisite for ensuring competitiveness and long-term business success. Consequently, HUGO BOSS not only places the highest demands on innovation and the quality of its products, but also takes environmental and social factors into account in all activities along the value chain. With sustainability being an integral part of its business activities, the Company's **Sustainability Strategy** focuses on five strong pillars all aimed at actively driving change within the fashion industry and supporting the creation of a planet free of waste and pollution. The strategy is built on a strong environmental, social, and governance (ESG) core. At all times, HUGO BOSS is committed to complying with applicable regulatory frameworks and adhering to its internal guidelines to the fullest extent possible. > Group Strategy, "Sustainable Throughout," > Combined Non-financial Statement

Corporate compliance

HUGO BOSS operates in a large number of countries and therefore in different legal frameworks. At HUGO BOSS, **corporate compliance** is a key responsibility of the Managing Board, comprising measures to ensure adherence to statutory and other legal requirements, internal corporate policies, and codices. This includes, among other things, data protection, antitrust and anti-corruption regulations, as well as the provisions of capital market law. HUGO BOSS expects all employees to act in a legally impeccable manner at all times in their day-to-day work.

The **Compliance & Human Rights Officer** reports to the General Counsel in their role as Chief Compliance Officer and supports the Managing Board in monitoring effective compliance management. Together with the compliance officers in the Group companies, the Compliance & Human Rights Officer ensures that the compliance program is implemented and continuously developed throughout the Group. The Audit Committee is regularly informed about the activities of the Compliance department.

HUGO BOSS has summarized Group-wide principles of conduct in a **Code of Conduct** and in more detailed Group policies, thus creating the basis for ensuring the legality of all employee activities. The focus is on regulations governing conduct in compliance with competition and antitrust law, the avoidance of conflicts of interest, the appropriate handling of company information, data protection, fair working conditions and respectful treatment, as well as anti-corruption. Employees are continuously familiarized with the regulations of the Code of Conduct and the Group policies. In addition to **face-to-face training sessions**, HUGO BOSS also offers an **e-learning program** to be completed regularly by all employees with computer access. HUGO BOSS does not tolerate any form of deliberate misconduct or persistent violations of the Code of Conduct and the Group policies.

Employees can obtain support and advice on matters concerning legal conduct from their supervisors or the Compliance department. As a supplementary reporting channel, HUGO BOSS has also established a Group-wide **ombudsperson system**. Employees, suppliers, and trading partners can contact an external ombudsperson in confidence in the event of any indications of fraud, infringements of antitrust law, or breaches of compliance guidelines. If desired, this can also be done anonymously. The ombudsperson's contact details are available to all employees via the Company's intranet and can also be found on the corporate website. The same applies to the **HUGO BOSS "Speak up Channel,"** which also offers the opportunity to report misconduct and criminal offenses confidentially and anonymously. HUGO BOSS has also published important information on the protection of whistleblowers and the handling of reports in a **whistleblower policy** on the corporate website and intranet. > Combined Non-financial Statement, Governance

Capital market communication

HUGO BOSS reports regularly, comprehensively, and without delay on its business development, operational and financial performance, as well as material changes within the Group. The **Investor Relations activities** include regular dialog with institutional investors, financial analysts, and private shareholders. As part of the **annual and quarterly financial results releases**, audio or videoconference calls are held for financial analysts and institutional investors to elaborate on the operational and financial performance. The Group's strategy and relevant strategic developments are also discussed in detail at a **Capital Markets Day** on a regular basis. In addition to dedicated events at which HUGO BOSS presents itself to private investors, the **Annual General Meeting** offers a further opportunity to obtain comprehensive information about the Company's performance. All key information and financial releases, such as press releases, voting rights notifications, financial reports, the financial calendar, and presentations of roadshows and conferences, are published on the **corporate website**. > group.hugoboss.com

Cooperation, composition, and activities of the Managing Board and Supervisory Board

The management structure of HUGO BOSS is derived from the requirements of German corporate law. As a German stock corporation, HUGO BOSS AG has a **dual management and control structure**. The Managing Board is responsible for the Group strategy and Group management. The Supervisory Board advises the Managing Board and monitors its management activities.

The Managing Board and Supervisory Board cooperate closely for the benefit of the Group. The common objective is to **sustainably increase the enterprise value of HUGO BOSS**. The Managing Board regularly informs the Supervisory Board in a timely manner and in detail of all issues of relevance for the Group concerning strategy, planning, business development, risk position, changes in the risk situation, and compliance. Deviations from targets and budgets are explained to the Supervisory Board and its committees in detail. The strategic direction and further development of the Group are also aligned and discussed with the Supervisory Board.

When making decisions and in performing their duties for HUGO BOSS, members of the Managing Board and Supervisory Board are not permitted to pursue their personal interests or grant other persons unjustified advantages. **No conflicts of interest** of members of the Managing Board or Supervisory Board were reported in fiscal year 2024. The mandates held by the Managing Board and Supervisory Board members in statutory supervisory boards or comparable domestic and foreign oversight committees of business enterprises are listed in the notes to the consolidated financial statements. > Notes to the Consolidated Financial Statements, Additional Disclosures on the Members of the Supervisory Board and the Managing Board

The Managing Board

The Managing Board of HUGO BOSS consists of the Chairman of the Managing Board and the members of the Managing Board with equal rights and their respective areas of responsibility. At the end of fiscal year 2024, the Managing Board comprised **three members**.

The HUGO BOSS Group is managed by the Managing Board of the parent company HUGO BOSS AG, in which all of the Group management functions are bundled. The **Managing Board's core duties** include developing and successfully executing the Group strategy, corporate finance, risk management (including the implementation and monitoring of the risk management and internal control system), decisions on the collections, product sourcing, and management of the global distribution network. In addition, the Managing Board is responsible for preparing the annual, consolidated, and interim financial statements, and for representing the Company to the media and the capital market.

The **bylaws** of the Managing Board govern the internal organization of the Managing Board, in particular the allocation of duties among its members as well as the procedure for adopting resolutions. The bylaws also define the disclosure and reporting duties as well as all matters requiring the approval of the Supervisory Board. The bylaws of the Managing Board are available on the corporate website. > group.hugoboss.com

The Supervisory Board pays attention to diversity in the composition of the Managing Board **(diversity concept for the Managing Board)**. Diversity among the Managing Board's members serves to ensure the Company's long-term success. The Supervisory Board takes account of several aspects in the composition of the Managing Board, including:

- Members of the Managing Board should have long-standing management experience.
- Members of the Managing Board should have an international background (i.e., individuals who possess experience gained outside Germany due to current or past activities and/or who hold non-German citizenship).
- As many different educational and professional backgrounds as possible should be represented in the Managing Board.
- In addition to the legally required qualifications, the Managing Board should have members with knowledge of branding, supply chain matters, and distribution.
- To ensure long-term succession planning, the Managing Board should have a good balance of ages among its members.
- The Supervisory Board is pursuing the target of having at least one woman on the Managing Board by December 31, 2028, at the latest.
- Members of the Managing Board may not, as a rule, be older than 60 years of age when they are appointed.

Decisions on the specific **composition of the Managing Board** are made by the Supervisory Board in the interest of the Company and consider all circumstances of the individual case. Except for the target for the proportion of women on the Managing Board, the aforementioned composition targets were achieved throughout the reporting period.

The Supervisory Board strives to ensure an appropriate representation of women on the Managing Board. However, when making personnel decisions, the Supervisory Board pays particular attention to maintaining business continuity and continuing the successful cooperation with and within the existing Managing Board. At the same time, the Supervisory Board does not consider it justified to intervene in the composition of the existing Managing Board solely to achieve the target. Pursuant to Sec. 111 (5) AktG ["Aktiengesetz": German Stock Corporation Act], the Supervisory Board has set the **target of having at least one woman on the Managing Board** of the Company by no later than December 31, 2028.

GCGC stipulates that the Managing Board shall pay attention to **diversity** when filling senior management positions in the Company and shall in particular strive for an appropriate consideration of women. The Managing Board of HUGO BOSS is committed to this objective. It has already paid attention to the diversity of the workforce in the past and will continue to do so in future. Pursuant to Sec. 76 (4) AktG, the Managing Board has set the target of achieving a proportion of women of at least 40% at the first management level, and at least 50% at the second management level below the Managing Board for the reference period up to December 31, 2025. As of December 31, 2024, the **proportion of women at the first management level below the Managing Board was 27%**, while it was **44% at the second management level below the Managing Board** (December 31, 2023: 29% and 44%, respectively). Both these targets will undergo a comprehensive review in 2025. HUGO BOSS strives to ensure that all genders are adequately represented within its workforce. However, positions are filled solely based on the qualifications of the applicants, even if this might lead to a proportion of women that is lower than the target. > Combined Non-financial Statement, Own Workforce

Jointly with the Managing Board, the Supervisory Board is responsible for **long-term succession planning** for the Managing Board. In this context, the Supervisory Board considers the target for the proportion of women on the Managing Board and the criteria set out in the diversity concept for the Managing Board as well as the requirements of the German Stock Corporation Act (Aktiengesetz) and GCGC. Respecting the specific qualification requirements and the aforementioned criteria, the Personnel Committee draws up an ideal profile, based on which it compiles a shortlist of available candidates. Interviews are then conducted with these candidates before a recommendation is submitted to the Supervisory Board for approval. When developing the requirement profiles and selecting the candidates, the Supervisory Board is supported, if necessary, by external consultants.

The Supervisory Board

HUGO BOSS attaches great importance both to the **competencies** and **independence** of the Supervisory Board members as well as to **diversity** in the composition of the Supervisory Board. The members of the Supervisory Board of HUGO BOSS have the necessary knowledge, skills, and professional experience to duly perform their duties.

In accordance with the recommendation in Sec. C.1 GCGC, the Supervisory Board adopted a **Supervisory Board competency profile** and set specific targets for its **composition**. Accordingly, the Supervisory Board should include at least two members with an international background. In fiscal year 2024, the Supervisory Board had three members who were nationals of countries other than Germany. In addition, several Supervisory Board members with German nationality have international professional experience. Furthermore, none of the members may have any potential conflicts of interest. **No conflicts of interest** of members of the

Supervisory Board were reported in fiscal year 2024. None of the current members of the Supervisory Board previously held a Managing Board position within the Company. There were also no advisory or other service agreements in place between members of the Supervisory Board and the Company in the reporting year. In addition, no member of the Supervisory Board should be older than 69 years at the time of election. However, the Supervisory Board has not set a standard limit for the length of membership of the Supervisory Board. HUGO BOSS is of the opinion that a predefined length of membership is not appropriate, as the Company also benefits from the expertise of long-standing Supervisory Board members.

The Supervisory Board has also defined a specific target regarding the number of **independent members** of the Supervisory Board within the meaning of GCGC. Accordingly, of the twelve members of the Supervisory Board, a total of at least nine members shall be independent. In addition to the six employee representatives, the four shareholder representatives Iris Epple-Righi, Christina Rosenberg, Robin J. Stalker, and Hermann Waldemer are to be regarded as independent within the meaning of the recommendation in Sec. C.6 GCGC.

The Supervisory Board also adopted the following additional composition targets, with the aid of which **diversity** on the Supervisory Board is to be achieved **(diversity and competency concept for the Supervisory Board)**:

- The Supervisory Board should have at least two members with an international background (i.e., persons who possess experience gained outside Germany due to current or past activities and/or hold non-German citizenship).
- The Supervisory Board should have at least one member with expertise in the area of accounting and at least one member with expertise in the area of auditing.
- The Supervisory Board should have at least one member holding expertise in branding, supply chain, and/or national or international distribution matters.
- The Supervisory Board should have at least two members who are currently or formerly managers of another company.
- The Supervisory Board should have at least four members possessing extensive knowledge and expertise of the Company itself. This shall include expertise regarding sustainability matters relevant to the Company.
- Aside from the employee representatives, the Supervisory Board should have at least three members who are independent.

All composition targets were either reached or exceeded throughout the reporting period, with the **implementation status of the diversity and competency concept** being disclosed below.

IMPLEMENTATION STATUS OF THE DIVERSITY AND COMPETENCY CONCEPT FOR THE SUPERVISORY BOARD

Member	Inter-nationality	Expertise accounting	Expertise auditing	Expertise branding, supply chain and/or distribution	Current or former manager of another company	Expertise of the Company itself	Expertise regarding sustainability matters relevant to the Company	Indepen-dence
Current members of the Supervisory Board								
Hermann Waldemer, Chairman	X	X	X	X	X	X	X	X
Sinan Piskin, Deputy Chairman						X	X	X
Iris Epple-Righi	X			X	X	X	X	X
Andreas Flach					X	X	X	X
Katharina Herzog	X	X	X			X	X	X
Daniela Liburdi						X		X
Gaetano Marzotto	X	X	X	X	X	X	X	
Luca Marzotto	X	X	X	X	X	X	X	
Tanja Silvana Nitschke					X	X	X	X
Christina Rosenberg	X			X	X	X	X	X
Bernd Simbeck						X		X
Robin J. Stalker	X	X	X	X	X	X	X	X

Criterion met, based on a self-assessment by the Supervisory Board. An "X" means at least "good knowledge" based on existing qualifications, or the knowledge and experience acquired in the course of work as a member of the Supervisory Board.

The Supervisory Board currently comprises five women, with the **gender quota** pursuant to Sec. 96 (2) AktG being met separately with three female representatives on the employee side and two female representatives on the shareholder side.

The Supervisory Board regularly reviews the **efficiency** of its activities. In fiscal year 2024, as in previous years, the assessment of the members of the Supervisory Board was obtained by means of 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 on December 4, 2024. The Supervisory Board drew an overall favorable conclusion.

The Supervisory Board has adopted **bylaws**, which, among other things, govern its duties and responsibilities as well as the procedures for convening, preparing, and chairing meetings and for passing resolutions. The bylaws of the Supervisory Board are available on the corporate website. > group.hugoboss.com

The Supervisory Board has formed five **committees** on behalf of, and representing, the Supervisory Board as a whole, fulfilling duties assigned to them to the extent permitted by law, the Articles of Incorporation, and/or bylaws. For the Audit Committee, the Personnel Committee, and the Working Committee, the bylaws provide for equal representation of shareholder representatives and employee representatives.

1. Audit Committee

The Audit Committee, which has equal representation of shareholders and employees, consists of six members elected by the members of the Supervisory Board. In accordance with GCGC, the Chairman of the committee shall be independent. The Audit Committee is responsible for monitoring the financial and non-financial reporting process, the effectiveness of the systems of internal control, risk management, and internal auditing, as well as the audit of the annual financial statements. In particular, it has the following duties:

- To perform a preliminary audit of the annual financial statements and the consolidated financial statements, the combined management report including the combined non-financial statement of HUGO BOSS AG and the Group, and the profit appropriation proposal, to discuss the audit report with the external auditor, and to prepare the Supervisory Board's decision on the approval of the annual financial statements and the consolidated financial statements;
- To examine the quarterly and half-year financial reporting and discuss the quarterly and half-year results with the Managing Board;
- To prepare the Supervisory Board's proposal to the Annual General Meeting for the appointment of an auditor, and, in particular, review of the auditor's independence, and the additional services provided by the auditor;
- Following consultation with the Managing Board, to engage the external auditor and to sign the corresponding fee agreement for the audit of the annual financial statements and the consolidated financial statements on the basis of the resolution passed at the Annual General Meeting, including the determination of the key audit matters and the auditor's reporting duties towards the Supervisory Board;
- To verify compliance to legal requirements and internal Company guidelines.

The Supervisory Board assured itself that Robin J. Stalker, Chairman of the Audit Committee, is independent.

Pursuant to the German Stock Corporation Act, the Supervisory Board must have at least one member with **expertise in accounting** and at least one additional member with **expertise in the auditing of financial statements**. According to GCGC, expertise in accounting consists of specialist knowledge and experience in the application of accounting principles and internal control and risk management systems, while expertise in auditing consists of specialist knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. In the persons of Hermann Waldemer and Robin J. Stalker, both the Supervisory Board and the Audit Committee have two members with expertise in both the area of accounting and the auditing of financial statements, thus complying with the requirements of the German Stock Corporation Act. Pursuant to GCGC, the Chairman of the Audit Committee shall be an expert in at least one of these two areas while also being independent. The Chairman of the Audit Committee, Robin J. Stalker, fulfills both these requirements.

In the course of his professional career, **Hermann Waldemer** has gained extensive knowledge in the application of accounting principles and internal control and risk management systems as well as in the field of auditing financial statements during his work as a certified tax consultant and certified public accountant, before serving several years as the Chief Financial Officer of a publicly listed international company. He deepened and broadened this experience at HUGO BOSS, having served as the Chairman of the Audit Committee between 2015 and 2020 before having been appointed Chairman of the Supervisory Board in 2020. He actively applies this expertise for the benefit of the Supervisory Board and the Audit Committee of HUGO BOSS.

Robin J. Stalker started his professional career as a chartered accountant at a major auditing firm before serving more than 15 years as the Chief Financial Officer of a publicly listed international company. He thus has comprehensive knowledge and expertise in the auditing of financial statements as well as in the application of accounting principles and internal control and risk management systems, including sustainability reporting. His activities as Chief Financial Officer of a publicly listed international company also include intensive engagement with non-financial aspects and the reporting thereon. Robin J. Stalker closely follows and monitors current developments in sustainability reporting, participates regularly in stakeholder dialogs, and actively applies this expertise for the benefit of the Supervisory Board and the Audit Committee of HUGO BOSS.

As of December 31, 2024, the Audit Committee comprises the following members: Robin J. Stalker (Chairman), Andreas Flach, Gaetano Marzotto, Sinan Piskin, Bernd Simbeck, and Hermann Waldemer.

2. Personnel Committee

The Personnel Committee, which has equal representation of shareholders and employees, consists of the Chairman of the Supervisory Board and five other members elected by the Supervisory Board from among its members. It decides on matters relating to the service agreements of the Managing Board members and other contractual matters (including those relating to former Managing Board members and their surviving dependents), prepares the decisions of the Supervisory Board on the appointment and, if necessary, dismissal of members of the Managing Board, and, together with the full Supervisory Board and the Managing Board, ensures long-term succession planning. Decisions concerning the compensation of Managing Board members (including former Managing Board members and their surviving dependents) as well as regular deliberation on, and the review of, the compensation system are the responsibility of the full Supervisory Board. However, the Personnel Committee submits proposals in preparation for decisions on these matters. In addition, the Personnel Committee makes decisions in accordance with Sec. 114 AktG (Contracts with Supervisory Board Members) and Sec. 115 AktG (Loans to Supervisory Board Members) as well as matters requiring the Supervisory Board's consent in connection with senior management (including the granting of loans to senior management within the meaning of Sec. 89 (2) AktG). To the extent permitted by law, it represents the Company in transactions with Managing Board members (including former Managing Board members and their surviving dependents).

As of December 31, 2024, the Personnel Committee comprises the following members: Hermann Waldemer (Chairman), Daniela Liburdi, Luca Marzotto, Sinan Piskin, Christina Rosenberg, and Bernd Simbeck.

3. Working Committee

The Working Committee, which has equal representation of shareholders and employees, consists of the Chairman of the Supervisory Board and five other members elected by members of the Supervisory Board, assisting and advising the Chairman of the Supervisory Board. In accordance with the statutory provisions, the Working Committee works closely with the Managing Board to prepare the meetings of the Supervisory Board. In particular, the Working Committee performs the monitoring duties between the meetings of the Supervisory Board. This does not prejudice the monitoring duties of the individual members of the Supervisory Board. The Working Committee makes decisions on transactions requiring consent in cases where the Supervisory Board has delegated its powers accordingly. To the extent permitted by law, the Working Committee is authorized to make decisions on urgent matters instead of the full Supervisory Board. In such cases, the Working Committee shall inform the Supervisory Board immediately in writing, and in detail verbally, at the next Supervisory Board meeting about the decision, the reasons, and the necessity of the committee's resolution.

As of December 31, 2024, the Working Committee comprises the following members: Hermann Waldemer (Chairman), Iris Epple-Righi, Katharina Herzog, Luca Marzotto, Tanja Silvana Nitschke, and Sinan Piskin.

4. Nomination Committee

The Nomination Committee consists of two members elected by the shareholder representatives of the Supervisory Board and is thus composed exclusively of shareholder representatives in accordance with the recommendation in Sec. D.4 GCGC. Its task is to identify suitable candidates for the election of shareholder representatives to the Supervisory Board, and to propose them to the Supervisory Board for its election proposals at the Annual General Meeting.

As of December 31, 2024, the Nomination Committee comprises the following members: Hermann Waldemer (Chairman) and Gaetano Marzotto.

5. Mediation Committee

The Mediation Committee consists of the Chairman of the Supervisory Board, its Deputy, and one member each elected by the employee and shareholder representatives on the Supervisory Board by a majority of the votes cast. Its sole purpose is to perform the duties referred to in Sec. 27 (3) and Sec. 31 (3) sentence 1 MitbestG ["Mitbestimmungsgesetz": German Co-Determination Act]. Accordingly, the Mediation Committee makes proposals for the appointment of members of the Managing Board if a previous proposal has not received the legally required majority.

As of December 31, 2024, the Mediation Committee comprises the following members: Hermann Waldemer (Chairman), Daniela Liburdi, Gaetano Marzotto, and Sinan Piskin.

Risk management and risk controlling

HUGO BOSS considers the responsible, systematic, and transparent handling of risks to be an essential component of good corporate governance. The **risk management system** anchored in the value-based Group management is designed to enable the Company to exploit business opportunities while, at the same time, identifying and assessing risks as early as possible and to manage risk positions by taking appropriate measures. Ensuring appropriate and effective risk management and risk controlling is of particular importance. The systems are continuously enhanced and adapted to changing conditions. Inherently, however, they cannot provide full protection against losses from business transactions or fraudulent acts. > Report on Risks and Opportunities

Financial reporting and audit of the financial statements

The financial reports of HUGO BOSS are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union. The Audit Committee established by the Supervisory Board regularly **monitors the financial reporting process** and the **audit of the financial statements**. Since fiscal year 2022, the audit has been performed by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, with Marco Koch having signed the auditors' report together with Dr. Thomas Reitmayr. It was agreed with the auditor with respect to the reporting year that the Chairman of the Audit Committee shall be informed without delay during the audit of any possible grounds for disqualification or partiality that could not be immediately rectified. 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. In addition, the external auditor is obliged to inform the Supervisory Board and state in its audit report if findings are made during the audit that are inconsistent with the declaration of compliance made by the Managing Board and Supervisory Board pursuant to Sec. 161 AktG. Moreover, the Supervisory Board requested a declaration of independence from the external auditor and duly convinced itself of the auditor's independence. This declaration also included mandates to perform non-auditing services.

Compensation of the Managing Board and Supervisory Board

HUGO BOSS considers transparent and comprehensible reporting on the compensation of the Managing Board and Supervisory Board as an important element of good corporate governance. The **compensation report** pursuant to Sec. 162 AktG outlines and explains the compensation of current and former members of the Managing Board and the Supervisory Board of HUGO BOSS in fiscal year 2024. The main features of the compensation systems for the Managing Board and Supervisory Board applicable in fiscal year 2024 are also outlined. > Compensation Report

Declaration of compliance

In December 2024, the Managing Board and Supervisory Board of HUGO BOSS issued the following declaration prescribed by Sec. 161 AktG:

“Declaration of compliance

Declaration of the Managing Board and Supervisory Board of HUGO BOSS AG pursuant to section 161 AktG (German Stock Corporation Act)

HUGO BOSS AG, Metzingen, Securities ID A1PHFF, International Securities ID DE000A1PHFF7

The Managing Board and Supervisory Board of HUGO BOSS AG herewith declare pursuant to section 161 para. 1 sentence 1 AktG (German Stock Corporation Act) that since the Compliance Declaration of December 2023, the recommendations of the Government Commission “German Corporate Governance Code” in the version of April 28, 2022 – published in the Federal Gazette on June 27, 2022 – ("GCGC 2022") have been and will be complied with except for:

- Deviating from the recommendation in G.11 sentence 2 GCGC 2022, employment contracts with the members of the Managing Board in part did not provide for the possibility to withhold or reclaim variable compensation in justified cases. Following a contract update with effect from 1 April 2024, all employment contracts with the members of the Managing Board now provide for the possibility to withhold or reclaim variable compensation as required by G.11 sentence 2 DCKG 2022. The recommendation of the DCKG 2022 has therefore been and will be complied with from that point on.

Metzingen, December 2024“

COMPENSATION REPORT

Presentation and description of the compensation of the Managing Board and the Supervisory Board

Compensation system geared towards long-term success of HUGO BOSS

Report complies with the requirements of Sec. 162 AktG and is based on the German Corporate Governance Code

HUGO BOSS considers transparent and comprehensible reporting on the compensation of the Managing Board and the Supervisory Board as an **important element of good corporate governance**. The following compensation report pursuant to Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] outlines and explains the compensation of the current and former members of the Managing Board and of the Supervisory Board of HUGO BOSS AG in fiscal year 2024. In order to facilitate the context of the disclosures, the main features of the compensation systems for the Managing Board and the Supervisory Board applicable in fiscal year 2024 are also outlined. In addition, a detailed description of the compensation systems for the Managing Board and the Supervisory Board can be found at **compensation.hugoboss.com**.

Review of compensation in fiscal year 2024

Resolution on the approval of the compensation report for fiscal year 2023

The report on the compensation awarded or due to present and former members of the Managing Board and Supervisory Board of HUGO BOSS AG for fiscal year 2023 has been prepared in accordance with Sec. 162 AktG. While the **compensation system for the members of the Managing Board was approved by a large majority** at the 2021 Annual General Meeting (approval rate: 93.83%), the 2023 compensation report received a lower approval rate of 68.78% at the Annual General Meeting on May 14, 2024, in accordance with Sec. 120a (4) AktG. The Supervisory Board and Managing Board primarily attribute this outcome to possible concerns regarding the CEO Investment Opportunity, which is explicitly not part of the compensation system and explained in more detail in this chapter. At the same time, the Supervisory Board views the voting results as an opportunity to thoroughly review and refine specific aspects of the Managing Board's compensation system. The aim is to further enhance transparency, take even greater account of shareholder interests, and incorporate feedback gathered from capital market participants as part of the Company's annual Corporate Governance roadshow. In any case, the current structure is to remain in place in its basic features and thus continue to be competitive and performance-oriented. The proposed adjustments will be presented in detail and submitted for approval at the upcoming Annual General Meeting on May 15, 2025 as part of the regular voting cycle.

Application of the compensation system for the Managing Board in fiscal year 2024

The **current compensation system for the Managing Board**, for which the main features are presented later in this report, was approved at the Annual General Meeting on May 11, 2021, with a majority of 93.83% of the capital represented, and applies to all new appointments and agreement extensions. In addition, individual compensation was granted to the members of the Managing Board within the meaning of Sec. 162 AktG in fiscal year 2024, which had been agreed in previous fiscal years under the compensation system applicable at the time. This compensation is also presented and explained below, where relevant.

The Personnel Committee regularly reviews the **appropriateness and customarily nature of the compensation** of the Managing Board members and, if necessary, proposes adjustments to the Supervisory Board in order to ensure that compensation for the members of the Managing Board is customary for the market and competitive within the applicable framework. The suitability was reviewed in March 2024 and again in September 2024. In this context, the compensation of the members of the Managing Board was compared with the companies of the DAX and MDAX as well as relevant competitors, taking into account the size criteria of revenues, employees, and market capitalization **(horizontal comparison)**. The review led to the conclusion that the compensation of the members of the HUGO BOSS Managing Board is considered to be in line with market practices. In addition, the appropriateness of the Managing Board compensation within the Group is reviewed annually based on the development of the Managing Board compensation compared to the development of the senior management compensation, defined as the first management level below the Managing Board, and to the development of the compensation of the employees as a whole, defined as the average compensation of the Group's full-time employees **(vertical comparison)**.

In fiscal year 2024, there were **no personnel changes** on the Managing Board of HUGO BOSS AG. To ensure continuity in the Managing Board ahead of time, in March 2024, the Supervisory Board **renewed** the existing employment agreements of Daniel Grieder, Chief Executive Officer (CEO), and Yves Müller, Chief Financial Officer (CFO) and Chief Operations Officer (COO). Consequently, Daniel Grieder was appointed Chairman of the Managing Board and CEO of HUGO BOSS AG until December 31, 2028. The Supervisory Board also renewed Yves Müller's (CFO/COO) contract until December 31, 2027. In this context, Oliver Timm, Chief Sales Officer (CSO), whose contract runs until December 31, 2026, was named Deputy CEO alongside his current role. In accordance with the applicable compensation system, the Supervisory Board has set specific **target compensation** for each member of the Managing Board. As part of the renewal of the existing employment agreements, the target compensation set for the members of the Managing Board was adjusted in fiscal year 2024. No adjustments are planned for fiscal year 2025, apart from any possible adjustments in the context of individual agreement extensions.

The Company's **"CLAIM 5" strategy** is aimed at driving notable top- and bottom-line improvements. Since its introduction in August 2021, and driven by three years of successful execution, HUGO BOSS has significantly accelerated growth. In this context, the design of the compensation system is aimed at providing **important incentives for the ongoing successful execution of the Group strategy**. Consequently, the compensation of the Managing Board is closely linked to the Group strategy of HUGO BOSS, as the performance-related compensation components (STI and LTI) are, among other things, based on the development of financial performance criteria such as sales, operating profit (EBIT), and return on capital employed (ROCE). The inclusion of two non-financial performance criteria also emphasizes the Company's responsibility for environmental, social, and governance (ESG) topics as well as the objective of a sustainable, long-term successful business performance.

In fiscal year 2024, the financial performance of HUGO BOSS was negatively affected by the overall deterioration of the global market environment, which particularly impacted the EBIT development, falling short of initial expectations. As a result, in the case of the **short-term incentive (STI)**, the overall target achievement amounted to 57% in 2024. The final target achievement for the **long-term incentive (LTI)** tranche issued in fiscal year 2021 amounts to 178% of the target value (payment in fiscal year 2025).

In the past fiscal year, the Supervisory Board **did not make use** of the options provided by the compensation system in accordance with legal provisions to temporarily deviate from the compensation system or to make adjustments to the target achievement in certain circumstances.

This compensation report, prepared jointly by the Managing Board and the Supervisory Board, is audited by the **external auditor** as part of the formal audit required by law pursuant to Sec. 162 (3) AktG. The corresponding **report on the audit of the compensation report** is attached to this compensation report.
> Report of the Independent Auditor on the Audit of the Compensation Report in accordance with Section 162 (3) AktG

Application of the compensation system for the Supervisory Board in fiscal year 2024

The **compensation system for the Supervisory Board** was adopted by the Annual General Meeting on May 27, 2020 and confirmed unchanged by the Annual General Meeting on May 14, 2024 with a majority of 98.91%. The compensation system was applied in fiscal year 2024 in full, as set out in Art. 12 of the Company's Articles of Association.

In fiscal year 2024, there were **no personnel changes** on the Supervisory Board of HUGO BOSS AG.

Compensation of the members of the Managing Board in fiscal year 2024

Overview of the structure of the compensation system for the Managing Board

The compensation system complies with the requirements of the German Stock Corporation Act, in particular the requirements of the Act Implementing the Shareholder Rights Directive II (SRD II), and is based on the recommendations of GCGC as amended on December 16, 2019. It furthermore complies with the recommendations stipulated in the updated GCGC as amended on April 28, 2022. The compensation system of the Managing Board is an important element of the Group's orientation and is intended to significantly contribute to **driving operational performance** and the **successful execution of the Group strategy**, and thus to the **long-term success of HUGO BOSS**. It is intended to support successful and sustainable business activities. The compensation of the members of the Managing Board is therefore linked to the short- and long-term development of the Company.

This means that the compensation of the members of the Managing Board is made up of non-performance-related and performance-related components. The **target total compensation** of the Managing Board consists of fixed compensation, fringe benefits, pension commitments, the target amount of the short-term incentive (STI), and the target amount of the long-term incentive (LTI). It thus mainly comprises performance-related compensation elements. The aim is to strengthen the performance aspect of the compensation system. The proportion of the target amount of the LTI, which has a total term of four years, in the total target compensation exceeds that of the STI (ratio of around 60:40). This is intended to ensure that the compensation structure as a whole is geared toward a **sustainable and successful long-term business development**.

Malus and clawback regulations are provided for the variable compensation components. The total annual compensation of the members of the Managing Board is also limited to a **maximum compensation**. In addition, the **Share Ownership Guidelines (SOG)** form another essential element of the compensation system. The compensation system also regulates **further compensation-related legal matters**, such as agreement terms and commitments upon termination of Managing Board activities.

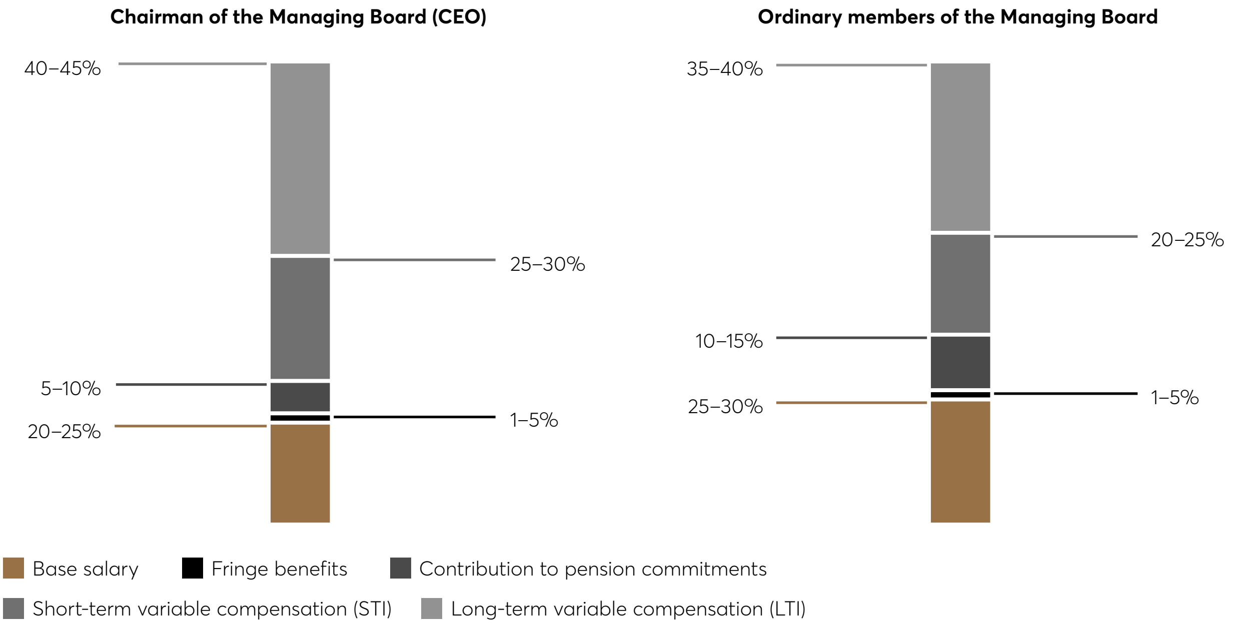
The following table shows the **basic components of the compensation system for the Managing Board and their structure**. The components and their specific application in fiscal year 2024 are explained in detail below.

OVERVIEW OF THE COMPENSATION SYSTEM

Fixed compensation	Base salary	Annual fixed compensation, paid as a monthly salary	
	Fringe benefits	Benefits in kind, which include the use of a company car, insurance allowances and, to a lesser extent, other equipment and benefits required for the performance of Managing Board duties.	
	Contributions to pension commitments	• Contribution plan (payment into a reinsurance policy) • Contribution: 40% of the fixed base salary • Fixed age limit: 65 years	
Performance-related (variable) compensation	Short-term variable compensation (STI)	Plan type	Target bonus system
		Plan term	1 year
		Performance targets	• 40% EBIT (target achievement: 0% – 150%) • 30% sales (target achievement: 0% – 150%) • 30% trade net working capital as a percentage of sales (target achievement: 0% – 150%)
		Payout	In cash at the end of the fiscal year (cap: 150% of the individual target amount)
	Long-term variable compensation (LTI)	Plan type	Performance share plan
		Plan term	4 years
		Performance targets	• 1/3 relative total shareholder return (RTSR) (target achievement: 0% – 200%) • 1/3 return on capital employed (ROCE) (target achievement: 0% – 200%) • 1/6 employee satisfaction (target achievement: 0% – 200%) • 1/6 performance in the field of sustainability (target achievement: 0% – 200%)
		Payout	In cash at the end of the four-year plan term (cap: 250% of the individual target amount)
Special compensation (sign-on; allowance)		• No possibility of special compensation at the discretion of the Supervisory Board in the event of extraordinary performance • Granting of further, special compensation elements on a temporary basis (payments to new members of the Managing Board, for example to compensate for the loss of variable compensation from former employers, or for taking on additional responsibility on an interim basis)	
Malus and clawback		Withholding or reclaiming part or all of variable compensation (STI and LTI) in the event of compliance violations or incorrect consolidated financial statements	
Share ownership guidelines (SOG)		• 200% of annual gross base salary for the Chairman of the Managing Board (CEO) • 100% of annual gross base salary for ordinary members of the Managing Board	
Maximum compensation		• EUR 11,000,000 for the Chairman of the Managing Board (CEO) • EUR 5,500,000 for ordinary members of the Managing Board	

The **relative proportion of the individual compensation components** in relation to the total target compensation (i.e., assuming a target achievement of 100% for the two variable compensation components) are detailed as follows:

COMPENSATION STRUCTURE OF THE MANAGING BOARD



Non-performance-related (fixed) compensation components

The fixed compensation components consist of the fixed basic compensation, fringe benefits, and contributions to retirement benefits.

The **fixed basic compensation** is paid as a monthly salary. It takes into account the role assigned to the member of the Managing Board and the associated duties and responsibilities of that member. Following the renewal of the existing employment agreements of the Managing Board members, the annual basic compensation was adjusted accordingly. The current annual basic compensation thus amounts to EUR 1,400 thousand for Daniel Grieder (until March 2024: EUR 1,300 thousand), EUR 900 thousand for Yves Müller (until March 2024: EUR 750 thousand), and EUR 900 thousand for Oliver Timm (until December 2023: EUR 750 thousand).

In addition to the basic compensation, members of the Managing Board also receive **fringe benefits** to a lesser extent, which they tax individually in accordance with the applicable tax regulations to the extent that a non-cash benefit arises for them from private use. The fringe benefits primarily include private use of the company car, contributions to health and nursing care insurance, the conclusion of, and contributions to, accident and D&O insurance (with deductible in accordance with Sec. 93(2) sentence 3 AktG), a minor clothing allowance for representative purposes, the reimbursement of reasonable tax consultancy costs, as well as, to a lesser extent, other equipment and benefits required for the performance of the duties of the

Managing Board. In addition, for new members of the Managing Board, reasonable costs for accommodation in Metzingen (Germany), home and return flights, and relocation costs in the event of moving to Metzingen (or the surrounding area) will be reimbursed.

The **pension commitments** to the members of the Managing Board are defined contribution pension commitments. HUGO BOSS pays an annual pension contribution of 40% of the individual basic compensation into an employer's pensions liability insurance policy for the members of the Managing Board. The amount of retirement benefit in this regard corresponds to the amount accumulated by means of the individual employer's pension liability insurance. This results from the total annual pension contributions plus an annual interest rate, depending on the respective insurance tariff. An entitlement to retirement benefits arises on or after reaching a fixed age of 65 or in the event that the Managing Board member becomes permanently unable to work due to illness or accident before reaching the age limit and leaves the Company. In the event of the death of the member of the Managing Board, their spouse or registered partner under the German Civil Partnership Act and their orphans are entitled to a survivor's pension. If the member of the Managing Board leaves the Company before retirement, the entitlement to pension benefits is retained for a pensionable service period of more than three years. If the member of the Managing Board leaves the Company before reaching the fixed retirement age, the entitlement amount corresponds to the benefits from the non-contributory reinsurance policy at the time of departure. Ongoing pension payments are adjusted annually by at least 1%. The Supervisory Board received guidance from an independent compensation expert when designing the contribution-based pension scheme for the current members of the Managing Board.

In addition, HUGO BOSS offers the members of the Managing Board the option of acquiring **additional pension benefits** under deferred compensation agreements. This supplementary pension plan can take the form of retirement benefits or, alternatively, the form of occupational incapacity benefits and/or surviving dependents' benefits and/or the form of a lump-sum death grant. The pension benefits take the form of monthly payments, while surviving dependents' benefits can also be granted in the form of a lump-sum capital payment. The contributions from deferred compensation agreements are included in the statement of the non-performance-related compensation awarded and due for the respective fiscal year. Provisions and plan assets are recognized at the same amount.

PENSION COMMITMENTS (IN EUR THOUSAND)

	Daniel Grieder Chairman of the Managing Board (since June 1, 2021)		**Yves Müller** Member of the Managing Board (since December 1, 2017)		**Oliver Timm** Member of the Managing Board (since January 1, 2021)		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	**2023**
Service cost under IFRS	550	520	353	300	360	300	**1,263**	**1,120**
Pension provision under IFRS	0	0	0	0	0	0	**0**	**0**

Performance-related (variable) compensation components

The compensation system of the Managing Board comprises two performance-related components: short-term variable compensation (STI) and long-term variable compensation (LTI). Both are linked to the performance of the Company, aimed at providing **incentives for both, the successful execution of the Group strategy** as well as the **value-creating development and long-term success of HUGO BOSS**. The performance criteria and the key indicators used in fiscal year 2024 for the performance assessment in the context of variable compensation are consistent with the Group strategy, and derived from the strategic targets as well as operational performance indicators of HUGO BOSS. In addition, they correspond to the applicable compensation system.

Short-term incentive (STI) for 2024

General functioning
The STI is the short-term variable compensation component, with the term being one year. The amount of the STI is based on the development of financial performance criteria. In accordance with the Group's management system, the Supervisory Board has defined the following **three financial performance criteria as target components**:

- Sales (the sales proceeds recognized in the consolidated financial statements using the exchange rates underlying the budget)
- EBIT (the Group's net income before interest and taxes)
- Trade net working capital (TNWC; the total of raw and finished goods as well as trade receivables less trade payables) as a percentage of sales > Group Management

EBIT contributes a **weighting** of 40% to the overall target achievement of the STI, while sales and TNWC each contribute 30% to the overall target achievement.

The STI **payout** is calculated on the basis of an individual target amount for each member of the Managing Board as defined in the respective service agreement and the overall target achievement, as follows:

STI TARGET BONUS SYSTEM

The **maximum payout** from the STI is capped at a total of 150% of the target amount. There is no guaranteed minimum target achievement. Consequently, the payout may also be completely omitted. The STI is payable within a week of the Supervisory Board approving the consolidated financial statements for the respective fiscal year.

Contribution to the long-term success of the Group

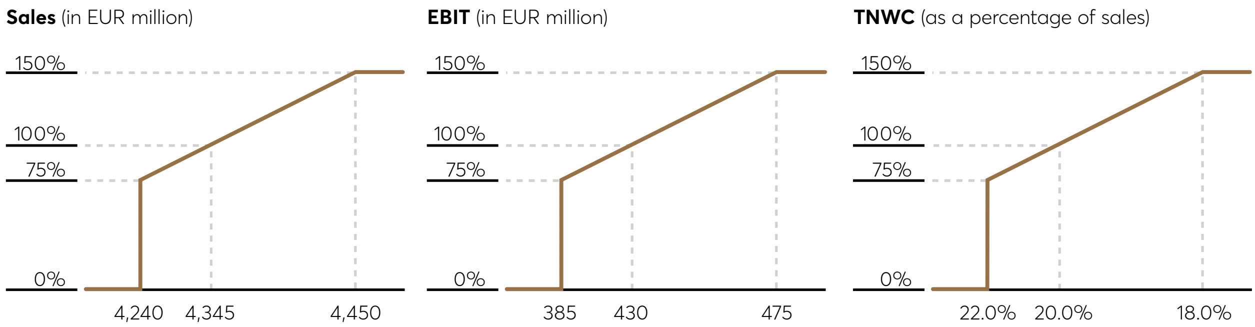
The STI is intended to ensure the **successful execution of the Company's operational targets**, the achievement of which is of material importance for the long-term success of HUGO BOSS. In light of the Group strategy, which aims at driving sustainable top- and bottom-line growth, sales and EBIT are key target figures of the STI. At the same time, the TNWC is the most important indicator for managing the efficient use of capital and is therefore taken as the third financial performance criterion in the STI.

Financial performance criteria

At the beginning of the fiscal year, the Supervisory Board decides on a **target**, a **minimum target**, and a **maximum target** for the three financial performance criteria of sales, EBIT, and TNWC. The target for the respective financial performance criterion is derived from the budget plan approved by the Supervisory Board. If the target is fully met, target achievement is 100%. If the minimum target is reached, target achievement is 75%. If the target value is below the minimum target, target achievement is 0%. If the target value is greater than or equal to the maximum target, target achievement is 150%. In this case, a further increase in the target value does not lead to a further increase in target achievement. Target achievement between the specified targets (75%; 100%; 150%) is interpolated on a linear basis.

For fiscal year 2024, the Supervisory Board has set the following **target achievement corridors** at the beginning of the fiscal year with regard to the respective financial targets:

STI TARGET ACHIEVEMENT CORRIDORS FOR FISCAL YEAR 2024



In the event of **100% target achievement** for the STI 2024, a total amount of EUR 3,188 thousand would be paid out for the Managing Board members (Daniel Grieder EUR 1,613 thousand, Yves Müller EUR 775 thousand, and Oliver Timm EUR 800 thousand).

With regard to the financial performance criteria relevant for fiscal year 2024, the Supervisory Board determined the following **target achievement** based on the performance corridors defined at the beginning of the fiscal year:

TARGET ACHIEVEMENT STI 2024 (IN EUR MILLION)

Target component	Target weighting	Target value 2024 (based on target achievement of 100%)	Performance corridor (Min/Max) 2024	Actual value 2024	Target achievement 2024
Sales[1]	30%	4,345	4,240 to 4,450	4,259	80%
EBIT	40%	430	385 to 475	361	0%
Trade net working capital as a percentage of sales	30%	20.0%	22.0% to 18.0%	19.6%	110%
Total	**100%**				**57%**

1 Use of exchange rates underlying the budget.

For fiscal year 2024, **final target achievement** thus amounts to 57%.

Target achievement STI 2024

The **individual payout amounts** for the STI 2024, which are allocated to the compensation awarded and due in fiscal year 2024, are therefore as follows:

PAYOUT FOR THE STI 2024

	Target amount (in EUR thousand)	Total target achievement	Payout amount (in EUR thousand)
Members of the Managing Board as of December 31, 2024			
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	1,613	57%	842[1]
Yves Müller, Member of the Managing Board since December 1, 2017	775	57%	441
Oliver Timm, Member of the Managing Board since January 1, 2021	800	57%	455
Total	**3,188**		**1,738**

1 Payout reduced by EUR 75 thousand pursuant to an agreement between Daniel Grieder and the Supervisory Board to partially waive the STI for fiscal year 2024.

Outlook for the STI for fiscal year 2025

For the **STI for fiscal year 2025**, the three financial performance criteria described above, together with their respective weighting, remain unchanged. The specific targets for the three performance criteria will be disclosed and described in the compensation report for fiscal year 2025.

Long-term incentive (LTI) for 2024

General functioning

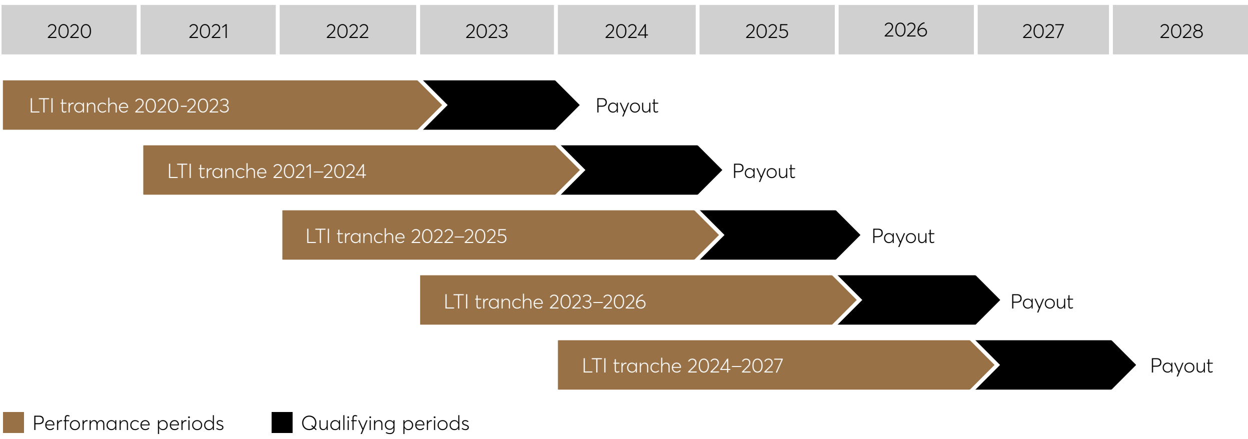
The LTI is the long-term variable compensation component. It is designed in the form of a **performance share plan** that takes into account both financial targets relevant to the Group strategy and non-financial ESG (environment, social, governance) targets. Consequently, the LTI is intended to ensure that the members of the Managing Board of HUGO BOSS pursue sustainable business practices which are aligned to the interests of the Company. Accordingly, the Supervisory Board has determined the following **four performance criteria as additively linked target figures** for the LTI:

- Relative total shareholder return (RTSR) of the HUGO BOSS share
- Return on capital employed (ROCE)
- Employee satisfaction
- The Company's performance in the field of sustainability

The targets for the RTSR and ROCE performance criteria each account for one third of the LTI, while the targets for employee satisfaction and sustainability each account for one sixth.

The LTI is granted in annual tranches. Each tranche has **a three-year performance period**, which corresponds to the Group's medium-term planning horizon and which is followed by an **additional qualifying period of one year**, during which the performance of the share price continues to be taken into account. This results in a total term of four years.

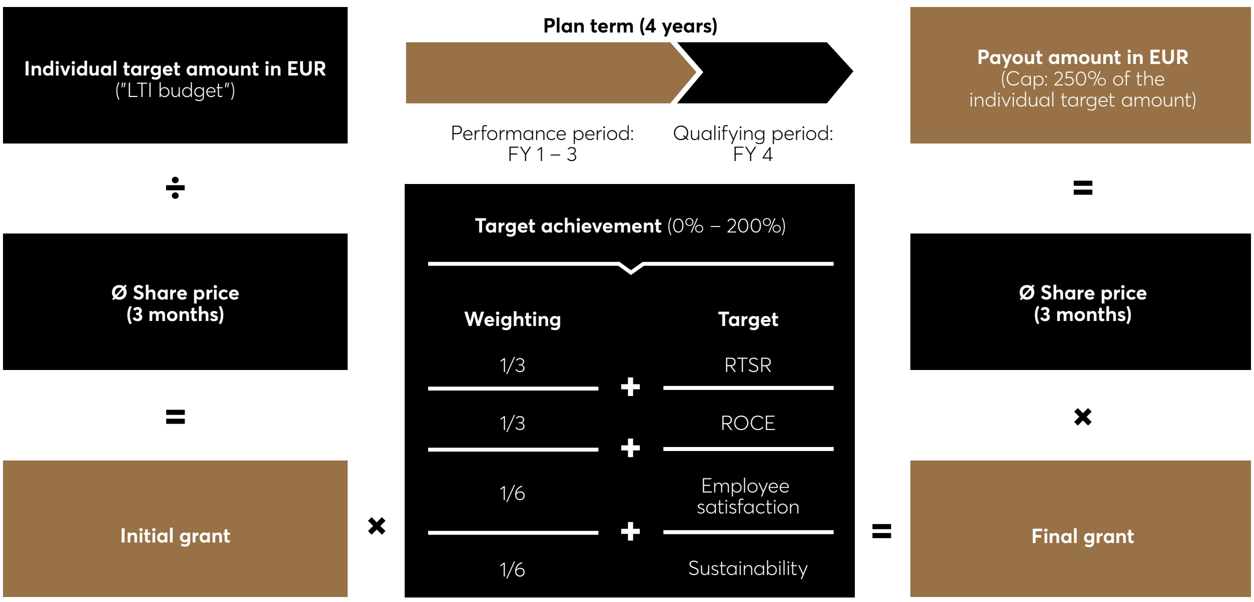
PERFORMANCE PERIODS AND QUALIFIYING PERIOD OF LTI TRANCHES



The LTI provides that the members of the Managing Board receive a **defined number ("initial grant")** of **virtual shares ("tranches")** at the beginning of the plan or at the start of their activity. The initial grant is determined by the size of **a target amount ("LTI budget")** defined in the respective service agreement divided by the price of the HUGO BOSS share for the last three months prior to the date of granting the initial grant. After the end of the performance period, the **final number of virtual shares ("final grant")** is calculated based on the achievement of certain targets. The **final payout entitlement** is calculated by multiplying the final grant by the Company's share price during the last three months of the qualifying period and is paid out in cash.

The **actual payout from the LTI** is therefore calculated as follows:

LTI TARGET ACHIEVEMENT SYSTEM



The **target achievement** of the individual LTI target components is limited to a maximum of 200%, while the resulting LTI payout is capped at a total of 250% of the individual target amount.

Contribution to the long-term development of the Group

The long-term goal of HUGO BOSS is to **sustainably increase the enterprise value**. In this regard, the share price performance of HUGO BOSS is of particular importance. The RTSR therefore takes into account the relative shareholder return of HUGO BOSS compared to the relevant competitive environment. This is intended to provide an incentive to outperform competitors in the long term. The ROCE, another financial performance criterion, also sets incentives for increasing the profitability of HUGO BOSS and ensuring an efficient use of capital. The inclusion of two non-financial performance criteria in the LTI emphasizes social and environmental responsibility and the goal of sustainable business activities. As a result, the Managing Board compensation is closely aligned with the interests of shareholders and other stakeholders.

Individual LTI budget for the LTI 2024–2027 issued in fiscal year 2024

The following table shows the **grants** for the LTI 2024–2027 issued in fiscal year 2024. It includes the target amount, the number of provisionally granted virtual shares, the payout cap, and the fair value at grant date in accordance with "IFRS 2 Share-based Payment."

ALLOCATION OF LTI 2024–2027

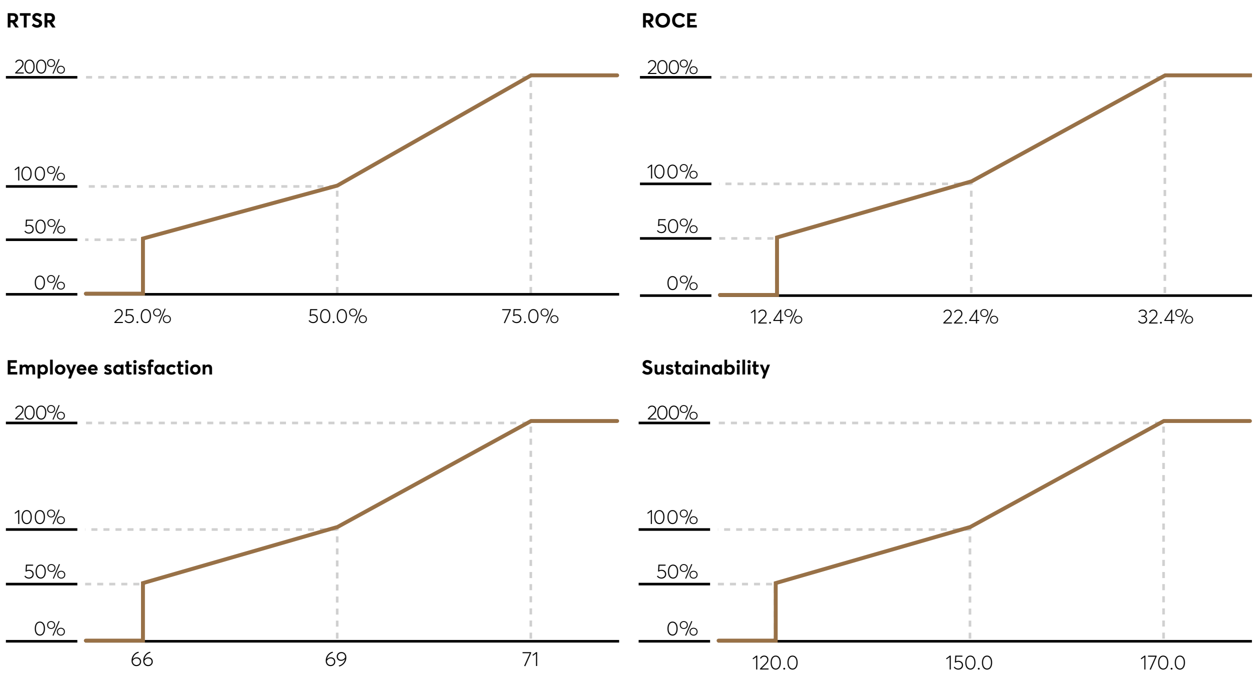
	Target amount ("LTI budget") in EUR thousand	Average share price of HUGO BOSS in Q4 2023 in EUR	Provisionally granted number of virtual shares ("initial grant")	Payout cap (250% of target amount) in EUR thousand	Fair value at grant date in EUR thousand[1]
Members of the Managing Board as of December 31, 2024					
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	2,513	61,36	40,947	6,281	2,610
Yves Müller, Member of the Managing Board since December 1, 2017	1,156	61.36	18,844	2,891	1,201
Oliver Timm, Member of the Managing Board since January 1, 2021	1,200	61.36	19,557	3,000	1,247

1 Calculation based on option price model.

Financial and non-financial performance criteria for the LTI 2024–2027 issued in fiscal year 2024

The targets and thresholds set out below for the LTI's four performance criteria apply throughout the entire performance period of the tranche.

TARGET ACHIEVEMENT CORRIDORS FOR LTI TRANCHE 2024–2027



The **RTSR** is a benchmark for the sustainable increase in enterprise value. It measures the share price performance and notionally reinvested dividends of HUGO BOSS compared to a selected group of relevant competitors in the premium segment of the global apparel industry over the performance period. The composition of the peer group is shown in the following table:

RELATIVE TOTAL SHAREHOLDER RETURN (RTSR) – PEER GROUP

Burberry Group plc	Levi Strauss & Co.	SMCP Group
Capri Holdings Ltd.	Moncler Group	Tapestry Inc.
G-III Apparel Group	PVH Corp.	VF Corp.
Guess Inc.	Ralph Lauren Corp.	

The Supervisory Board is convinced that the comparison with relevant competitors in the premium segment of the global apparel industry best reflects the strategic positioning of the two brands BOSS and HUGO.

To determine the target achievement level of the **RTSR**, the TSR (share price performance and notionally reinvested dividends) of HUGO BOSS and the peer companies is determined for each year of the performance period. The TSR values of the individual companies are then ranked by size and assigned to percentile ranks. The average value of the percentile ranks of HUGO BOSS in the three years of the performance period determines the target achievement. If the 50th percentile (median) is achieved, i.e., HUGO BOSS is exactly in the middle of the ranking of the peer companies, target achievement corresponds to 100%. If the TSR of HUGO BOSS is in the 75th percentile or higher, i.e., HUGO BOSS is among the 25% best companies, target achievement is 200%. Higher percentile ranks do not lead to any further increase in target achievement. If the 25th percentile is achieved, target achievement corresponds to 50%. If the TSR of HUGO BOSS is below the 25th percentile, i.e., HUGO BOSS is among the bottom 25% of companies, target achievement is 0%. Target achievement between the specified targets (50%; 100%; 200%) is interpolated on a linear basis.

The **ROCE** represents the return on capital employed and is determined by dividing the EBIT by average capital invested. The degree of **employee satisfaction** is measured by the "Employee Trust Index" as part of an employee survey conducted annually by Great Place to Work. The **sustainability performance** is determined by the Company's relative performance in the annual Dow Jones Best-in-Class Index (formerly: Dow Jones Sustainability Index, DJSI) / Corporate Sustainability Assessment (CSA), in which the sustainability performance of listed companies is assessed by the independent index provider S&P Global.

Target achievement for the performance criteria ROCE, employee satisfaction, and sustainability performance is measured for each fiscal year during the three-year performance period against the respective target value set before the start of the tranche and determined using of the above performance corridors.

The Supervisory Board sets a **target**, **a minimum target**, and **a maximum target** for ROCE, employee satisfaction, and sustainability in each case. If the target is fully met, the target achievement is 100%. An achievement of the minimum target corresponds to a target achievement of 50%. If the target value is below the minimum target, target achievement is 0%. If the target value is greater than or equal to the maximum target, target achievement is 200%. A further increase in the target value does not lead to a further increase in target achievement above 200%. Target achievement between the specified targets (50%, 100%, 200%) is interpolated on a linear basis.

Annual target achievement levels of the performance criteria for the LTI 2024–2027 issued in fiscal year 2024

Target achievement for the LTI's performance criteria is determined on an annual basis. For fiscal year 2024, the Supervisory Board has determined the following **target achievement for the LTI 2024–2027**:

TARGET ACHIEVEMENT 2024 OF THE LTI 2024–2027 (ON A PRELIMINARY BASIS)

Target component	Target weighting	Target value (based on target achievement of 100%)	Performance corridor (Min/Max)	Actual value 2024	**Target achievement 2024**
RTSR	33%	50,0%	25.0% to 75.0%	9.1%	0%
ROCE	33%	22,4%	12.4% to 32.4%	16.5%	70%
Employee satisfaction	17%	69	66 to 71	67	80%
Sustainability performance	17%	150,0	120.0 to 170.0	152.6	113%
Total	**100%**				**56%**

For fiscal year 2024, the **target achievement level** (on a preliminary basis) of the LTI 2024–2027 is 56%.

Payout from the LTI 2021–2024 issued in fiscal year 2021

The following table provides an overview of the **overall target achievement** of the LTI 2021–2024 awarded in fiscal year 2024 (payout in fiscal year 2025):

FINAL TARGET ACHIEVEMENT LTI 2021–2024

Target component	Target weighting	Target value (based on target achievement of 100%)	Performance corridor (Min/Max)	Actual value 2021	Actual value 2022	Actual value 2023	Actual value (average 2021–2023)	**Final target achievement**
RTSR[1]	33%	50.0%	25.0% to 75.0%	100.0%	90.9%	72.7%	87.9%	200%
ROCE	33%	15.5%	3.5% to 27.5%	15.2%	21.6%	21.5%	19.4%	133%
Employee satisfaction	17%	63	58 to 68	71	71	70	71	200%
Sustainability performance	17%	110.0	97.5 to 122.5	148.3	183.3	164.2	165.3	200%
Total	**100%**							**178%**

1 In the previous compensation system applicable up to and including April 1, 2021, the RTSR was based on a comparison with the MSCI World Textiles, Apparel & Luxury Goods Performance Index.

The final target achievement level of the LTI 2021–2024 is 178%. The **individual payout amounts resulting from the LTI 2021–2024** (payout in fiscal year 2025) are as follows:

PAYOUT FOR THE LTI 2021–2024

	Target amount ("LTI budget") in EUR thousand	Average share price of HUGO BOSS in Q4 2020 in EUR	Provisionally granted number of virtual shares ("initial grant")	Final target achievement	Finally granted number of virtual shares ("Final Grant")	Average share price of HUGO BOSS in Q4 2024 in EUR	**Payout amount in EUR thousand[1]**
Members of the Managing Board as of December 31, 2024							
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	1,400	24,56	57,004	178%	101,200	40.50	3,500
Yves Müller, Member of the Managing Board since December 1, 2017	750	24,56	30,538	178%	54,215	40.50	1,875
Oliver Timm, Member of the Managing Board since January 1, 2021	1,000	24.56	40,717	178%	72,285	40.50	2,500
Former Members of the Managing Board							
Ingo Wilts, Member of the Managing Board from August 15, 2016 until February 28, 2022	493	24.56	20,087	178%	35,661	40.50	1,233
Total	**3,643**		**148,346**		**263,361**		**9,108**

1 The payout for the LTI 2021–2024 is capped at a total of 250% of the individual target amount.

Under the separation agreement dated May 2022, former member of the Managing Board Dr. Heiko Schäfer was entitled to payments for the pro-rata earned tranches of the LTI 2020–2023, LTI 2021–2024, and LTI 2022–2025 totaling EUR 1,357 thousand, which became due in September 2022.

Total number of virtual shares outstanding at the end of fiscal year 2024

The following overview outlines the **total number of virtual shares (initial grant)** held by current members of the Managing Board at the end of fiscal year 2024:

TOTAL NUMBER OF VIRTUAL SHARES (INITIAL GRANT) AT THE END OF FISCAL YEAR 2024 (IN UNITS)

	LTI 2024–2027	LTI 2023–2026	LTI 2022–2025	LTI 2021–2024	**Balance at the end of fiscal year 2024**
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	40,947	47,857	44,627	57,004	190,435
Yves Müller, Member of the Managing Board since December 1, 2017	18,844	19,941	17,433	30,538	86,756
Oliver Timm, Member of the Managing Board since January 1, 2021	19,557	19,941	18,595	40,717	98,810
Total	**79,348**	**87,739**	**80,655**	**128,259**	**376,001**

Outlook on the financial and non-financial performance criteria of LTI 2025–2028

The four target components also apply to the LTI 2025–2028 to be issued in fiscal year 2025.

Special compensation (sign-on, bonuses)

The compensation system does not provide for the possibility of special compensation for extraordinary performance, which may be granted at the discretion of the Supervisory Board. However, under certain circumstances, it may be necessary to grant additional **special compensation** elements on a temporary basis. These involve one-off payments to new members of the Managing Board, for example to compensate for the loss of variable compensation from former employers, in order to attract the Managing Board member to HUGO BOSS **(sign-on)**. In addition, the Supervisory Board is able to compensate a member of the Managing Board in the event they take on additional responsibility on an interim basis for these temporary increased duties **(bonus)**. Any special compensation is limited in its amount, as it falls under the maximum compensation defined in section III in accordance with Sec. 87a (1) sentence 2 No. 1 AktG.

In fiscal year 2024, the Supervisory Board **did not make use** of the option to grant additional special compensation to Managing Board members.

Malus and clawback regulations

Under the current compensation system, the service agreements of the members of the HUGO BOSS Managing Board shall contain malus and clawback regulations that enable the Supervisory Board, under certain conditions, to reduce **variable compensation components that have not yet been paid out (malus)** or **to reclaim variable compensation components that have already been paid out (clawback)**. The Supervisory Board is therefore able, at its reasonable discretion, to withhold or reclaim part or all of the variable compensation if the member of the Managing Board is in breach of a material obligation to exercise due diligence within the meaning of Sec. 93 AktG, a material obligation under the service agreement or of the essential rules and conduct principles laid down in the Company's Code of Conduct (compliance malus and compliance clawback). The Supervisory Board is also entitled to claim back a variable compensation that has already been paid if it becomes apparent after the payment that the audited and approved consolidated financial statements on which the calculation of the amount of the payment was based were incorrect and therefore had to be corrected in accordance with the relevant accounting rules (performance clawback).

In fiscal year 2024, the Supervisory Board **did not make use** of the option to reduce or reclaim variable compensation components via malus or clawback.

At the same time, the Supervisory Board and Daniel Grieder (CEO) mutually agreed to a reduction of EUR 75 thousand in the STI payout for Daniel Grieder for fiscal year 2024. This adjustment was made to compensate for external consulting costs incurred by the Company in connection with the investigation of media allegations. Following a comprehensive review, these allegations were determined to be unfounded.

Share Ownership Guidelines

The Share Ownership Guidelines (SOG) are an essential part of the compensation system of the Managing Board. In order to further align the interests of the Managing Board and shareholders, the SOG are intended to oblige the members of the Managing Board to **buy and hold shares in HUGO BOSS AG**. The size of the share ownership obligation (SOG target) is measured based on the individual gross basic fixed compensation of each member of the Managing Board. The Chairman of the Managing Board must invest two times and all other ordinary members of the Managing Board must invest one time their annual gross fixed basic compensation and maintain these shares for the entire duration of their Managing Board activities.

The **required number of shares** must be held within five years, being built up on a linear basis and reviewed annually by the Group General Counsel at the end of each year. The annual minimum holding may be exceeded at any time. The rules and time limits of the Market Abuse Regulation must be observed when buying and selling the shares.

According to the compensation system, **the number of shares to be held** is determined based on the average closing price of the HUGO BOSS shares in Deutsche Börse's Xetra trading in the month prior to the appointment of the respective member of the Managing Board or prior to the respective last adjustment of the fixed basic compensation of the Managing Board member.

The members of the Managing Board are entitled to contribute any **existing pre-held shares**. The following table shows the **shares held** by the active members of the Managing Board as of December 31, 2024.

SHARES DIRECTLY HELD BY MEMBERS OF THE MANAGING BOARD

	Contributed existing pre-held shares acquired prior to Managing Board activity	Shares acquired during Managing Board activity	Number of shares as of December 31, 2024	XETRA closing price on December 30, 2024	Total value of shares as of December 31, 2024 (in EUR thousand)
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	40,000	94,500	134,500	44.78	6,023
Yves Müller, Member of the Managing Board since December 1, 2017	0	21,000	21,000	44.78	940
Oliver Timm, Member of the Managing Board since January 1, 2021	1,333	16,500	17,833	44.78	799
Total	**41,333**	**132,000**	**173,333**	**44.78**	**7,762**

The SOG apply for all three Managing Board members. As of December 31, 2024, Daniel Grieder, Oliver Timm, and Yves Müller have already **exceeded the requirements of the SOG** both in terms of the review that was due in fiscal year 2024 and in terms of the total period of five years.

Maximum compensation

MAXIMUM LIMITS OF COMPENSATION (LIMITATION OF VARIABLE COMPENSATION AND MAXIMUM COMPENSATION)

Compensation component	Cap
Short-term variable compensation	150% of the target amount
Long-term variable compensation	250% of the target amount
Maximum compensation	Chairman of the Managing Board: EUR 11,000,000 Ordinary Managing Board member: EUR 5,500,000

The compensation of the members of the Managing Board is limited in two respects. Firstly, the **performance-related components are subject to maximum limits**, which amount to 150% of the target amount for the STI and 250% for the LTI. These limits were complied with in all cases with respect to the performance-related compensation awarded and due in fiscal year 2024, as shown in the following table:

Compliance with the maximum compensation for the performance-related compensation of the Managing Board awarded and due in fiscal year 2024

		Daniel Grieder Chairman of the Managing Board (since June 1, 2021)			Yves Müller Member of the Managing Board (since December 1, 2017)			Oliver Timm Member of the Managing Board (since January 1, 2021)		
(in EUR thousand)		**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**
Short-term variable compensation	STI 2024	1,613	2,419	842	775	1,163	441	800	1,200	455
Long-term variable compensation	LTI 2021–2024	1,400	3,500	3,500	750	1,875	1,875	1,000	2,500	2,500
Total		**3,013**	**5,919**	**4,342**	**1,525**	**3,038**	**2,316**	**1,800**	**3,700**	**2,955**

		Dr. Heiko Schäfer Member of the Managing Board (from March 16, 2020 until May 31, 2022)			Ingo Wilts Member of the Managing Board (from August 15, 2016 until February 28, 2022)		
(in EUR thousand)		**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**
Short-term variable compensation	STI 2024	–	–	–	–	–	–
Long-term variable compensation	LTI 2021–2024[1]	725	n.a.	577	493	1,233	1,233
Total		**725**	**n.a.**	**577**	**493**	**1,233**	**1,233**

1 Under the separation agreement dated May 2022, former member of the Managing Board Dr. Heiko Schäfer was entitled to a payment for the pro-rata earned tranches of the LTI 2020–2023, LTI 2021–2024, and LTI 2022–2025 totaling EUR 1,357 thousand, which became due in September 2022.

Secondly, in accordance with Sec. 87a (1) sentence 2 No. 1 AktG, the Supervisory Board has determined a **maximum compensation** that limits the total amount actually payable for the compensation awarded for a particular fiscal year, consisting of basic compensation, fringe benefits, expenses for the pension commitment, any special compensation, and short-term variable and long-term variable compensation. The **maximum compensation valid** for fiscal year 2024 is EUR 11,000 thousand for the Chairman of the Managing Board and EUR 5,500 thousand for the ordinary members of the Managing Board. As part of the contract renewals, it was ensured that the maximum compensation is generally maintained even in the case of the highest possible target achievement for the variable compensation components. However, should any exceedances occur in individual cases, strict adherence to the maximum compensation will be ensured, and corresponding reductions will be made.

Compliance with the maximum compensation for the performance-related compensation of the Managing Board awarded and due in fiscal year 2021

The LTI installment initiated in fiscal year 2021 concluded in fiscal year 2024, allowing for the final assessment of compliance with the maximum compensation set for fiscal year 2021. As shown in the following table, the maximum compensation (EUR 11,000 thousand for the Chairman of the Managing Board and EUR 5,500 thousand for the ordinary members of the Managing Board) has **not been exceeded by any member of the Managing Board**:

		Daniel Grieder Chairman of the Managing Board (since June 1, 2021)			Yves Müller Member of the Managing Board (since December 1, 2017)			Oliver Timm Member of the Managing Board (since January 1, 2021)		
(in EUR thousand)		**Target compen-sation**	**Max.**	**Payout**	**Target compen-sation**	**Max.**	**Payout**	**Target compen-sation**	**Max.**	**Payout**
Fixed compensation	Basic compensation 2021	758	758	758	750	750	750	750	750	750
	Fringe benefits 2021	68	68	68	30	30	30	45	45	45
	Pension allowance 2021	0	0	0	0	0	0	0	0	0
Total		**826**	**826**	**826**	**780**	**780**	**780**	**795**	**795**	**795**
Short-term variable compensation	STI 2021	875	1,313	1,212	500	750	693	650	975	900
Long-term variable compensation	LTI 2021–2024	1,400	3,500	3,500	750	1,875	1,875	1,000	2,500	2,500
Total		**2,275**	**4,813**	**4,712**	**1,250**	**2,625**	**2,568**	**1,650**	**3,475**	**3,400**
Pension	Service costs 2021	303	303	303	380	380	380	300	300	300
Other	Special compensation 2021	0	0	0	400	400	400	300	300	300
Total		**3,404**	**5,942**	**5,841**	**2,810**	**4,185**	**4,128**	**3,045**	**4,870**	**4,795**

Compensation-related legal matters

Regulations for the termination of Managing Board activity

In the event of premature termination of the service agreement (in the absence of due cause for terminating the service agreement by the Company), the respective member of the Managing Board is entitled to a **severance payment**, which is always limited to the amount of the total compensation, including fringe benefits, for a period of 24 months, but is not compensated more than the remaining term of the agreement ("severance payment cap"). For these purposes, the total compensation is calculated on the basis of the total compensation received for the last full fiscal year and, where appropriate, on the basis of the predicted total compensation for the current fiscal year. In the event of termination of a Managing Board agreement, the payment of any outstanding variable compensation components is made in accordance with the originally agreed targets and comparison parameters and according to the due dates or holding periods specified in the agreement.

The service agreements do not provide for any severance payment in the event of premature termination of the service agreement for due cause for which the respective member of the Managing Board is responsible. In the event of regular termination, the service agreements do not include a severance payment scheme.

The service agreements do not provide an extraordinary right to termination in the event of a **change of control** (acquisition of more than 30% of the voting rights in HUGO BOSS AG). This also applies to new appointments or extension agreements. There are no other compensation agreements.

Post-contractual non-compete clause

A **post-contractual non-compete clause** has been agreed for the members of the Managing Board. For a period of twelve months after termination of the service agreement, members of the Managing Board are not entitled, directly or indirectly, to work for, or to form or invest, in any other company in the area of premium or luxury fashion and/or accessories. This post-contractual non-compete clause applies to the countries in which HUGO BOSS and the affiliated companies of HUGO BOSS within the meaning of Sec. 15 et seq. AktG are operating at the time of termination of the service agreement. HUGO BOSS is obliged to pay the member of the Managing Board a monthly amount of one twenty-fourth of the annual target compensation (basic compensation as well as STI and LTI with a respective target achievement of 100% each) for the duration of this post-contractual non-compete clause. Any severance payments are to be credited to the payment for the post-contractual non-compete clause.

Individualized disclosure of the compensation of the Managing Board

Compensation awarded and due to current members of the Managing Board in fiscal year 2024 pursuant to Sec. 162 AktG

The following table shows the non-performance-related and performance-related compensation components awarded and due to **current members of the Managing Board** (active as of December 31, 2024) in the past fiscal year, including the respective relative share in accordance with Sec. 162 AktG. These include the basic compensation paid in the fiscal year, the fringe benefits accrued in the fiscal year, the pension allowance paid in the fiscal year, the STI 2024 awarded in fiscal year 2024 (payout in fiscal year 2025), the LTI 2021–2024 awarded in fiscal year 2024 (payout in fiscal year 2025), and any special compensation.

COMPENSATION AWARDED AND DUE

		Daniel Grieder Chairman of the Managing Board (since June 1, 2021)				**Yves Müller** Member of the Managing Board (since December 1, 2017)				**Oliver Timm** Member of the Managing Board (since January 1, 2021)			
		2024		2023		**2024**		2023		**2024**		2023	
		in EUR thousand	**in %**	in EUR thousand	in %	**in EUR thousand**	**in %**	in EUR thousand	in %	**in EUR thousand**	**in %**	in EUR thousand	in %
Fixed compensation	Basic compensation	1,375	23	1,300	43	881	27	750	24	900	23	750	48
	Fringe benefits	155	3	132	4	23	1	22	1	48	1	15	1
	Pension allowance	0	0	0	0	0	0	0	0	0	0	0	0
Total		**1,530**	**26**	**1,432**	**48**	**904**	**28**	**772**	**25**	**948**	**24**	**765**	**49**
Short-term incentive	STI 2024	842	14	0	0	441	14	0	0	455	12	0	0
	STI 2023	0	0	1,575	52	0	0	683	22	0	0	683	44
Long-term incentive	LTI 2021–2024	3,500	60	0	0	1,875	58	0	0	2,500	64	0	0
	LTI 2020–2023	0	0	0	0	0	0	1,657	53	0	0	0	0
Total		**4,342**	**74**	**1,575**	**52**	**2,316**	**72**	**2,340**	**75**	**2,955**	**76**	**683**	**44**
Other	Special compensation	0	0	0	0	0	0	0	0	0	0	100	6
Total compensation		**5,872**	**100**	**3,007**	**100**	**3,220**	**100**	**3,111**	**100**	**3,903**	**100**	**1,548**	**100**

Compensation awarded and due to former members of the Managing Board in fiscal year 2024

The following table shows the non-performance-related and performance-related compensation components awarded and due to **former members of the Managing Board** who terminated their activities within the last ten fiscal years, including the respective relative share in accordance with Sec. 162 AktG:

COMPENSATION AWARDED AND DUE

		Dr. Heiko Schäfer Member of the Managing Board (from March 16, 2020 until May 31, 2022)				Ingo Wilts Member of the Managing Board (from August 15, 2016 until February 28, 2022)			
		2024		2023		**2024**		2023	
		in EUR thousand	**in %**	in EUR thousand	in %	**in EUR thousand**	**in %**	in EUR thousand	in %
Fixed compensation	Basic compensation	0	0	0	0	0	0	0	0
	Fringe benefits	0	0	0	0	0	0	0	0
	Pension allowance	0	0	0	0	0	0	0	0
Total		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Short-term incentive	STI 2024	0	0	0	0	0	0	0	0
	STI 2023	0	0	102	14	0	0	0	0
Long-term incentive	LTI 2021–2024[1]	577	100	0	0	1,233	100	0	0
	LTI 2020–2023[1]	0	0	622	86	0	0	1,728	100
Total		**577**	**100**	**724**	**100**	**1,233**	**100**	**1,728**	**100**
Other	Pension payments	0	0	0	0	0	0	0	0
	Deferred compensation payments	0	0	0	0	0	0	0	0
Total compensation		**577**	**100**	**724**	**100**	**1,233**	**100**	**1,728**	**100**

		Mark Langer Chairman of the Managing Board (from May 19, 2016 until July 15, 2020) Member of the Managing Board (from January 15, 2010 until May 18, 2016)			
		2024		2023	
		in EUR thousand	**in %**	in EUR thousand	in %
Fixed compensation	Basic compensation	0	0	0	0
	Fringe benefits	0	0	0	0
	Pension allowance	0	0	0	0
Total		**0**	**0**	**0**	**0**
Short-term incentive	STI 2024	0	0	0	0
	STI 2023	0	0	0	0
Long-term incentive	LTI 2021–2024	0	0	0	0
	LTI 2020–2023[2]	0	0	464	100
Total		**0**	**0**	**464**	**100**
Other	Pension payments	0	0	0	0
	Deferred compensation payments	0	0	0	0
Total compensation		**0**	**0**	**464**	**100**

1 Under the separation agreement dated May 2022, former member of the Managing Board Dr. Heiko Schäfer was entitled to a payment for the pro-rata earned tranches of the LTI 2020–2023, LTI 2021–2024, and LTI 2022–2025 totaling EUR 1,357 thousand, which became due in September 2022.
2 Under the separation agreement dated April 2020, former Chairman of the Managing Board Mark Langer was entitled to a payment for the pro-rata earned tranches of the LTI 2019–2022 and LTI 2020–2023 totaling EUR 993 thousand, which became due in March 2022.

In fiscal years 2024 and 2023, no non-performance-related or performance-related compensation components were awarded and due to former members who were part of the Managing Board in the past ten fiscal years.

Target compensation and actual compensation of the current members of the Managing Board for fiscal year 2024

The following table shows the respective **target compensation** of the members of the Managing Board active as of December 31, 2024, for fiscal year 2024. This includes the target compensation agreed for the fiscal year in the event of a target achievement of 100%, supplemented by details of the minimum and maximum compensation achievable on an individual basis. In addition, the allocation for the fiscal year are stated as actual compensation according to the GCGC. This **actual compensation** comprises the fixed compensation paid out in the fiscal year, the fringe benefits accrued in the fiscal year, the pension allowance due for the fiscal year, the payout due in March 2025 from the STI 2024, and the payout due in March 2025 from the LTI 2021–2024. The ongoing pension commitments also include the service costs incurred for the fiscal year in accordance with IFRS.

TARGET COMPENSATION AND ACTUAL COMPENSATION ACCORDING TO GCGC IN FISCAL YEAR 2024

		Daniel Grieder Chairman of the Managing Board (since June 1, 2021)				**Yves Müller** Member of the Managing Board (since December 1, 2017)			
(in EUR thousand)		**Target compen-sation**	**Minimum compen-sation**	**Maximum compen-sation**	**Allo-cation**	**Target compen-sation**	**Minimum compen-sation**	**Maximum compen-sation**	**Allo-cation**
Fixed compensation	Basic compensation 2024	1,375	1,375	1,375	1,375	881	881	881	881
	Fringe benefits 2024	155	155	155	155	23	23	23	23
	Pension allowance 2024	0	0	0	0	0	0	0	0
Total		**1,530**	**1,530**	**1,530**	**1,530**	**904**	**904**	**904**	**904**
Short-term incentive	STI 2024	1,613	0	2,419	842	775	0	1,163	441
Long-term incentive	LTI 2024–2027	2,513	0	6,281	–	1,156	0	2,891	–
	LTI 2021–2024	0	0	0	3,500	0	0	0	1,875
Total		**4,125**	**0**	**8,700**	**4,342**	**1,931**	**0**	**4,053**	**2,316**
Pension	Service costs 2024	550	550	550	550	353	353	353	353
Other	Special compensation 2024	0	0	0	0	0	0	0	0
Total compensation		**6,205**	**2,080**	**10,780**	**6,422**	**3,188**	**1,257**	**5,310**	**3,573**

		Oliver Timm Member of the Managing Board (since January 1, 2021)			
(in EUR thousand)		**Target compen-sation**	**Minimum compen-sation**	**Maximum compen-sation**	**Allo-cation**
Fixed compensation	Basic compensation 2024	900	900	900	900
	Fringe benefits 2024	48	48	48	48
	Pension allowance 2024	0	0	0	0
Total		**948**	**948**	**948**	**948**
Short-term incentive	STI 2024	800	0	1,200	455
Long-term incentive	LTI 2024–2027	1,200	0	3,000	–
	LTI 2021–2024	0	0	0	2,500
Total		**2,000**	**0**	**4,200**	**2,955**
Pension	Service costs 2024	360	360	360	360
Other	Special compensation 2024	0	0	0	0
Total compensation		**3,308**	**1,308**	**5,500**	**4,263**

Compensation of the members of the Supervisory Board in fiscal year 2024

Principles of the compensation system for the Supervisory Board

The **compensation of the members of the Supervisory Board** as determined by the Annual General Meeting is governed by Art. 12 of the Articles of Association of HUGO BOSS AG and provides both the abstract and the specific framework for the compensation of the members of the Supervisory Board. This ensures that the compensation of the members of the Supervisory Board always complies with the compensation system, which was adopted by the Annual General Meeting on May 27, 2020, and confirmed unchanged by the Annual General Meeting on May 14, 2024.

The compensation of the members of the Supervisory Board comprises **only fixed components**. The compensation consists of two components: a fixed compensation, depending on the position of the respective Supervisory Board member, and additional compensation for the respective committee activities. The compensation regulation thus also takes into account the requirements of the GCGC.

Structure and application of the compensation system of the Supervisory Board in fiscal year 2024

Each ordinary member of the Supervisory Board receives a **fixed annual compensation** of EUR 80 thousand (base amount). The Chairman receives 2.5 times (EUR 200 thousand) and the Deputy Chairman receives 1.75 times (EUR 140 thousand) this base amount.

In addition, **members of the Working Committee, the Audit Committee, and the Personnel Committee** will be paid an additional EUR 30 thousand each, and the Chairman of any of these committees will receive an additional EUR 60 thousand each. Members of the Nomination Committee receive an additional EUR 20 thousand. No compensation is paid for the Chairman and members of the Mediation Committee. Additional compensation will only be paid for the three highest remunerated positions on committees. This regulation leads to the setting of an individual **maximum compensation** for each member of the Supervisory Board in accordance with the positions held by the respective member in the committees.

COMPENSATION FOR SUPERVISORY BOARD ACTIVITY AND MEMBERSHIP IN A COMMITTEE

Compensation for Supervisory Board function		
Chairman EUR 200,000 2.5 times the base amount	**Deputy Chairman** EUR 140,000 1.75 times the base amount	**Ordinary Member** EUR 80,000 Base amount

Compensation for membership in a committee			
Working Committee	**Audit Committee**	**Personnel Committee**	**Nomination Committee**
Chairman **EUR 60,000**	Chairman **EUR 60,000**	Chairman **EUR 60,000**	Chairman **–**
Ordinary Member **EUR 30,000**	Ordinary Member **EUR 30,000**	Ordinary Member **EUR 30,000**	Ordinary Member **EUR 20,000**

No further compensation is granted beyond the compensation described above. Consequently, the current system does not foresee variable compensation components or attendance fees.

The compensation is **paid out** following the Annual General Meeting which decides on the approval of the Supervisory Board for the respective past fiscal year. Members of the Supervisory Board who have been members of the Supervisory Board or a committee for only part of the fiscal year receive pro rata compensation for each month of service or part thereof. Members of the Supervisory Board are reimbursed for expenses incurred in connection with the performance of their duties. Any value-added tax (VAT) is reimbursed by the Company if the members of the Supervisory Board are entitled to invoice the Company separately for the VAT and exercise this right.

In fiscal year 2024, the compensation system for the Supervisory Board was applied in full as set out in Art. 12 of the Company's Articles of Association. In fiscal year 2024, the members of the Supervisory Board **did not receive any further compensation or benefits** for services provided individually, in particular consulting and mediation services. Furthermore, no loans or advances were granted to the members of the Supervisory Board, nor were there any contingent liabilities in their favor.

Individualized disclosure of the compensation of the Supervisory Board

The following table shows the **compensation components that were awarded and due to current and former members of the Supervisory Board in fiscal year 2024**, including the respective relative share in accordance with Sec. 162 AktG. In accordance with Art. 12 of the Company's Articles of Association, the total amount of the compensation of the Supervisory Board is due following the Annual General Meeting that decides on the approval of the Supervisory Board for the respective past fiscal year. The disclosure for fiscal year 2024 relates to the fixed compensation awarded for the Supervisory Board's activities in fiscal year 2024 (payout in fiscal year 2025) and the compensation awarded for committee membership in fiscal year 2024 (payout in fiscal year 2025).

COMPENSATION AWARDED AND DUE

		Fixed compensation (base amount)		Compensation for committee work		Total compensation	
Current members of the Supervisory Board		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Hermann Waldemer Chairman	in EUR thous.	200	200	150	150	350	350
	in %	57	57	43	43	100	100
Sinan Piskin Deputy Chairman	in EUR thous.	140	140	90	90	230	230
	in %	61	61	39	39	100	100
Iris Epple-Righi	in EUR thous.	80	80	30	30	110	110
	in %	73	73	27	27	100	100
Andreas Flach (since May 9, 2023[1])	in EUR thous.	80	52	30	19	110	71
	in %	73	73	27	27	100	100
Katharina Herzog	in EUR thous.	80	80	30	30	110	110
	in %	73	73	27	27	100	100
Daniela Liburdi (since May 9, 2023[1])	in EUR thous.	80	52	30	19	110	71
	in %	73	73	27	27	100	100
Gaetano Marzotto	in EUR thous.	80	80	50	50	130	130
	in %	62	62	38	38	100	100
Luca Marzotto	in EUR thous.	80	80	60	60	140	140
	in %	57	57	43	43	100	100
Tanja Silvana Nitschke	in EUR thous.	80	80	30	30	110	110
	in %	73	73	27	27	100	100
Christina Rosenberg	in EUR thous.	80	80	30	30	110	110
	in %	73	73	27	27	100	100
Bernd Simbeck	in EUR thous.	80	80	60	60	140	140
	in %	57	57	43	43	100	100
Robin J. Stalker	in EUR thous.	80	80	60	60	140	140
	in %	57	57	43	43	100	100
Former members of the Supervisory Board							
Anita Kessel (until May 9, 2023[1])	in EUR thous.	0	28	0	11	0	39
	in %	0	73	0	27	0	100
Martin Sambeth (until May 9, 2023[1])	in EUR thous.	0	28	0	11	0	39
	in %	0	73	0	27	0	100

1 Effective May 9, 2023, the two employee representatives Anita Kessel and Martin Sambeth both resigned from the Supervisory Board. Daniela Liburdi joined the Supervisory Board on May 9, 2023, as the successor to Anita Kessel. Andreas Flach joined the Supervisory Board on May 9, 2023, as the successor to Martin Sambeth. As set out in Art. 12 of the Company's Articles of Association, all four receive pro-rata compensation for their activities in fiscal year 2023.

In fiscal years 2024 and 2023, no compensation was awarded and due to former members who were part of the Supervisory Board in the past ten fiscal years.

The employee representatives who are members of a trade union have declared they will pass their compensation to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Confederation.

Comparative presentation of compensation and earnings development

The following comparative presentation shows the annual change in the compensation awarded and due to current and former members of the Managing Board and Supervisory Board, the **Company's earnings development** (in terms of sales, EBIT, the Group's net income, and net income of HUGO BOSS AG) and the **compensation of employees on a full-time equivalent basis**, the latter being based on the average wages and salaries of HUGO BOSS employees throughout the Group in the respective fiscal year.

COMPARATIVE INFORMATION – MANAGING BOARD AND SUPERVISORY BOARD COMPENSATION IN COMPARISON WITH EMPLOYEE COMPENSATION AND EARNINGS DEVELOPMENT

(Annual change in %)	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019
Key earnings figures					
Group sales	3	15	31	43	(33)
Group's operating result (EBIT)	(12)	22	47	197	(169)
Group's net income	(17)	22	54	166	(207)
Net income of HUGO BOSS AG	(19)	54	41	163	(191)
Employee compensation[1]					
Employees HUGO BOSS Group	2[2]	(1)[3]	14[4]	9	–
Compensation of the Managing Board					
Members of the Managing Board as of December 31, 2023					
Daniel Grieder (Chairman since 06/2021)	95	(18)	81	–	–
Yves Müller (since 12/2017; Spokesperson of the Managing Board from 07/2020 until 05/2021)	3	44	(1)	70	7
Oliver Timm (since 01/2021)	152	(16)	(8)	–	–

1 In accordance with Sec. 26J (2) sentence 2 EGAktG ["Einführungsgesetz zum Aktiengesetz": German Introductory Act to the Stock Corporation Act], a comparison of the average employee compensation on a full-time equivalent basis over the last five fiscal years in pursuant to Sec. 162(1) sentence 2 No. 2 AktG is not yet to be included in the compensation report.
2 In absolute terms, the Group-wide average compensation of employees on a full-time equivalent basis increased slightly to EUR 53 thousand in fiscal year 2024 (2023: EUR 52 thousand), reflecting salary increases which were partly offset by lower bonus payments.
3 In absolute terms, the Group-wide average compensation of employees on a full-time equivalent basis remained broadly stable in fiscal year 2023, amounting to EUR 52 thousand (2022: EUR 52 thousand), as salary increases were broadly offset by lower bonus payments and currency effects.
4 The increase largely reflected salary increases against the backdrop of the high level of global inflation, measures implemented in fiscal year 2021 in connection with COVID-19 to reduce working hours and personnel costs, as well as currency effects.

(Annual change in %)	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019
Former members of the Managing Board					
Dr. Heiko Schäfer (from 03/2020 until 05/2022)	(20)	(49)	(15)	59	–
Ingo Wilts (from 08/2016 until 02/2022)	(29)	(13)	16	36	1
Mark Langer (Chairman from 05/2016 until 07/2020, Ordinary member from 01/2010 until 05/2016)	–	(12)	(12)	24	(46)
Bernd Hake (from 03/2016 until 07/2019)	–	–	–	–	(48)
Christoph Auhagen (from 12/2009 until 04/2016)	–	–	–	–	–
Claus-Dietrich Lahrs (Chairman from 08/2008 until 02/2016)	–	–	–	–	–
Compensation of the Supervisory Board					
Members of the Supervisory Board as of December 31, 2023					
Hermann Waldemer (since 05/2015; Chairman since 05/2020)	0	0	0	57	47
Sinan Piskin (since 11/2008; Deputy Chairman since 05/2020)	0	0	0	62	37
Iris Epple-Righi (since 05/2020)	0	0	0	99	–
Andreas Flach (since 05/2023)	55	–	–	–	–
Katharina Herzog (since 05/2020)	0	0	0	99	–
Daniela Liburdi (since 05/2023)	55	–	–	–	–
Gaetano Marzotto (since 02/2010)	0	0	0	80	81
Luca Marzotto (since 02/2010)	0	0	0	45	(7)
Tanja Silvana Nitschke (since 05/2015)	0	0	0	68	64
Christina Rosenberg (since 05/2020)	0	0	0	106	–
Bernd Simbeck (since 09/2021)	0	0	198	–	–
Robin J. Stalker (since 05/2020)	0	0	0	96	–
Former members of the Supervisory Board					
Antonio Simina (until 08/2021, Deputy Chairman until 05/2020)	–	–	–	(16)	(44)
Anita Kessel (until 05/2023)	–	(65)	0	49	(8)
Kirsten Kistermann-Christophe (until 05/2020)	–	–	–	–	(75)
Fridolin Klumpp (until 05/2020)	–	–	–	–	(75)
Michel Perraudin (Chairman until 05/2020)	–	–	–	–	(72)
Axel Salzmann (until 05/2020)	–	–	–	–	(75)
Martin Sambeth (until 05/2023)	–	(65)	0	73	59

CEO Investment Opportunity

While the resolution to approve the compensation system for the members of the Managing Board was passed by a large majority at the 2021 Annual General Meeting (approval rate: 93.83%), the 2023 Compensation Report of HUGO BOSS was resolved with a lower majority of 68.78% at the 2024 Annual General Meeting. The Supervisory Board and Managing Board primarily attribute this outcome to possible concerns regarding the CEO Investment Opportunity, an **agreement established between Daniel Grieder and the Marzotto family** prior to his appointment as Chief Executive Officer at HUGO BOSS in June 2021. At the same time, the voting result is not seen as a fundamental criticism of the key elements of the compensation system or the structure of the compensation report itself.

With the aim of taking the voting result into account, **addressing the feedback gathered from capital market participants and further enhancing the level of transparency**, HUGO BOSS has expanded its disclosures on the CEO Investment Opportunity already in the 2023 Compensation Report. These additional details, as outlined below, aim to both acknowledge the concerns raised and provide a clearer understanding of the agreement. In doing so, the Supervisory Board seeks to ensure **full transparency regarding the CEO Investment Opportunity** and to reaffirm its view that the agreement does not create a conflict of interest with other shareholders of HUGO BOSS and instead is fully aligned with shareholder interests.

Third-party agreement and thus not part of the compensation system

Prior to Daniel Grieder assuming his duties, the CEO Investment Opportunity was agreed between Daniel Grieder and the Marzotto family, which aims to provide an additional incentive for a substantial and sustainable increase in the share price of HUGO BOSS. As such, the CEO Investment Opportunity represents a **third-party agreement** between Daniel Grieder and the Marzotto family and is thus explicitly **not part of the compensation system** in accordance with Sec. 87a AktG. Therefore, it is also not to be included in the maximum compensation of Daniel Grieder.

No conflicts of interest existing

The Supervisory Board discussed the CEO Investment Opportunity at a plenary meeting on June 16, 2020, and noted it with approval. In the opinion of the Supervisory Board, there are **no conflicts of interest**, particularly in regard to any other shareholder of HUGO BOSS, arising from the CEO Investment Opportunity as it is directly tied to the long-term share price performance of HUGO BOSS. Ultimately, all shareholders in HUGO BOSS benefit from a sustainable increase in the share price.

Sustainable increase in share price required

The CEO Investment Opportunity was implemented by setting up an **investment vehicle** titled ZPG HOLDING S.àr.l. ("ZPG"). ZPG bought 625,000 HUGO BOSS shares in mid-2021 for an average share price of EUR 46.40 and will hold these shares until the occurrence of a so-called **liquidity event**. In this context, Daniel Grieder invested a total amount of EUR 1.5 million in ordinary shares in ZPG, with the rest of the investment provided by PFC S.r.l. and Zignago Holding S.P.A., each controlled by the Marzotto family, and a third-party bank financing. PFC S.r.l. and Zignago Holding S.P.A. hold the remainder of ordinary shares and certain preference shares, with limited economic rights ranking senior to the ordinary shares. Liquidity events are the exercise of a call option by ZPG, the exercise of a put option by Daniel Grieder, or ZPG selling the HUGO BOSS shares to a third party.

The **call option** may be exercised by ZPG either in the event that Daniel Grieder leaves HUGO BOSS or in a period of 120 days following the ordinary expiration of his employment contract with HUGO BOSS. If the call option is exercised based on a reason for which Daniel Grieder is responsible (e.g., termination by Daniel Grieder not based on good cause), he will receive the lower of either the fair market value of his ZPG shares or the amount of his initial investment. If the call option is exercised without Daniel Grieder having given cause for it (e.g., termination by HUGO BOSS not based on good cause), he will receive the fair market value of his ZPG shares.

The **put option** may be exercised by Daniel Grieder once the average HUGO BOSS share price during a period of 120 days exceeds specific thresholds. The minimum share price required for exercising the put option is EUR 75.10, representing an increase of 62% compared to the average purchase price of HUGO BOSS shares (EUR 46.40) and a 68% increase compared to the share price of HUGO BOSS as of December 31, 2024. The consideration, both in the event of exercising the put option or in case ZPG sells its HUGO BOSS shares to a third party, is the fair market value of the ZPG shares held by Daniel Grieder.

The **fair market value** of the ZPG shares held by Daniel Grieder is linked to the difference between the average purchase price of HUGO BOSS shares (EUR 46.40) and the average share price of HUGO BOSS shares during the 120 days prior to the liquidity event. If the average share price of HUGO BOSS during the 120 days prior to the liquidity event ranges between EUR 46.40 and EUR 75.00, Daniel Grieder will receive back the contributed amount of EUR 1.5 million. If the average share price during the 120 days prior to the liquidity event is less than EUR 46.40, the amount will be correspondingly lower depending on the average share price. By contrast, if the average share price during the 120 days prior to the liquidity event is EUR 75.10 or higher, the fair market value of the ZPG shares held by Daniel Grieder increases depending on the share price performance of HUGO BOSS. For example, an average share price of EUR 75.10 would result in a fair market value of EUR 7.1 million, an average share price of EUR 100.00 in a fair market value of EUR 14.8 million, and an average share price of EUR 126.00 in a fair market value of EUR 23.6 million.

Liquidity event not occurred as of December 31, 2024

Against the backdrop of the challenging and volatile trading environment for consumer discretionary stocks in 2024, the share price of HUGO BOSS fluctuated between EUR 32.07 and EUR 66.62 throughout the fiscal year. As of December 31, 2024, the share price of HUGO BOSS was EUR 44.78 and thus well below the minimum threshold of EUR 75.10 required to exercise the put option. Consequently, as of the end of fiscal year 2024, there were **no conditions in place that could have caused a potential liquidity event**. Also, since the CEO investment opportunity was established, the average share price of HUGO BOSS has never reached the minimum threshold of EUR 75.10 over a consecutive 120-day period, thereby preventing the exercise of the put option.

This underscores the **ambitious nature of the CEO Investment Opportunity**, as it requires a successful long-term business development, ultimately driving a sustainable increase in the share price. In the view of the Supervisory Board, even once the minimum share price is reached, the CEO Investment Opportunity offers a strong incentive not to exercise the put option immediately, as its fair value is expected to increase further in line with potential share price appreciation. > Our Share

In summary, the Supervisory Board of HUGO BOSS is convinced that the **CEO Investment Opportunity aligns with the interests of all shareholders**. By providing an additional incentive for the consistent, successful, and sustainable execution of the Company's Group strategy, it supports long-term business success for HUGO BOSS, significant share price appreciation, and enhanced shareholder value.

Metzingen, March 12, 2025

HUGO BOSS AG
The Managing Board The Supervisory Board

LEGAL DISCLOSURES

Legal disclosures form part of the combined management report

Corporate governance statement published on the corporate website

Several shares in the Company's capital exceed 10% of voting rights

Corporate governance statement

The **corporate governance statement** (pursuant to Sec. 289f and Sec. 315d HGB) forms part of the combined management report and can be found on the corporate website at **cgs.hugoboss.com**. It is also included in the section "Corporate Governance and Corporate Governance Statement" of this Annual Report.

Disclosures under takeover law

The **disclosures under takeover law** pursuant to Sec. 289a and Sec. 315a HGB, which are part of the audited combined management report, are presented and explained below. As far as the Managing Board is aware, there is no further need for any declarations under Sec. 176 (1) sentence 1 AktG.

Composition of subscribed capital

The subscribed capital of HUGO BOSS AG consists of 70,400,000 no-par value registered ordinary shares with a pro-rata amount of the share capital of EUR 1.00 per ordinary share. The shares are fully paid up. All the shares have the same rights and obligations attached to them. Shareholder rights and obligations derive from the provisions of AktG, in particular those in Sec. 12, 53a ff., 118 ff., and 186 AktG.

Restrictions on voting rights or the transfer of shares

Each share confers one vote at the Annual General Meeting and determines the shareholders' proportion of the Company's profits. This does not include own shares held by the Company, from which the Company derives no rights. In the cases in Sec. 136 AktG, the voting right under the affected shares is excluded by law.

Shares in the Company's capital exceeding 10% of the voting rights

On the basis of the voting rights notifications received by the Company on or before December 31, 2024 in accordance with Sec. 33, 34 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act], the following direct or indirect shares in the Company's capital reach or exceed 10% of the voting rights:

According to the voting rights notifications of February 13, 2020 received from PFC S.r.l., Vicenza, Italy, and Zignago Holding S.p.A., Fossalta di Portogruaro, Italy, these companies together hold 15.45% of the voting rights. According to the notification, there is an agreement between the companies resulting in the voting rights held by the companies being attributed to the respective other company. Specifically, PFC S.r.l. directly holds 5.77% of the voting rights in accordance with Sec. 33 WpHG, while Zignago Holding S.p.A directly holds 9.03% of the voting rights in accordance with Sec. 33 WpHG. In addition, PFC S.r.l. holds 0.27% of the voting rights, and Zignago Holding S.p.A. holds 0.38% of the voting rights via instruments pursuant to Sec. 38 (1) No. 2 WpHG. In total, the combined investment thus exceeds 15% of the voting rights.

According to the voting rights notification of December 23, 2024, 19.25% of the voting rights pursuant to Sec. 34 WpHG were allocated to the shareholder Frasers Group plc., with Michael Ashley being subject to the notification obligation. In addition, he held a further 8.95% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG at that time (December 31, 2023: 0.99% of the voting rights pursuant to Sec. 34 WpHG and a further 7.08% of the voting rights pursuant to Sec. 38 (1) No. 2 WpHG).

According to the voting rights notifications of December 12, 2024, received from SIH Partners, LLLP, Wilmington, Delaware, United States of America (USA), the company holds 2.17% of the voting rights pursuant to Sec. 34 WpHG. In addition, a further 14.67% of the voting rights through instruments pursuant to Sec. 38 (1) No. 1 WpHG and 0.86% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG were held at that time. (December 31, 2023: no notification of any direct or indirect capital investments.)

As of December 31, 2024, HUGO BOSS AG has not been notified of any other direct or indirect capital investments that reach or exceed 10% of the voting rights.

All **notifications on changes in the share of voting rights held** are available on the corporate website at financialreleases.hugoboss.com. In addition, the reportable shareholdings notified in fiscal year 2024 can be found in the annual financial statements of HUGO BOSS AG for fiscal year 2024.

Shares with special rights granting control authority

There are no shares with special rights granting control authority.

Voting right controls for shares held by employees in the Company's capital

There are no voting right controls applicable to employees who hold shares in the capital of HUGO BOSS AG and are unable to directly exercise their control rights.

Appointment and dismissal of the Managing Board

The **appointment and dismissal of members of the Managing Board** of HUGO BOSS AG is in accordance with Sec. 84 and Sec. 85 AktG and Sec. 31 MitbestG ["Mitbestimmungsgesetz": German Co-Determination Act] in conjunction with Art. 6 of the Articles of Association. In accordance with Art. 6 (1) of the Articles of Association, the Managing Board comprises at least two members. The number of members of the Managing Board is determined by the Supervisory Board pursuant to Art. 6 (2) of the Articles of Association. The Supervisory Board can appoint a Chairman and a Deputy Chairman of the Managing Board. The Supervisory Board can revoke a person's appointment to the Managing Board and appointment to the position of Chairman of the Managing Board for due cause. In accordance with Art. 6 (3) of the Articles of Association, members of the Managing Board may not, as a rule, be older than 60 years of age when they are appointed. They are appointed by the Supervisory Board for no more than five years.

Amendments to the Articles of Association

Amendments to the Articles of Association are made by resolutions passed at the Annual General Meeting. Unless prescribed otherwise by the German Stock Corporation Act, resolutions are passed pursuant to Art. 17 (2) of the Articles of Association by simple majority of the votes cast and – if a majority of the capital represented when passing a resolution is required – by simple majority of the share capital represented when the resolution is passed. Pursuant to Art. 20 of the Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that only affect the wording.

Powers of the Managing Board with respect to the issue and repurchase of shares

By resolution of the Annual General Meeting of May 11, 2021, the Managing Board of HUGO BOSS AG may, with the Supervisory Board's consent, increase the share capital by up to EUR 17,600,000 until May 10, 2026, by issuing up to 17,600,000 new registered shares on a cash and/or non-cash basis once or repeatedly **(2021 authorized capital)**. In general, shareholders have a subscription right. However, the Managing Board is authorized, subject to the approval of the Supervisory Board, to exclude the subscription rights of shareholders up to a maximum of 10% of the share capital (a) to avoid fractional amounts, (b) in the case of a capital increase in exchange for contributions in kind, and (c) in the event that the issue price of new shares in the case of cash-based capital increases is not significantly below the quoted price of the shares already listed on the stock exchange at the time the issue price is finally determined, the time of which should be as close as possible to the time at which the shares are placed; the shares issued, including any shares issued or own shares sold under exclusion of subscription rights pursuant to Sec. 186 (3) Clause 4 AktG – applied directly or by analogy – may not exceed 10% of the share capital either at the time this authorization becomes effective or at the time when it is exercised.

By resolution of the Annual General Meeting of May 11, 2021, the Managing Board was authorized until May 10, 2026, with the consent of the Supervisory Board, to issue convertible bonds and/or bonds with warrants, profit participation rights, and/or income bonds (or combinations of these instruments) in registered form or made out to the bearer, with or without a maturity, once or several times, including in different tranches simultaneously, in the total nominal amount of up to EUR 750,000,000. In this context, the share capital was conditionally increased by up to EUR 17,600,000 through the issue of up to 17,600,000 new no-par-value registered shares **(2021 conditional capital)**. The conditional capital increase shall only be implemented to the extent that the holders or creditors of conversion/warrant rights arising from the bonds can make use of the bonds, satisfy conversion/warrant obligations, or offer shares, and no other means of satisfying such rights or obligations are implemented. In general, shareholders have a subscription right. However, the Managing Board is authorized, subject to the approval of the Supervisory Board, to exclude the subscription right of shareholders up to a maximum of 10% of the share capital (a) in the case of bonds issued in return for cash consideration and whose issue price is not substantially lower than the theoretical market value of the bonds calculated in accordance with generally accepted methods used in financial mathematics, (b) to avoid fractional amounts, (c) if necessary, to grant the holders or creditors of bonds a subscription right to bonds, as they would be granted as a shareholder, (d) in the case of bonds issued against non-cash contribution; the shares issued, including any shares issued or own shares sold under exclusion of subscription rights pursuant to Sec. 186 (3) sentence 4 AktG – applied directly or by analogy – may not exceed a total of 10% of the share capital at the time this authorization becomes effective or at the time when it is exercised. In addition, the Managing Board is authorized, subject to the consent of the Supervisory Board, to exclude the subscription rights if income bonds and/or profit participation rights are issued without warrant or conversion rights, or warrant or conversion obligations, if these income bonds and/or profit participation rights have a bond-like character.

Pursuant to the resolution of the Annual General Meeting of May 27, 2020, the Managing Board is authorized until May 26, 2025, to **acquire own shares** of the Company up to a total share of no more than 10% of the share capital outstanding as of May 27, 2020, or, if this value is lower, the share capital outstanding at the time the authorization is exercised. The authorization can be exercised directly by HUGO BOSS AG, by a company dependent on HUGO BOSS AG or in which it holds a majority interest, or by commissioned third parties and permits the acquisition of own shares fully or in partial amounts, once or several times. The acquisition can be made through the stock exchange or a public offer addressed to all shareholders to submit sale offers or through the granting of put options to the shareholders. The authorization also allows for a restriction of the principle of equal treatment of all shareholders and any rights of the shareholders to sell shares to the Company in connection with the acquisition of the shares.

Own shares acquired under this authorization can be sold again through the stock exchange or through an offer addressed to all shareholders (also while excluding subscription rights of shareholders). With the consent of the Supervisory Board, they can also be redeemed as compensation, precluding the subscription rights of the shareholders, for the acquisition of companies and investments in companies, for sale at a price that is not significantly lower than the current quoted price, and for the admission of the share to foreign stock exchanges. In addition, the Managing Board is authorized, with the consent of the Supervisory Board, precluding the subscription rights of the shareholders, to offer own shares to current or former employees or members of executive bodies of HUGO BOSS AG or affiliated companies, as well as to use the shares for the fulfillment of conversion and warrant rights or conversion obligations of HUGO BOSS AG or its affiliated companies, and to use the shares to carry out a stock dividend. In addition, in the case of an offer to all shareholders to purchase own shares, the subscription right for fractional shares may be excluded. By resolution of the Annual General Meeting of May 27, 2020, the Managing Board is further authorized to acquire own shares using equity derivatives.

Change of control regulations

The syndicated loan taken out by HUGO BOSS AG and HUGO BOSS International B.V. and guaranteed by HUGO BOSS AG as well as the bilateral lines of credit contain standard market conditions that grant the contracting parties additional termination rights in the event of a change of control – known as "change of control clauses."

Compensation agreements

The service agreements of the current members of the Managing Board do not contain a provision under which, in the event of a change of control (acquisition of more than 30% of the voting rights in HUGO BOSS AG), the contracting parties are granted an additional termination right under certain circumstances and, if the service agreement is in fact terminated, the member of the Managing Board must be compensated.
> Compensation Report

CHAPTER 4 CONSOLIDATED FINANCIAL STATEMENTS

4

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to December 31, 2024

CONSOLIDATED INCOME STATEMENT (IN EUR THOUSAND)

	Notes	2024	2023
Sales	(1)	**4,307,349**	**4,197,459**
Cost of sales	(1)	(1,647,508)	(1,616,606)
Gross profit		**2,659,841**	**2,580,852**
In % of sales		61.8	61.5
Selling and marketing expenses	(2)	(1,868,152)	(1,744,938)
Administration expenses	(3)	(430,868)	(425,577)
Operating result (EBIT)		**360,821**	**410,337**
Net interest income/expenses		**(54,978)**	**(44,861)**
Interest and similar income		1,253	978
Interest and similar expenses		(56,231)	(45,839)
Other financial items		**(4,341)**	**(8,587)**
Financial result	(4)	**(59,319)**	**(53,448)**
Earnings before taxes		**301,503**	**356,889**
Income taxes	(5)	(77,909)	(87,099)
Net income		**223,594**	**269,790**
Attributable to:			
Equity holders of the parent company		213,468	258,371
Non-controlling interests		10,126	11,419
Earnings per share (EUR)[1]	(6)	**3.09**	**3.74**
Dividend per share (EUR)[2]	(16)	**1.40**	**1.35**

1 Basic and diluted earnings per share.
2 2024: Dividend proposal.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to December 31, 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN EUR THOUSAND)

	2024	2023
Net income	**223,594**	**269,790**
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(2,352)	(10,772)
Items that may be reclassified subsequently to profit or loss		
Currency differences	15,955	(5,492)
Gains/losses from cash flow hedges	0	(293)
Other comprehensive income, net of tax	**13,603**	**(16,557)**
Total comprehensive income	**237,197**	**253,233**
Attributable to:		
Equity holders of the parent company	225,951	242,533
Non-controlling interests	11,246	10,700
Total comprehensive income	**237,197**	**253,233**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN EUR THOUSAND)

Assets	Notes	**2024**	2023
Property, plant, and equipment	(8)	667,127	603,533
Intangible assets	(8)	230,243	195,770
Right-of-use assets	(9)	877,209	722,101
Deferred tax assets	(5)	123,856	130,496
Non-current financial assets	(11), (22)	30,801	26,637
Other non-current assets	(11)	606	2,057
Non-current assets		**1,929,841**	**1,680,594**
Inventories	(12)	1,071,561	1,066,044
Trade receivables	(13)	361,906	375,620
Current tax receivables	(5)	23,452	23,148
Current financial assets	(11), (22)	49,341	54,132
Other current assets	(11)	135,698	126,867
Cash and cash equivalents	(14)	210,622	118,327
Assets held for sale		0	26,936
Current assets		**1,852,580**	**1,791,073**
Total		**3,782,421**	**3,471,667**

Equity and liabilities			
Subscribed capital	(15)	70,400	70,400
Own shares	(15)	(42,363)	(42,363)
Other capital reserve		6,677	4,107
Retained earnings		1,320,218	1,200,765
Accumulated other comprehensive income		72,039	59,753
Equity attributable to equity holders of the parent company		**1,426,972**	**1,292,663**
Non-controlling interests		23,139	18,114
Group equity		**1,450,111**	**1,310,777**
Non-current provisions	(17), (18), (19)	99,845	108,801
Non-current financial liabilities	(20), (22)	276,408	316,428
Non-current lease liabilities	(9)	730,961	624,234
Deferred tax liabilities	(5)	18,450	18,969
Other non-current liabilities	(21)	2,516	2,313
Non-current liabilities		**1,128,179**	**1,070,746**
Current provisions	(17)	68,430	92,448
Current financial liabilities	(20), (22)	20,410	23,721
Current lease liabilities	(9)	228,221	169,010
Income tax payables	(5)	7,740	7,214
Trade and other payables		642,740	571,822
Other current liabilities	(21)	236,590	206,569
Liabilities held for sale		0	19,360
Current liabilities		**1,204,131**	**1,090,144**
Total		**3,782,421**	**3,471,667**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to December 31, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN EUR THOUSAND)

				Retained earnings		Accumulated other comprehensive income		Group equity		
	Subscribed capital	Own shares	Other capital reserves	Legal reserves	Other reserves	Currency translation	Gains/losses from cash flow hedges	Total before non-controlling interests	Non-controlling interests	Group equity
Notes	(15)	(15)								
January 1, 2023	**70,400**	**(42,363)**	**1,582**	**6,641**	**1,015,501**	**64,527**	**293**	**1,116,581**	**18,852**	**1,135,433**
Net income					258,371			258,371	11,419	269,790
Other income					(10,772)	(4,773)	(293)	(15,838)	(719)	(16,557)
Comprehensive income					**247,599**	**(4,773)**	**(293)**	**242,533**	**10,700**	**253,233**
Dividend payment					(69,016)			(69,016)	(11,444)	(80,460)
Share-based payments			2,526					2,526		2,526
Changes in basis of consolidation					40			40	5	45
December 31, 2023	**70,400**	**(42,363)**	**4,107**	**6,641**	**1,194,123**	**59,754**	**0**	**1,292,663**	**18,114**	**1,310,777**
January 1, 2024	**70,400**	**(42,363)**	**4,107**	**6,641**	**1,194,123**	**59,754**	**0**	**1,292,663**	**18,114**	**1,310,777**
Net income					213,468			213,468	10,126	223,594
Other income					(2,352)	14,835		12,483	1,120	13,603
Comprehensive income					**211,117**	**14,835**		**225,951**	**11,246**	**237,197**
Dividend payment					(93,172)			(93,172)	(6,210)	(99,382)
Share-based payments			2,569					2,569		2,569
Changes in basis of consolidation					1,509	(2,549)		(1,040)	(11)	(1,051)
December 31, 2024	**70,400**	**(42,363)**	**6,677**	**6,641**	**1,313,577**	**72,039**	**0**	**1,426,972**	**23,139**	**1,450,111**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to December 31, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS (IN EUR THOUSAND)

	Notes	2024	2023
	(23)		
Net income		223,594	269,790
Depreciation/amortization	(8)	414,206	341,697
Gain/loss on the monetary positions under IAS 29		(3,812)	1,129
Unrealized net foreign exchange gain/loss		(5,779)	13,132
Other non-cash transactions		1,633	3,701
Income tax expense/income	(5)	77,909	87,099
Interest expenses/income	(4)	54,978	44,861
Change in inventories		(4,162)	(99,592)
Change in receivables and other assets		10,914	(123,472)
Change in trade payables and other liabilities		112,684	(50,964)
Result from disposal of non-current assets		12,072	5,223
Change in provisions for pensions	(19)	(334)	(9,770)
Change in other provisions		(34,881)	(18,429)
Income taxes paid		(73,509)	(70,762)
Cash flow from operating activities		**785,511**	**393,643**
Investments in property, plant, and equipment	(8)	(227,013)	(247,385)
Investments in intangible assets	(8)	(58,606)	(50,123)
Equity investments		(1,481)	0
Disposal of subsidiaries, net of cash disposed of		(1,142)	0
Impact from sales of property, plant, and equipment and intangible assets		(1,571)	(1,610)
Interest received		1,213	1,479
Cash flow from investing activities		**(288,601)**	**(297,638)**
Dividends paid to equity holders of the parent company	(16)	(93,172)	(69,016)
Dividends paid to non-controlling interests		(6,210)	(11,444)
Proceeds from current financial liabilities	(22)	3,451	2,000
Repayment of current financial liabilities	(22)	(90,085)	(60,554)
Proceeds from non-current financial liabilities	(22)	50,272	279,473
Repayment of lease liabilities		(216,123)	(221,577)
Interest paid		(52,862)	(41,327)
Cash flow from financing activities		**(404,728)**	**(122,445)**
Exchange rate-related changes in cash and cash equivalents		113	(2,636)
Change in cash and cash equivalents		**92,295**	**(29,076)**
Cash and cash equivalents at the beginning of the period		118,327	147,403
Cash and cash equivalents at the end of the period	(14)	**210,622**	**118,327**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024

General information

HUGO BOSS AG is a publicly listed stock corporation with its registered offices in Holy-Allee 3, 72555 Metzingen, Germany. The Company is registered in the commercial register of the Stuttgart local court under HRB 360610.

The purpose of HUGO BOSS AG and its subsidiaries (together "HUGO BOSS" or "the Group") is the development, marketing, and distribution of apparel, shoes, and accessories in the premium segment of the global apparel industry and other lifestyle products.

The consolidated financial statements of HUGO BOSS AG as of December 31, 2024, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and the additional regulations pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code].

The consolidated financial statements and the combined management report of HUGO BOSS AG, Metzingen, were approved by the Managing Board for submission to the Supervisory Board by a decision on March 5, 2025.

Due to rounding and the presentation in EUR thousand, it is possible that the individual figures in the consolidated financial statements do not add up to the stated total.

Financial reporting

The first-time application of the following new standards and amendments to the IFRS accounting standards as issued by the IASB, which are effective for a fiscal year beginning on or after January 1, 2024, do not have any material impact on the amounts or the disclosures of the Group's financial statements and results of operations. This includes:

- Amendment to IAS 1: Classification of Liabilities as Current or Non-current
- Amendment to IAS 1: Non-current Liabilities with Covenants
- Amendment to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendment to IFRS 16: Lease Liability in a Sale and Leaseback

The following new standards, interpretations, and amendments to existing standards and interpretations issued by the International Accounting Standards Board (IASB), partially endorsed by the EU, and that are effective for fiscal years beginning on or after January 1, 2025, have not been applied in preparing these consolidated financial statements. These amendments either do not have a material impact on the presentation of the Group's financial position and results of operations or are currently in the process of being reviewed for their application:

- Amendment to IAS 21: Lack of Exchangeability (IASB effective date: January 1, 2025)
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (IASB effective date: January 1, 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (IASB effective date: January 1, 2026)
- IFRS 18: Presentation and Disclosure in Financial Statements which replaces IAS 1 (IASB effective date: January 1, 2027)
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (IASB effective date: January 1, 2027)

Consolidation principles

The basis of consolidation comprises HUGO BOSS AG and all subsidiaries, including structured entities, over which HUGO BOSS AG can exercise direct or indirect control. HUGO BOSS AG is deemed to exercise control if, as the parent company, it has power over the subsidiary on account of voting or other rights, is exposed to variable returns from its involvement in the subsidiary, and is able to use its power over the subsidiary to affect the amount of these returns. The subsidiary is deconsolidated as soon as the parent company relinquishes control over it.

Subsidiaries with an immaterial impact on the Group's net assets, financial position, and results of operations are not included in the consolidated financial statements. The impact is considered immaterial if the aggregated sales, earnings, and total assets make up less than 1% of the corresponding Group figures. This is reassessed at each reporting date. Non-consolidated subsidiaries are measured at fair value or, if this cannot be determined reliably, at cost, and reported under other non-current financial assets.

Structured entities that are controlled by the parent company are also consolidated. These are entities that have been structured in such way that they are controlled by the parent company regardless of who holds the voting or comparable rights. This is the case, for example, if the exercise of voting rights is confined to administrative tasks and the material activities are governed by contracts.

Joint ventures are consolidated using the equity method. Joint control is the contractually agreed sharing of control of an arrangement. It exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity-settled transactions.

Basis of consolidation

During the reporting period from January 1 to December 31, 2024, the number of consolidated companies decreased by 4 to 61, compared to December 31, 2023.

In fiscal year 2024, HUGO BOSS merged HUGO BOSS International Markets AG into HUGO BOSS Ticino S.A. and HUGO BOSS Trade Mark Management Verwaltungs-GmbH into HUGO BOSS Nationale Beteiligungsgesellschaft mbH. In addition, HUGO BOSS Dienstleistung GmbH, previously inactive, was renamed to Eightyards GmbH and deconsolidated due to immateriality. The company is now dedicated to the recycling of the Group's surplus materials and will commence business operations in the first quarter of 2025.

In the third quarter of 2024, HUGO BOSS completed the sale of its subsidiary HUGO BOSS Rus LLC. Accordingly, the Company derecognized the related assets and liabilities held for sale under the EMEA segment and deconsolidated HUGO BOSS Rus LLC as of August 1, 2024. The loss on the sale of investment is recognized under administration expenses in the consolidated income statement.

HUGO BOSS AG increased its shares and ownership in YOURDATA HB DIGITAL CAMPUS, Unipessoal Lda. based in Porto, Portugal to 45% in fiscal year 2024. HUGO BOSS AG has a contractual right to acquire the remaining shares of the company over a period up until July 2028 at a price based on the achievement of relevant KPIs. As of December 31, 2024, the fair value of this call option is assessed to be nil, with no related financial liabilities. Since fiscal year 2023, YOURDATA HB DIGITAL CAMPUS, Unipessoal Lda. was included in the consolidated financial statements, as HUGO BOSS AG has the decisive voting rights in the company.

Business combinations

When a company obtains control of one or more businesses, this constitutes a business combination within the meaning of IFRS 3. All business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed (including contingent liabilities) in a business combination are measured at their acquisition-date fair values. Non-controlling interests are measured at their proportionate share in the fair value of the identifiable assets and liabilities. Acquisition-related costs are recognized in profit or loss as incurred.

Goodwill

Goodwill resulting from a business combination is the excess between the consideration transferred and the fair value of the non-controlling interest in the assets acquired and the liabilities assumed. If the consideration is lower than the fair value of the net assets of the acquiree, the difference is reassessed and then recognized in profit or loss.

After initial recognition, goodwill is carried at cost in the functional currency of the foreign acquiree less any accumulated impairment losses. Any goodwill recognized is tested for impairment annually and whenever there is an indication that the assets might be impaired.

Intercompany transactions

The effects of intercompany transactions are eliminated. Receivables and liabilities between the consolidated companies are offset against each other. Intercompany gains and losses pertaining to intangible assets, property, plant, and equipment, and inventories are eliminated. Intercompany income is offset against the corresponding intercompany expenses. Deferred taxes are recognized on temporary differences arising on consolidation in accordance with IAS 12.

Determination of the functional currency

The Group's reporting currency, the euro, is the functional currency of the parent company, HUGO BOSS AG. The functional currency of the subsidiaries included in the consolidated financial statements is typically the corresponding local currency. For subsidiaries that conduct a significant portion of their sales and sourcing activities and their financing in a currency other than the corresponding local currency, the functional currency is the currency of the primary business environment. Accordingly, the euro is the functional currency of HUGO BOSS Textile Industry Ltd., Turkey, as the company conducts most of its business in euros.

Foreign currency transactions and balances

In the separate financial statements, transactions in foreign currency are translated at the exchange rates valid at the dates of the transactions. Monetary items (cash and cash equivalents, receivables, and payables) denominated in foreign currencies are translated into the functional currency at closing rates. The resulting exchange rate gains and losses are recognized through profit and loss in other financial items.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the rate prevailing at the time the fair value was determined. Non-monetary items measured at historical acquisition cost are translated at the rate of the transaction date.

Hyperinflation

Turkey is classified as a hyperinflationary economy and therefore IAS 29 "Financial Reporting in Hyperinflationary Economies" applies to the Group's sales subsidiary in Turkey. Accordingly, the financial statements of HUGO BOSS Magazacilik Ltd. Sti., Izmir, Turkey, which has the Turkish lira as its functional currency, have been restated for the changes in general purchasing power retrospectively since January 1, 2022. The financial statements are based on a historical cost approach. All prior-year amounts have been translated into the Group currency (euro) at the closing rate as of December 31, 2021. Pursuant to IAS 21 "The Effects of Changes in Foreign Exchange Rates", comparative amounts of the previous reporting period have not been restated.

Additionally, in order to reflect the changes in general purchasing power at the balance sheet date, the carrying amounts of non-monetary assets and liabilities, shareholders' equity, and comprehensive income at subsidiaries in hyperinflationary economies are restated in terms of a measuring unit applicable at the balance sheet date. These are indexed using a general price index in accordance with IAS 29. However, no restatement is required for non-monetary assets and liabilities, as well as for monetary items, carried at amounts current at the end of the balance sheet date, such as net realizable value or fair value, as they represent money held, to be received, or to be paid. All items in the statement of profit and loss have to be expressed in terms of the measuring unit applicable at the balance sheet date.

Non-monetary assets that have been restated following IAS 29 are still subject to an impairment assessment in accordance with relevant IFRS standards.

For translation into the Group currency (euro), all amounts were translated at the closing rate as of December 31, 2024. The application of IAS 29 resulted in a gain on the net monetary position of EUR 3,812 thousand (2023: loss of EUR 1,129 thousand) in the Group's financial position and result of operations for fiscal year 2024.

The table below details the specific inputs used to apply IAS 29 for fiscal year 2024:

Input parameters	Turkey
Date of IAS 29 initial application	January 1, 2022
Consumer Price Index	Tüketici fiyat endeks rakamları
Index at December 31, 2024	2,684.55
Index at December 31, 2023	1,859.38
Adjustment factor	1.4438

Furthermore, IAS 29 is not applicable for HUGO BOSS Textile Industry Ltd. in Turkey, comprising the Group's production facility in Izmir, as its functional currency is the euro.

Translation of the separate financial statements

The financial statements of the foreign Group companies whose functional currency is not the euro are translated into the Group reporting currency, the euro. Items are translated using the modified closing rate in accordance with IAS 21, under which assets, including goodwill, and liabilities are translated at closing rates, and income statement items are translated at the average monthly exchange rates for the reporting period. Differences from currency translation of income statements at average rates and statements of financial position at closing rates are reported without effect on profit or loss in other comprehensive income. The currency difference resulting from the translation of equity at historical rates is likewise posted to other comprehensive income. Currency differences recognized in other comprehensive income are reclassified to the income statement if the corresponding Group company is sold.

The most important exchange rates applied in the consolidated financial statements developed in relation to the euro as follows:

	Currency	Average rate		Closing rate	
	1 EUR =	2024	2023	2024	2023
Canada	CAD	1.4919	1.4662	1.4948	1.4642
China	CNY	7.6307	7.7934	7.5833	7.8509
Mexico	MXN	21.2140	18.7799	21.5504	18.7231
Switzerland	CHF	0.9337	0.9445	0.9412	0.9260
Turkey	TRY	36.5735	31.7068	36.7362	32.5739
UAE	AED	3.8495	4.0075	3.8016	4.0603
United Kingdom	GBP	0.8287	0.8620	0.8292	0.8691
U.S.	USD	1.0482	1.0917	1.0389	1.1050

Accounting policies

The financial statements of HUGO BOSS AG and its German and foreign subsidiaries are prepared pursuant to uniform accounting policies in accordance with IFRS 10.

Recognition of income and expenses

Income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured. Income is measured at the fair value of the consideration received. Income is reported after deductions including discounts and other price deductions and net of VAT. The specific recognition criteria described below must also be met before income is recognized.

Sale of merchandise and goods

Income is recognized in accordance with IFRS 15. HUGO BOSS recognizes income from the sale of goods when the control of the goods is transferred to the buyer. In the wholesale channel, this is the case as soon as delivery to the wholesale partner has been executed and all obligations affecting the acceptance of the goods by the wholesale partner have been settled. In the Group's brick-and-mortar retail business, the control passes to the customer upon payment for the goods. Sales are recognized when transactions with customers are completed. Sales via the Group's own online channel are recognized upon delivery of the goods to the customer. The date of delivery is deemed to be the date on which the control of merchandise and goods sold passes to the customer. The payment terms applied correspond to the payment terms customary in the industry per country.

Customers have the option to exchange goods for similar or other products or to return the goods for credits under certain conditions and in accordance with the contractual agreements. Amounts for expected returns are deferred from sales based on historical experience of return rates and periods through a liability for an obligation of return in accounts payable. The asset for the right of return of goods by the customer is recognized in the amount of respective inventories, less handling costs and potential impairment.

Shop fit contributions to retailers are recognized in the income statement as sales deductions.

License and other income

License and other income are recognized in the period in which they are generated in accordance with the terms of the underlying agreements.

Interest income and expense

Interest is recognized pro rata temporis, taking into account the effective yield on the assets and, if appropriate, on the liabilities.

Functional costs

Operating expenses are essentially allocated to the individual functional areas based on the respective cost centers. Expenses incurred in connection with cross-functional activities or projects are spread among the functional costs concerned using an adequate allocation principle.

Research and development costs

Research costs are recognized as expenses as they incur. Product development costs are likewise expensed as incurred if they do not satisfy the criteria for recognition as internally generated intangible assets. Production-related development costs are generally included in the calculation of the cost of unfinished and finished goods. These essentially comprise the cost of technical product development in the third phase of the collection creation process.

Income taxes

The tax rates and tax laws used to calculate income tax are those that are enacted or substantively enacted on the reporting date in the countries where the Group operates and generates taxable income.

Receivables and liabilities for current income taxes are recognized to the extent the amount already paid exceeds the amount due, or to the extent not yet paid in respect of current and prior periods.

In accordance with IAS 12, deferred tax assets and deferred tax liabilities are recognized for temporary differences between the tax bases of the separate entities and the carrying amounts in the consolidated financial statements in accordance with IFRS and for certain consolidation adjustments. The Company does not calculate deferred taxes on the initial recognition of goodwill as it is not permissible.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the consolidated financial statements and in other management reporting. Among other things, the increased costs from CO_2 reduction and circularity efforts are offset with improved efficiency, aligning external and internal developments, as well as utilizing target costing. These measures ensure that both financial and non-financial objectives are met.

Deferred tax assets also include tax credits that result from the expected utilization of existing unused tax losses in subsequent years and the realization of which can be assumed with sufficient probability. Deferred tax assets and deferred tax liabilities are presented on a net basis to the extent that the deferred tax assets and deferred tax liabilities relate to the same taxable entity including an enforceable right to offset corresponding taxes. Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply when the temporary differences reverse.

Income taxes are recorded in the income statement with the exception of those relating to items recognized directly in equity.

Property, plant, and equipment

Property, plant, and equipment that are used in business operations for longer than one year are measured at cost less accumulated depreciation. The cost of conversion includes all costs directly allocable to the production process as well as an appropriate portion of production-related overheads. The underlying useful lives correspond to the expected useful lives within the Group. Property, plant, and equipment are generally depreciated using the straight-line method. In line with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance," investment grants received are offset against the acquisition or production costs of the corresponding asset.

Buildings and leasehold improvements on a third-party land are depreciated over the term of the underlying lease agreements or the lower useful lives.

The useful lives and depreciation methods for property, plant, and equipment and intangible assets are reviewed periodically to ensure that the depreciation method and period are consistent with the expected pattern of economic benefits from the respective assets.

Intangible assets

Intangible assets are recognized if it is probable that a future economic benefit from the use of the asset will flow to the Company and the cost of the asset can be reliably measured. Acquired intangible assets are measured at acquisition cost, and internally generated intangible assets are measured at conversion cost.

If the capitalization requirements of IAS 38 "Intangible Assets" are met cumulatively, expenses incurred during the development phase for internally generated intangible assets are capitalized at the time they arise. In subsequent periods, internally generated intangible assets and acquired intangible assets are measured at acquisition or conversion cost less accumulated amortization and impairment losses.

Intangible assets with a finite useful life are systematically amortized using the straight-line method over their useful life. Intangible assets with an infinite useful life are tested for impairment once a year. If the carrying amount of the asset is no longer recoverable, an impairment loss is recognized.

Intangible assets include software, licenses, trademark, and reacquired rights.

Impairment of non-financial assets

At every reporting date, non-financial assets (property, plant, and equipment and right-of-use assets from leases, including intangible assets and goodwill) are reviewed for indications of impairment ("triggering events"). In the event of such indication, the recoverable amount of the asset is estimated. Irrespective of whether there is any indication of impairment, intangible assets with indefinite useful lives and goodwill acquired in a business combination are tested for impairment annually. The recoverable amount is the higher of the fair value of the asset less costs of disposal and value in use. Value in use is the present value of the expected cash flows. Expected cash flows are discounted using the after-tax weighted average cost of capital that reflects the risks specific to the asset. In determining fair value less costs of disposal, external appraisals are taken into account, if available. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the smallest identifiable group of assets that generates largely independent cash inflows to which the asset belongs (cash generating unit, CGU) is determined.

If the carrying amount of the asset or CGU exceeds the corresponding recoverable amount, an impairment loss is immediately recognized through profit or loss. If a CGU is impaired, the carrying amount of any goodwill allocated to the unit is reduced first. Any remaining impairment loss reduces the other non-current assets of the CGU pro rata.

If, following an impairment loss recognized in prior periods, an asset or CGU has a higher recoverable amount, the impairment loss is reversed, but only up to a maximum of the recoverable amount. The reversal is limited to the amortized carrying amount that would have been determined as if no impairment loss had been recognized in the past. The impairment loss is reversed through profit or loss. Reversals of impairment losses recognized on goodwill are not permitted.

Inventories

Raw materials and supplies as well as merchandise are generally measured at moving average cost. Work in progress and finished goods are measured at cost. The cost of conversion of work in progress and finished goods includes direct material, direct labor, proportionate material and production overheads, and production-related amortization and depreciation insofar as this is a consequence of production. Also included are general administrative expenses, product development expenses, expenses for social facilities, expenses for voluntary social benefits and occupational pensions, to the extent that they are related to production and are incurred in the production period. Borrowing costs are expensed as incurred to the extent that the criteria for recognition in the carrying amount of an asset are not met.

Inventories are measured at the lower of cost and estimated selling price in the ordinary course of the business less the estimated cost to make the sale.

Leases

In accordance with IFRS 16, a leasing relationship exists if the lessor has contractually transferred the right to use an identified asset for a defined period in return for consideration by the lessee.

Under IFRS 16, the lessee recognizes a lease liability in the amount of the present value of the future lease payments and a corresponding right-of-use asset in the statement of financial position. The lease payments comprise the total of all fixed lease payments less incentive payments for the conclusion of the contract, variable lease payments linked to an index or (interest) rate, and amounts expected to be paid under residual value guarantees. Lease extension options are to be included if their exercise is reasonably certain. Contractually agreed payments for compensation in the event of early termination of the lease by the lessee must also be recognized if it cannot be assumed with reasonable certainty that the lease will be continued. The lease payments are discounted at the interest rate implicit in the lease agreement. If this interest rate cannot be readily determined, an incremental borrowing rate is used, which is adjusted for the country-specific risk and the lease term.

The right-of-use asset to be recognized in parallel is generally capitalized at the value of the lease liability. Lease payments already made and directly attributable costs must also be included. Payments received from the lessor in connection with the lease are to be deducted. Restoration obligations arising from leases must also be taken into account when measuring the right-of-use asset. A provision must be recognized for the obligation. The right-of-use asset is amortized on a straight-line basis over the term of the lease.

The depreciation of the capitalized right-of-use asset is recognized in the income statement in the respective functional areas and the interest expense from the compounding of the recognized lease liability is recognized in the financial result.

Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities, to the extent that they are currently relevant to HUGO BOSS, are classified into the following categories:

FVTPL (Fair value through profit or loss)	Financial assets and liabilities valued at fair value through profit or loss.
AC (Amortized cost)	Financial assets and liabilities valued at amortized cost through the effective-interest method.
FVTOCI (Fair value through other comprehensive income)	Financial assets valued at fair value through other comprehensive income.

Financial assets and financial liabilities are classified into the above categories upon initial recognition, except that no financial liabilities are classified under FVTOCI.

Financial assets

There are three classification categories for financial assets: debt instruments, equity instruments, and derivatives. For debt instruments, they are initially classified under IFRS 9 using a two-stage test, whereby the respective cash flow conditions and the business model for management of financial assets are examined. This test takes place at the financial asset level.

Financial assets are initially recognized at fair value, plus or minus, in the case of a financial asset not at fair value through profit and loss (FVTPL), directly attributable transaction costs relating to the acquisition. All purchases and disposals of financial assets are recognized at their value at the settlement date, the day when the Group is obliged to purchase or sell the asset. The fair values recognized in the statement of financial position are the market prices of the corresponding financial assets. If these are not available, fair value is determined using generally accepted valuation models by reference to current market parameters. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, or discounted cash flow analysis and other valuation models.

Cash and cash equivalents recognized in the statement of financial position comprise cash on hand, bank balances, and other short-term deposits with an original term of less than three months. They are measured at amortized cost.

HUGO BOSS calculates and records a loss allowance according to the expected credit loss model under IFRS 9 for all financial instruments that are not classified as FVTPL, and except for trade receivables. The expected credit loss (ECL) is allocated using three stages:

Stage 1: Expected credit losses within the next twelve months.
It includes all contracts with no significant increase in credit risk since their initial recognition. The portion of the lifetime expected credit losses that represents expected credit losses resulting from default events on a financial instrument that are possible within the next twelve months after the reporting date is recognized.

Stage 2: Expected credit losses over the lifetime – not credit-impaired.
If a financial asset has a significant increase in credit risk since its initial recognition but is not yet credit-impaired, it is moved to stage 2 and measured at the lifetime expected credit loss resulting from all possible default events over the expected life of a financial instrument.

Stage 3: Expected credit losses over the lifetime – credit-impaired.
If a financial asset is defined as credit-impaired or in default, it is transferred to stage 3 and measured at lifetime expected credit loss.

Trade receivables and other loans and receivables are subsequently measured at amortized cost (less any loss allowances) using the effective-interest rate method. Expected credit losses under the simplified approach are taken into account. Accordingly, a loss allowance over the lifetime is calculated on trade receivables classified as not credit-impaired, based on external benchmarking information, which considers forward-looking and macroeconomic factors, and internal empirical data. Additionally, there are certain guarantees in place to reduce potential credit risks. If there are further doubts about their recoverability, the trade receivables are recognized at the lower present value of the estimated future cash flows.

For credit risk management purpose, HUGO BOSS determines whether the credit risk on a financial instrument has increased significantly by considering reasonable and supportable information available to regularly compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument. In its evaluation of whether the credit risk of a financial asset has changed, the Group utilizes all reasonable and reliable information that is available without excessive cost or expenses.

In case where a debtor is facing a financial difficulty or a legal case, HUGO BOSS recognizes an individual bad debt allowance on such trade receivables classified as credit-impaired, which is moved to stage 3. When an individual bad debt allowance is recognized, the Group continues to conduct recovery measures to collect the receivables due. Nevertheless, a financial instrument may also be treated as being in default, if internal or external information indicates that full collection of the outstanding payment is viewed as unlikely. Individual impairment rates between 1% and 100% are used in this case. A financial asset is then written off entirely and derecognized when there is no reasonable expectation of recovery. All derecognitions have to be booked net and, at the same time, the corresponding amount of allowance needs to be adjusted.

Financial assets at fair value through profit or loss (FVTPL) include financial assets with cash flows other than those of principle and interest on the principal amount outstanding, except for equity instruments that do not have to be accounted for at FVTPL but also at FVTOCI. Furthermore, financial assets that are held in a business model, including "hold to collect" or "hold to collect and sell," can be presented at FVTPL. In addition, derivatives including embedded derivatives separated from a host contract, which are not classified as hedging instruments in hedge accounting according to IFRS 9, are classified as FVTPL. Gains or losses on these financial assets are recognized in profit and loss.

Financial assets at amortized cost (AC) are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding, which are held with the aim of collecting the contractual cash flows, such as trade receivables or cash and cash equivalents (the business model "hold to collect"). After initial recognition, financial assets at amortized cost are subsequently carried at amortized cost using the effective-interest method less any loss allowances. Gains and losses on financial assets are recognized in the income statement.

Financial liabilities

Financial liabilities primarily include trade payables, liabilities to banks, lease liabilities, derivative financial liabilities, and other liabilities. They are measured at fair value on initial recognition. Directly attributable transaction costs are taken into account where appropriate.

Financial liabilities at amortized cost (AC) are subsequently measured at amortized cost using the effective interest method. If HUGO BOSS enters into reverse-factoring agreements in which trade payables with a supplier are transferred to a financial intermediary, so changes in the presentation of the original trade payables may occur. That would be the case if these liabilities differed in nature and function from other trade payables. As a result, these liabilities would be presented separately.

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading. Derivatives (including embedded derivatives separated from the host contract) that are not used as hedging instruments in hedge accounting are classified as held for trading. Gains or losses on liabilities held for trading, and on financial liabilities for which the FVTPL option was elected, are recognized in profit or loss.

Derivative financial instruments and hedge accounting

At HUGO BOSS, derivative financial instruments are solely used for hedging financial risks that arise from its operating or financing activities or liquidity management. This mainly includes interest rate risks and currency risks.

Derivative financial instruments are measured at fair value upon initial recognition and at each subsequent reporting date. Derivatives are recognized as assets if their fair value is positive and as liabilities if their fair value is negative.

If the requirements for hedge accounting as set out in IFRS 9 are met, HUGO BOSS designates and documents the hedge relationship from the date a derivative contract is entered into as a cash flow hedge. Cash flow hedges are utilized to hedge the variability of cash flows to be received or paid from expected transactions or a highly probable forecasted transaction. The documentation of the hedging relationship includes the objective and strategy of risk management, the type of hedging relationship, the nature of the risk being hedged, the identification of the eligible hedging instrument and the eligible hedged item, as well as an assessment of the effectiveness requirements comprising the risk mitigating economic relationship, the absence of deteriorating effects from credit risk, and the appropriate hedge ratio.

Hedging transactions are regularly assessed to determine whether the effectiveness requirements are met while they are designated. If derivative financial instruments do not, or no longer, qualify for hedge accounting because the qualifying criteria for hedge accounting are not, or are no longer, met, the derivative financial instruments are classified as held for trading and are measured at fair value through profit or loss.

Provisions

Provisions are recognized if a past event has led to a current legal or constructive obligation to third parties that is expected to lead to a future outflow of resources that can be estimated reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions with a term of more than one year are discounted using a risk-free interest rate. Where the effect of time value of money is material, the amount of the provision equals the present value of the expenditures expected to be required to settle the obligation.

Provisions for deconstruction obligations

Provisions for deconstruction obligations in connection with the Group's own retail stores are recognized as liabilities at the present value of the best estimate of the amount required to settle the obligation. Corresponding assets are capitalized at the equivalent amount and included in the measurement of the corresponding right-of-use asset depreciated over the term of the lease agreement.

Provisions for pensions

The measurement of pension provisions relates to the Group's obligation to provide benefit-based and contribution-based plans. IAS 19 mandates the use of the projected unit credit method for the provision of benefit-based plans, which takes into account future adjustments to salaries and pensions. The year-end present value, determined using the projected unit credit method, was compared to the fair value of plan assets in the employer's pension liability insurance to the extent that offsetting is permissible (asset ceiling). Actuarial gains and losses are immediately posted in full to other comprehensive income. Actuarial gains and losses are not reclassified from other comprehensive income to consolidated net income in subsequent years. The same applies to all effects of the asset ceiling. Net interest determined by multiplying the net pension liability by the discount rate underlying the gross pension obligation (DBO) is reported in the financial result. The difference between the actual interest return on plan assets and the anticipated return on plan assets obtained using the discount rate is posted separately to other comprehensive income. The service cost is reported under the relevant functional costs. The contributions from contribution-based pension schemes are recognized as expenses in the income statement on maturity.

Share-based compensation programs

Share-based compensation programs are accounted for in accordance with IFRS 2.

Equity-settled share-based payments, forming part of the Restricted Stock Units Program for eligible senior management are measured at the fair value of the equity instruments at the grant date. The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. The impact of a revision of the original estimates, if any, is recognized through profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves. The resulting expense is recorded within personnel expenses and the corresponding adjustment to the other capital reserves.

Cash-settled share-based payments, forming part of the Long-Term Incentive program (LTI) for members of the Managing Board and eligible senior and middle management, are measured using an option price model of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized through profit and loss of the respective fiscal year. The resulting expense is recorded as personnel expenses in the affected functional costs and the liability recognized as a provision for personnel expenses.

The share-based program associated with the CEO Investment Opportunity is measured at the fair value of the equity instruments at the grant date.

Contingent liabilities and contingent assets

Contingent liabilities are not recognized. They are disclosed in the notes to the consolidated financial statements, unless an outflow of resources embodying economic benefits is very unlikely. Contingent assets are likewise not recognized. They are disclosed in the notes to the consolidated financial statements if an inflow of economic benefits is probable.

Estimation uncertainties and judgments

The preparation of the Group's consolidated financial statements requires Management to make judgments, estimates, and assumptions that affect the reported amounts of income, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. These estimates and judgments are made to obtain a fair presentation of the Group's net assets, financial position, and results of operations. In addition, the main judgments and estimates used are specified in the respective notes to the consolidated financial statements.

HUGO BOSS is subject to a variety of external risks, mainly in connection with macroeconomic, political, and social developments, as well as environmental and health aspects. Against the backdrop of current risks, such as inflation, global supply chain disruptions, and geopolitical risks, Management monitors the current development closely. In light of the high level of geopolitical and macroeconomic uncertainty, there is a particularly close dialog between the Managing Board, Business Planning and Analysis, the management of the central divisions, and the Group's subsidiaries. Corporate planning is regularly reviewed and updated throughout the year.

Additionally, HUGO BOSS applies the following estimates and assumptions:

- Inventories are measured taking into account the risk provisions appropriate to the current business environment. HUGO BOSS applies a global merchandise logic catering to customer demand across all brands, regions, and channels, aiming for an aligned global launch of the seasons. This merchandise model reflects the way the Group assesses recoverability of inventories, incorporating a seasonal approach for an improved devaluation factor. The carrying amount of inventories is reflected in the statement of financial position, with inventory write downs reflected in the income statement.

- Recoverability of trade receivables is assessed by valuing the trade receivables. A loss allowance is calculated based on external benchmarking information and internal empirical data, with the accounting estimates and parameters refined in fiscal year 2024. The probabilities of default are based on past, current, and future conditions. All subsidiaries of HUGO BOSS prepare an analysis of the aging structure of their trade receivables and follow uniform rules, for example, with regard to credit assessment or handling of doubtful receivables.

Notes to the Consolidated Income Statement

1 | Sales and cost of sales

Sales

(in EUR thousand)

	2024	2023
Brick-and-mortar retail	2,241,324	2,261,757
Brick-and-mortar wholesale	1,111,007	1,033,413
Digital	845,953	797,912
Licenses	109,065	104,375
Total	**4,307,349**	**4,197,459**

Further information on sales by region can be found in Note 24 Segment reporting.

Cost of sales

(in EUR thousand)

	2024	2023
Total	**1,647,508**	**1,616,606**
Cost of purchase	1,492,833	1,465,536
Thereof cost of materials	1,477,555	1,391,805
Cost of conversion	154,675	151,070

Cost of materials, as part of the cost of sales, include inbound freight and duty costs of EUR 244,004 thousand (2023: EUR 258,144 thousand).

2 | Selling and marketing expenses

(in EUR thousand)

	2024	2023
Expenses for own retail business and sales organization	1,375,883	1,250,829
Thereof brick-and-mortar retail expenses	988,711	870,179
Marketing expenses	309,145	327,724
Thereof expenses	317,562	333,550
Thereof income from re-invoicing of marketing expense	(8,417)	(5,825)
Logistic expenses	183,123	166,385
Total	**1,868,152**	**1,744,938**
Thereof sundry taxes	4,677	4,333

Expenses for the Company's own retail business and the sales organization mainly comprise personnel expenses for wholesale and retail sales as well as amortization of the right-of-use assets in accordance with IFRS 16. In addition, this item includes sales-related commissions, outbound freight and duty charges, credit card fees, and impairment losses on assets amounting to EUR 46,804 thousand (2023: reversal of impairment losses of EUR 3,757 thousand). This item also includes losses from derecognition and impairment losses on trade receivables in the amount of EUR 7,306 thousand (2023: EUR 4,985 thousand).

Logistic expenses mainly include personnel expenses for warehouse logistics, expenses for a full-service agreement with an external provider, and right-of-use depreciation.

3 | Administration expenses

(in EUR thousand)

	2024	2023
Administrative expenses	**340,899**	**336,298**
Research and development expenses	**89,968**	**89,279**
Thereof personnel expenses	67,222	63,022
Thereof depreciation and amortization	3,187	3,235
Thereof other operating expenses	19,559	23,022
Total	**430,868**	**425,577**
Thereof sundry taxes	4,867	3,664

Administration expenses mainly comprise personnel expenses of the respective departments, maintenance costs, IT operating expenses, legal and consulting fees, as well as depreciation and amortization of non-current assets.

Research and development expenses primarily relate to the collection development.

Administration expenses include other income of EUR 24,325 thousand (2023: EUR 18,915 thousand). This includes reversal of provisions amounting to EUR 1,818 thousand (2023: EUR 6,848 thousand). Furthermore, government grants of EUR 405 thousand for 2024 were received and recognized in profit or loss (2023: EUR 191 thousand).

4 | Financial result

(in EUR thousand)

	2024	2023
Interest and similar income	1,253	978
Interest and similar expenses	(56,231)	(45,839)
Net interest income/expenses	**(54,978)**	**(44,861)**
Exchange rate gains/losses from receivables and liabilities	(3,192)	(3,572)
Gains/losses from hedging transactions	(2,875)	(3,061)
Other financial income/expenses	1,726	(1,954)
Other financial items	**(4,341)**	**(8,587)**
Financial result	**(59,319)**	**(53,448)**

Interest income includes income from bank deposits amounting to EUR 1,127 thousand (2023: EUR 896 thousand) and other interest income of EUR 126 thousand (2023: EUR 82 thousand).

Interest expenses include expenses from financial liabilities in the amount of EUR 17,755 thousand (2023: EUR 13,594 thousand) and other interest expenses in the amount of EUR 38,475 thousand (2023: EUR 32,245 thousand). These items mainly comprise interest expenses from lease payments of EUR 35,157 thousand (2023: EUR 29,861 thousand), valuated at incremental borrowing rate. In addition to interest on loans, this also includes the net interest amount for pension provisions, interest on non-financial liabilities (such as tax liabilities from tax audits), and interest expenses from the valuation at present value of other non-current provisions in the amount of EUR 3,318 thousand (2023: EUR 2,385 thousand).

Exchange rate gains and losses from receivables and liabilities comprise exchange rate gains of EUR 57,260 thousand (2023: EUR 80,847 thousand) as well as exchange rate losses of EUR 60,451 thousand (2023: EUR 84,419 thousand). The result from hedging transactions contains the effects from the fair value measurement and derecognition of foreign exchange forwards.

5 | Income taxes

(in EUR thousand)

	2024	2023
Current taxes	67,777	60,225
Deferred taxes	10,132	26,874
Total	**77,909**	**87,099**

Income taxes include corporate income tax plus the solidarity surcharge and trade tax of the German Group companies together with the comparable income taxes of foreign Group companies. Furthermore, the current income taxes include all top-up taxes based on the Global Minimum Tax legislation.

At HUGO BOSS AG, the domestic income tax rate amounts to 29.8% (2023: 29.5%). The tax rates abroad range between 0% and 34%.

Current income taxes for fiscal year 2024 include non-current expenses of EUR 2,972 thousand (2023: EUR 3,141 thousand), non-current benefits of EUR 4,711 thousand (2023: EUR 8,807 thousand), and effects from deductible withholding taxes of EUR 1,661 thousand (2023: EUR 1,016 thousand).

The following table presents a reconciliation of the expected income tax expense that would theoretically be incurred if the current domestic income tax rate of 29.8% (2023: 29.5%) were applied at Group level to the current income tax expense reported by the Group. The domestic income tax rate applied takes into account a corporate income tax rate (including solidarity surcharge) of 15.8% (2023: 15.8%) and a trade tax rate of 14.0% (2023: 13.7%). Due to the increase in the trade tax rate in Metzingen (Germany), the overall Group tax rate has also risen compared to the previous year.

(in EUR thousand)

	2024	2023
Earnings before taxes	**301,503**	**356,889**
Anticipated income tax	89,814	105,431
Tax effect of permanent items	775	219
Tax rate-related deviation	(8,987)	(14,634)
Thereof effects of changes in tax rates	259	(176)
Thereof adjustment of tax amount to diverging local tax rate	(9,246)	(14,458)
Tax refund/tax arrears	(78)	(6,682)
Deferred tax effects from prior years	(2,857)	3,707
Valuation allowance on deferred tax assets	(819)	(1,887)
Tax effects from distributable profit of subsidiaries	0	0
Other deviations	61	945
Income tax expenditure reported	**77,909**	**87,099**
Income tax burden	26%	24%

The tax effect of permanent items relates to a reduction in the income tax burden for tax-free income of EUR 5,060 thousand (2023: EUR 3,270 thousand), offset by tax effects of non-deductible business expenses of EUR 7,917 thousand (2023: EUR 3,489 thousand). Tax rate-related deviations are caused by the global distribution of profits and diverging local tax rates in the different countries. In fiscal year 2024, revaluations were recognized for deferred tax assets expected to be realized in the foreseeable future, resulting in a tax benefit of EUR 819 thousand (2023: EUR 1,887 thousand).

Other comprehensive income includes deferred tax income of EUR 28 thousand (2023: EUR 1,155 thousand income). As in the prior year, deferred tax income in fiscal year 2024 is based on the recognition of actuarial gains and losses from pension provisions in equity.

Deferred tax assets and liabilities are presented on a net basis if they pertain to the same taxable entity and the same taxation authority. Deferred taxes in the consolidated statement of financial position are related to the following items:

(in EUR thousand)

	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provisions and other liabilities	31,645	(1,934)	30,430	(4,336)
Unused tax losses	9,752	0	20,945	0
Inventory measurement	55,402	(2,837)	60,201	(3,266)
Recognition and measurement of non-current assets	35,774	(51,264)	32,353	(46,559)
Receivables measurement	9,899	(46)	4,393	(114)
Financial liabilities and financial assets	17,781	(797)	14,825	(756)
Retained earnings of subsidiaries	0	(1,115)	0	(1,115)
Other differences in recognition and measurement	5,613	(2,467)	8,023	(3,497)
Net amount	**165,866**	**(60,460)**	**171,170**	**(59,643)**
Netting	(42,010)	42,010	(40,674)	40,674
Total	**123,856**	**(18,450)**	**130,496**	**(18,969)**

Of the deferred tax assets, EUR 64,242 thousand (2023: EUR 57,607 thousand) are non-current; at the same time, EUR 49,680 thousand (2023: EUR 49,106 thousand) of the deferred tax liabilities are non-current.

Deferred taxes on IFRS 16 balance sheet items are reported on a net basis. The deferred tax asset on lease liabilities is EUR 209,275 thousand (2023: EUR 169,873 thousand) and the deferred tax liability on right-of-use assets is EUR 189,148 thousand (2023: EUR 152,439 thousand), resulting in a net deferred tax asset of EUR 20,127 thousand (2023: EUR 17,434 thousand), which is reported within financial liabilities and financial assets in the table above.

Distributable profits at foreign subsidiaries are to be paid out in the coming years, partly to Germany. The tax expense attributable to the distribution to Germany of EUR 865 thousand (2023: EUR 865 thousand) was recognized as a deferred tax liability. In addition, deferred taxes were recognized for distributable profits from subsidiaries paid out to other subsidiaries to the extent withholding tax is payable on future dividends. For these withholding tax charges, a deferred tax liability of EUR 250 thousand (2023: EUR 250 thousand) was recognized.

Deferred tax liabilities due to differences between the respective net assets and taxable carrying amount of shares in subsidiaries amounting to EUR 534,537 thousand (2023: EUR 658,365 thousand) were not recognized, as the profits are currently intended to be permanently reinvested. If the profits were to be distributed in Germany, 5% would be subject to taxation in Germany or possibly trigger withholding tax in other countries. Distributions therefore generally result in additional tax expense.

Deferred tax assets on losses carried forward and deductible temporary differences are recognized to the extent taxable temporary differences exist or there are sufficient taxable profits in respect of the same tax authority and taxable entity in subsequent years. The recoverability assessment is based on detailed planning of operational results for all units of the Group, which is prepared annually as part of the Group-wide budget planning process and approved by the Supervisory Board. As of the reporting date, deferred tax assets amounting to EUR 9,137 thousand (2023: EUR 23,333 thousand) were accounted for at Group companies with losses in the reporting period or a prior period.

Unused income tax losses pertain to domestic and foreign Group companies and are broken down as follows:

(in EUR thousand)	2024	2023
Expiry within		
1 year	9	175
2 years	256	9
3 years	5,387	274
4 years	6,192	5,756
5 years	365	13,933
After 5 years	3,856	4,503
Unlimited carryforward	74,537	108,911
Total	**90,602**	**133,561**

As in prior years, a corresponding deferred tax asset of EUR 9,752 thousand was recognized on unused tax losses as of December 31, 2024 (2023: EUR 20,945 thousand). In fiscal year 2024, no deferred taxes were recognized for losses carried forward of EUR 49,704 thousand (2023: EUR 49,468 thousand).

The expiration date of these losses is classified as follows:

(in EUR thousand)	2024	2023
Expiration date		
2025	9	9
2026	9	9
2027	1,372	9
2028	1,233	8
2029	365	13
After 5 years	3,856	2,770
Unlimited carryforward	42,860	46,650
Total	**49,704**	**49,468**

Judgments that deferred tax assets are recognized on unused tax losses were made to the extent it is probable taxable profits will be available in the future against which the unused tax losses can be utilized. The probability of the future usability is assessed taking into account various factors, such as future taxable results in the planning periods, past results, and measures already taken to increase profitability, as well as available tax planning strategies. HUGO BOSS applies a forecast period of four years for this purpose. Actual figures may differ from the estimates.

The income tax receivables relate mainly to tax advance payments and reimbursement claims. These are based on reasonable estimates to the extent reimbursement by the financial administration office is judged to be largely probable on the basis of relevant case law. This assessment also takes into account the estimates of local external experts.

In 2023, an external tax audit has been initiated at HUGO BOSS AG for the 2016–2020 assessment periods. Based on the information available to date, the Company has identified tax risks and recognized corresponding provisions.

HUGO BOSS has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

In December 2023, the government of Germany, where HUGO BOSS AG, the parent company, is incorporated, enacted the Pillar Two income taxes legislation effective from January 1, 2024. Under the legislation, the parent company will be required to pay, in Germany, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%.

HUGO BOSS has performed an assessment to determine the jurisdictions affected by the impact of the Global Minimum Tax. The first step was to identify whether the CbCR Safe Harbour Rules are applicable. For jurisdictions not qualifying for these rules, the jurisdictional effective tax rate was calculated using a simplified approach. Based on this assessment, a top-up tax of EUR 1,196 thousand was determined for the United Arab Emirates. In addition, the simplified Pillar Two calculation resulted in a Qualified Domestic Minimum Top-up Tax of EUR 86 thousand for Turkey. Consequently, the Group's current tax expense related to the Global Minimum Tax amounts to EUR 1,282 thousand.

HUGO BOSS AG continues to monitor Pillar Two legislative developments, to evaluate the potential impact on its future financial performance.

6 | Earnings per share

There were no shares outstanding that could have diluted earnings per share as of December 31, 2024, or December 31, 2023.

(in EUR thousand)

	2024	2023
Net income attributable to equity holders of the parent company	213,468	258,371
Average number of shares outstanding[1]	69,016,167	69,016,167
Earnings per share (EPS) in EUR[2]	3.09	3.74

1 Excluding own shares.
2 Basic and diluted earnings per share.

7 | Additional disclosures to the consolidated income statement

Personnel expenses

(in EUR thousand)

	2024	2023
Cost of sales	124,983	118,758
Selling and marketing expenses	591,351	548,001
Administration expenses	263,008	251,388
Total	**979,342**	**918,146**

(in EUR thousand)

	2024	2023
Wages and salaries	831,761	789,186
Social security	143,358	129,743
Expenses and income for retirement and other employee benefits	4,222	(783)
Total	**979,342**	**918,146**

Employees

The average headcount for the year was as follows:

	2024	2023
Industrial employees	6,136	6,249
Commercial and administrative employees	15,043	14,493
Total	**21,179**	**20,742**

Ordinary depreciation

(in EUR thousand)

	2024	2023
Cost of sales	6,499	6,282
Selling and marketing expenses	318,901	293,743
Administration expenses	42,001	45,429
Total	**367,402**	**345,454**

Impairments/write-ups

(in EUR thousand)

	2024	2023
Brick-and-mortar retail	(43,013)	(4,996)
Intangible assets incl. goodwill	(0)	0
Right-of-use assets	(3,791)	8,753
Total	**(46,804)**	**3,757**

*Impairment losses are shown as negative (–), while reversals of impairment losses are shown as positive (+).

Notes to the Consolidated Statement of Financial Position

8 | Intangible assets and property, plant, and equipment

(in EUR thousand)

2024	Gross value Jan. 1	Currency differences	Additions	Disposals	Transfers	Gross value Dec. 31	Accumulated amortization, depreciation and impairment Jan. 1	Currency differences	Depreciation	Impairment	Write-up	Disposals	Transfers	Accumulated amortization, depreciation and impairment Dec. 31	Net value Dec. 31
Software, licenses, and other rights	**362,241**	712	58,606	(3,288)	38	**418,309**	**236,215**	613	25,058	0	0	(3,288)	0	**258,597**	**159,712**
Brand rights	**14,992**	0	0	0	0	**14,992**	**0**	0	0	0	0	0	0	**0**	**14,992**
Goodwill	**64,766**	792	0	0	0	**65,558**	**10,014**	5	0	0	0	0	0	**10,019**	**55,539**
Intangible assets	**441,999**	**1,504**	**58,606**	**(3,288)**	**38**	**498,859**	**246,229**	**618**	**25,058**	**0**	**0**	**(3,288)**	**0**	**268,616**	**230,243**
Lands and buildings	**315,235**	(2,838)	3,166	(37)	1,944	**317,470**	**127,927**	(2,229)	10,630	0	0	(35)	0	**136,293**	**181,177**
Technical equipment and machinery	**129,461**	316	4,760	(722)	5,639	**139,454**	**91,124**	41	7,638	0	0	(697)	0	**98,106**	**41,347**
Other equipment, operating and office equipment	**1,057,471**	15,449	156,970	(81,602)	13,083	**1,161,371**	**739,018**	9,878	105,041	44,503	0	(80,626)	(4)	**817,810**	**343,561**
Construction in progress	**59,434**	36	62,435	(145)	(20,719)	**101,041**	**0**	0	0	0	0	0	0	**0**	**101,041**
Property, plant, and equipment	**1,561,601**	**12,963**	**227,331**	**(82,506)**	**(53)**	**1,719,336**	**958,068**	**7,690**	**123,309**	**44,503**	**0**	**(81,358)**	**(4)**	**1,052,209**	**667,127**
Total	**2,003,600**	**14,467**	**285,937**	**(85,794)**	**(14)**	**2,218,195**	**1,204,297**	**8,308**	**148,367**	**44,503**	**0**	**(84,646)**	**(4)**	**1,320,825**	**897,369**
2023															
Software, licenses, and other rights	**315,556**	(976)	50,123	(2,467)	5	**362,241**	**210,503**	(860)	29,014	0	0	(2,442)	0	**236,215**	**126,026**
Brand rights	**14,992**	0	0	0	0	**14,992**	**0**	0	0	0	0	0	0	**0**	**14,992**
Goodwill	**66,667**	(1,901)	0	0	0	**64,766**	**10,093**	(79)	0	0	0	0	0	**10,014**	**54,752**
Intangible assets	**397,215**	**(2,877)**	**50,123**	**(2,467)**	**5**	**441,999**	**220,596**	**(939)**	**29,014**	**0**	**0**	**(2,442)**	**0**	**246,229**	**195,770**
Lands and buildings	**299,479**	2,463	5,891	(1,866)	9,268	**315,235**	**113,825**	1,768	10,596	0	0	(1,866)	3,604	**127,927**	**187,308**
Technical equipment and machinery	**124,739**	366	4,623	(391)	124	**129,461**	**83,721**	341	7,431	0	0	(363)	(6)	**91,124**	**38,337**
Other equipment, operating and office equipment	**974,500**	(14,595)	186,936	(90,742)	1,372	**1,057,471**	**757,116**	(12,448)	88,624	12,242	(7,246)	(90,064)	(9,206)	**739,018**	**318,453**
Construction in progress	**27,125**	(416)	50,760	(320)	(17,715)	**59,434**	**0**	0	0	0	0	0	0	**0**	**59,434**
Property, plant, and equipment	**1,425,843**	**(12,182)**	**248,210**	**(93,319)**	**(6,951)**	**1,561,601**	**954,661**	**(10,339)**	**106,651**	**12,242**	**(7,246)**	**(92,293)**	**(5,608)**	**958,068**	**603,533**
Total	**1,823,058**	**(15,059)**	**298,333**	**(95,786)**	**(6,946)**	**2,003,600**	**1,175,257**	**(11,278)**	**135,665**	**12,242**	**(7,246)**	**(94,735)**	**(5,608)**	**1,204,297**	**799,302**

Software, licenses, and other rights

The item "Software, licenses, and other rights" mainly contains software and software licenses as well as intangible assets identified in the course of purchase price allocations. The amortization for these items is recognized in administrative expenses.

The intangible assets mainly relate to software for the Group-wide ERP system consisting of industry solutions such as SAP AFS and SAP Retail and necessary software solutions for the operational business. The additions of EUR 58,606 thousand (2023: EUR 50,123 thousand) essentially arose from investments in the conversion of the Group-wide ERP system to SAP S/4HANA and software for the further expansion of online business. In addition, the useful life of ERP software programs was extended by up to five years due to longer life cycles, with no significant impact in fiscal year 2024.

Brand rights

The reported brand rights amounting to EUR 14,992 thousand (2023: EUR 14,992 thousand), which are primarily attributable to the brand rights acquired for the use of the brand names BOSS, HUGO and HUGO BOSS in the United States and Italy, are classified as assets with infinite useful lives. The infinite useful life stems from the estimate of an indefinite use of the registered brand name.

Property, plant, and equipment

Land charges in connection with land and buildings amount to EUR 66,614 thousand (2023: EUR 27,766 thousand).

Impairment losses of EUR 44,503 thousand (2023: EUR 12,242 thousand) and write-ups of EUR 0 thousand (2023: EUR 7,246 thousand) were recognized under property, plant, and equipment, which mainly relate to equipment for individual own retail stores.

In terms of property, plant, and equipment, buildings are generally amortized over a useful life of 30 years, technical facilities and machines over a useful life of 5 to 19 years, and other facilities and operating and office equipment over 2 to 15 years.

Purchase obligations

There are purchase obligations for investments amounting to EUR 19,771 thousand (2023: EUR 33,497 thousand). Of this amount, EUR 17,858 thousand (2023: EUR 32,831 thousand) is attributable to property, plant, and equipment and EUR 1,913 thousand to intangible assets (2023: EUR 666 thousand). The obligations as of December 31, 2024 are due for settlement within one year.

9 | Leases

HUGO BOSS has entered into a substantial number of leases for the rental of retail stores, as well as office and warehouse space. The lease agreements usually have a term between 1 and 30 years, with some of the agreements including purchase and renewal options. The Group exercises judgments to the effect that, in addition to the basic rental period, extension options are included when the extension has already been finally negotiated with the landlord and the contract has been duly signed by both parties. Reasonable certainty is therefore only given once the contract has been signed. For leases of low-value assets and for short-term lease liabilities, the option of immediate expense recognition was exercised. Similarly, leases with variable rents for which no minimum rent is contractually fixed are expensed immediately. Accordingly, there are no right-of-use assets and lease liabilities recognized for these types of leases.

The implications of the Company's leases on the balance sheet, the income statement, and the consolidated statement of cash flows as of December 31, 2024, are presented below.

Leases in the balance sheet

Additions, depreciation, and changes in the right-of-use assets of lease agreements are divided between the assets underlying the leases as of December 31, 2024, as follows:

(in EUR thousand)

	Stores	Warehouse	Offices and others	**Total**
Carrying amount as of January 1, 2024	**621,407**	**35,954**	**64,740**	**722,101**
Changes in the basis of consolidation	0	0	0	0
Additions	267,364	41,395	50,617	359,376
Depreciation	(188,317)	(12,702)	(18,010)	(219,029)
Impairment	(3,791)	0	0	(3,791)
Write-up	0	0	0	0
Disposal	(329)	(17)	(93)	(439)
Transfers	10	0	0	10
FX differences	16,334	945	1,702	18,981
Carrying amount as of December 31, 2024	**712,678**	**65,575**	**98,956**	**877,209**
Carrying amount as of January 1, 2023	**591,667**	**39,645**	**76,886**	**708,198**
Changes in the basis of consolidation	0	0	0	0
Additions	226,245	7,603	5,582	239,430
Depreciation	(181,957)	(10,896)	(16,935)	(209,788)
Impairment	(1,452)	0	0	(1,452)
Write-up	10,205	0	0	10,205
Disposal	(2,859)	(57)	(132)	(3,048)
Transfers	(15,352)	0	0	(15,352)
FX differences	(5,090)	(341)	(661)	(6,092)
Carrying amount as of December 31, 2023	**621,407**	**35,954**	**64,740**	**722,101**

Maturity analysis of lease liabilities

The following table shows the breakdown of lease liabilities according to their maturities:

(in EUR thousand)

	2024	2023
Due within one year	258,440	195,053
Due between one and five years	585,043	499,731
Due after five years	230,601	193,270
Total (undiscounted)	**1,074,083**	**888,055**
Interests	(114,902)	(94,810)
Total	**959,181**	**793,245**

Leases in the income statement

(in EUR thousand)

	2024	2023
IFRS 16 relevant lease expenses	**(251,414)**	**(227,576)**
Depreciation right-of-use assets	(219,035)	(209,789)
Impairment/write-ups of right-of-use assets	(3,791)	8,753
Net income from disposal of right-of-use assets	5,745	6,486
Interest expenses for lease liabilities	(35,157)	(29,861)
Income/expenses from foreign exchange differences on lease liabilities	824	(3,165)
Non-IFRS 16 relevant lease expenses	**(208,992)**	**(292,454)**
Expenses from variable lease payments	(190,540)	(192,213)
Expenses for short-term leases	(13,644)	(13,356)
Expenses for leases of low-value assets	(4,834)	(5,488)
Income from subleases	26	42

The total lease cash outflow, encompassing the repayment of lease liabilities, interest expenses, payments for short-term leases, payments for lease of low-value assets, and variable lease payments, amounted to EUR 460,272 thousand in 2024 (2023: EUR 462,453 thousand). Thereof an amount of EUR 216,123 thousand relates to the repayment of lease liabilities (2023: EUR 221,577 thousand).

As of the reporting date, accured rent payments EUR 1,097 thousand (2023: EUR 1,000 thousand).

Material future non-recognized lease payments with maturities

The following future lease payments are not included in the valuation of lease liabilities as a result of IFRS 16:

(in EUR thousand)

	Due 2025	Due 2026–2029	Due after 2029	Total
Variable lease payments	187,211	806,719	670,816	1,664,746
Payments from uncertain termination options	2,648	27,067	11,807	41,522
Payments from uncertain extension options	9,756	186,151	193,777	389,684
Total lease payments	**199,615**	**1,019,937**	**876,400**	**2,095,952**

In addition, payments from short-term leases, leases for software, and for low-value assets are expected, although these are immaterial from the perspective of HUGO BOSS.

The determination of future off-balance sheet lease payments is based on management assumptions regarding the term of the leases and the amount of the lease payment. In determining future lease payments, HUGO BOSS assumes the remaining term of the original lease plus the one-time exercise of renewal options, which are not yet sufficiently certain based on current knowledge. The future variable lease payments are derived on the basis of the sales planned for directly operated stores (DOS) and outlets bottom-up for 2025 and projected using a comparable store sales growth rate (LFL). Future payments from uncertain renewal options take into account all contracts with renewal options existing as of December 31, 2024, and are based on the assumption of constant future rental payments.

10 | Impairment testing

An impairment test must be performed for all assets within the scope of IAS 36 if there are triggering events for impairment at the reporting date. For intangible assets with indefinite useful lives and goodwill, an annual impairment test is performed irrespective of the existence of such indications.

Ordinary depreciated property, plant, and equipment and amortized right-of-use assets at the level of the Group's own retail stores

At HUGO BOSS, the Group's own retail stores (directly-operated stores, DOS) have been identified as CGUs, i.e., as the smallest group of assets that can generate independent cash inflows.

The depreciated assets of the DOS, including the right of use assets from leasing contracts, are subjected to impairment testing, if there are indicators or changes in the planning assumptions resulting in a carrying amount exceeding the recoverable amount of the assets. After preparing the annual budget planning, HUGO BOSS carries out a triggering-event test at the respective DOS level. In the event of a shortfall in defined sales and profitability ratios compared with the latest budget, the non-current assets of the respective DOS are subjected to impairment testing.

The recoverable amount of the DOS is determined by calculating the value in use on the basis of discounted cash flow calculations. The planned cash flows for the DOS from the budget planning adopted by the Managing Board and approved by the Supervisory Board of HUGO BOSS AG were used to determine the value in use as of the reporting date. Furthermore, the gross profit margin of the upstream units as well as the corporate assets at the level of the subsidiary and at the level of the DOS are taken into account. The forecast period is determined on the basis of the individual remaining term of the lease as the leading asset. Following the first planning year derived from the approved budget planning, country- and CGU-specific revenue and cost developments are used as a basis for the remaining useful life. The growth rates used are based on the expected nominal retail growth in each respective market for the corresponding planning year. For all DOS, growth rates range from low single-digit to high single-digit percentages. At the end of the remaining useful life, it is assumed that the respective DOS will be wound up with a sale of the operating assets at the carrying amount. In determining the value in use of the DOS, the cash flows were discounted at a weighted average cost of capital after tax between 8.7% and 26.6% (2023: between 9.2% and 35.5%). A maturity-equivalent risk-free interest rate of 2.5% (2023: 2.5%) and a market risk premium of 6.5% (2023: 6.5%) were applied. The calculated pre-tax interest rates are between 12.2% and 31.8% (2023: 12.6% and 48.9%). If an impairment loss is recognized, it is allocated proportionately to the non-current assets of the CGU. However, no asset may be written down below its respective fair value. For this purpose, the fair values of the right-of-use assets are determined separately. Information from actual lease extensions or new leases for comparable own retail stores is used to derive the market rent and thus the fair value. If no internal data is available for comparable properties, the market rent is derived using estimates from external real estate specialists for properties in comparable locations. If the conditions at which the lease was concluded correspond to the current market conditions derived from actual lease agreements or the estimates of external real estate specialists, it is assumed that the right-of-use asset is recoverable. If the fair value exceeds the calculated value in use of the corresponding CGU, the impairment loss resulting from the calculation of the value in use of the CGU is allocated to the other non-current assets of the CGU.

Impairment tests carried out in the current fiscal year resulted in gross impairment losses on non-current assets of EUR 48,294 thousand (2023: EUR 13,694 thousand), which were recognized in profit or loss under selling and marketing expenses. Of this amount, EUR 44,503 thousand related to property, plant, and equipment and EUR 3,791 thousand to right-of-use assets. The impairment losses are attributable to all regions.

As part of an impairment analysis, an additional triggering-event test is used to determine whether there are indications that stores that had been impaired in the past were able to improve their earnings situation to such an extent that a reversal was necessary. Reversal of impairment losses amounting to EUR 1,490 thousand (2023: EUR 17,451 thousand) were recognized in selling and marketing expenses for the fiscal year 2024.

Overall, this related to net impairment losses of EUR 46,804 thousand in fiscal year 2024 (2023: net reversal of impairment losses of EUR 3,757 thousand).

Goodwill and intangible assets with infinite useful life

The impairment assessment is based on detailed earnings, balance sheet, and investment plans for the next fiscal year for all Group units, which have been adopted by the Management as part of the Company-wide budget planning process, taking into account the current business situation and approved by the Supervisory Board. Years 1–4 from the approved medium-term planning of the respective subsidiary are used for the valuation model, possibly adjusted for future expansion investments such as new store openings. In year 5 and for the terminal value, the sales and cost trends are extrapolated using country-specific growth rates based on year 4. The nominal GDP growth for the respective country from Oxford Economics is used for the extrapolation. The planning of capital expenditure and current net operating assets is based on budget planning data and updated on assumptions and estimates made by management. The cost of capital after taxes is determined using a WACC model for HUGO BOSS, which is used to discount all cash flow forecasts in local currency, includes both standard market and country-specific risk premiums (country risk premium) and a premium for currency risk (inflation risk premium). The cost of capital after taxes used as of December 31, 2024 is based on a risk-free interest rate of 2.5% (2023: 2.5%) and a market risk premium of 6.5% (2023: 6.5%).

The following table shows the carrying amounts and the main assumptions used to determine the value in use or fair value less costs of disposal for the goodwill and intangible assets with indefinite useful lives allocated to the respective groups of CGUs. Goodwill arising on the acquisition of mono-brand stores from former franchise partners in previous fiscal years is allocated to the respective sales units (group of CGUs). Production units are regarded as corporate assets. Corporate assets are included in the impairment test of the sales units. Intangible assets with indefinite useful lives are aggregated at country level. The impairment test for trademark rights for the use of brand names in the U.S. market and Italy is performed at country level.

(in EUR thousand)

	Carrying amount		Assumptions	
	Goodwill	Intangible assets with indefinite useful life	Weighted pre-tax WACC	Long-term growth rate
2024				
Sales unit France	1,759	0	11.8%	2.0%
Sales unit Italy	399	1,377	12.9%	2.0%
Sales unit United Kingdom	3,217	0	11.3%	2.0%
Sales unit Dubai	11,672	0	11.0%	2.0%
Sales unit Mainland China	9,235	0	12.7%	2.0%
Sales unit Macau (China)	6,924	0	11.1%	2.0%
Sales unit South Korea	6,163	0	11.7%	2.0%
Sales unit Thailand	1,782	0	11.7%	1.8%
Sales unit U.S. & Canada	3,243	13,615	11.5%	2.2%
Other sales & corporate units	11,145			
Total	**55,540**	**14,992**	**11.0%–12.9%**	**1.8%–2.2%**

(in EUR thousand)

	Carrying amount		Assumptions	
	Goodwill	Intangible assets with indefinite useful life	Weighted pre-tax WACC	Long-term growth rate
2023				
Sales unit France	1,759	0	11.5%	2.0%
Sales unit Italy	399	1,377	13.8%	2.0%
Sales unit United Kingdom	3,205	0	11.5%	2.0%
Sales unit Dubai	11,263	0	11.2%	2.0%
Sales unit Mainland China	8,925	0	12.8%	2.3%
Sales unit Macau (China)	6,452	0	12.7%	1.9%
Sales unit South Korea	6,586	0	11.5%	2.0%
Sales unit Thailand	1,674	0	12.2%	1.9%
Sales unit U.S. & Canada	3,204	13,615	11.9%	2.0%
Other sales & corporate units	11,284			
Total	**54,752**	**14,992**	**11.2%–13.8%**	**1.9%–2.3%**

The recoverable amount of each group of CGUs is determined by value in use using cash flow projections based on the medium-term financial plans approved by the Managing Board and the Supervisory Board. Restructuring measures to which the Group has not committed to and investments not related to current operations that increase the profitability of the tested group of CGUs are not taken into account. Following the detailed planning phase, country-specific sales growth rates are used, which are based on nominal retail growth.

No impairment loss for goodwill was recognized in fiscal year 2024 as well as in the prior period.

For trademarks with indefinite useful lives, in addition to determining the value in use at the level of the respective CGU, the recoverable amount is determined in a second step on the basis of the fair value less costs of disposal at stage 3 of the measurement hierarchy under IFRS 13. This is based on a sales forecast for the respective market adopted by management as part of the budget process and approved by the Supervisory Board. In addition, country-specific sales growth rates are used. Following the five-year detailed planning period, the planned sales are extrapolated using a growth rate corresponding to the long-term nominal retail growth of the respective markets.

In fiscal years 2024 and 2023, no impairment loss was incurred for the trademark rights with indefinite useful lives.

Key assumptions used to calculate the value in use and fair value less costs of disposal

The following key assumptions, estimation uncertainties, and judgments by Management underlie the calculation of the value in use and fair value less costs of disposal for the aforementioned assets:

- EBIT/net income
- Sustainable nominal retail growth
- Market rent levels
- Discount rates
- Expected useful life of DOS

Estimation of growth rates – Growth rates are generally derived from published industry-related market research based on country-specific nominal retail growth. These growth rates were implemented in the calculation of the value in use, particularly, in the detailed planning phase from 2026 onwards, and in the perpetual annuity.

Estimation of market rent values – Both internal and external lease data for comparable properties are used to derive the fair value of the rights-of-use.

Discount rates – The discount rates reflect current market assessments of the risks specific to each CGU. This takes into account the interest effect and the risks specific to the assets.

Useful life of DOS – The forecast period is based on the average remaining terms of the lease agreements, which are determined and reviewed on an annual basis.

Climate-related impacts – Sustainability is a vital part of "CLAIM 5," which is a cause essential to HUGO BOSS' corporate responsibility and ongoing business activities. In line with the Group's commitment to support creating a planet free of waste and pollution, the Group remains focused on five key pillars that actively address big industry challenges: increasing circularity, driving digitization and data analytics, leveraging nature-positive materials, fighting microplastics, and pushing towards zero emissions. For additional information on climate-related measures, please refer to the Climate Change section in the Combined Non-Financial Statement.

The efforts to reduce climate-related impacts may lead to increased production and sourcing costs. However, anticipated efficiency gains along the value chain are expected to more than offset these additional costs. Throughout financial planning and product development, HUGO BOSS aligns target costing with external macroeconomic developments as well as internal ambitions and sustainability targets. HUGO BOSS also has control mechanisms in place to track target achievements, and as a result, corrective actions for improvement are taken.

Sensitivity to changes in assumptions

As of December 31, 2024, scenarios for critical measurement parameters such as the discount rate used and the growth rates underlying forecast cash flows were determined to verify the values in use. With regard to the growth rates, Management considered an acceleration (adjustment of +5%) as well as a deceleration (adjustment of −5%) of the Group's sales performance in fiscal year 2025 to be possible. An acceleration/increase in growth rates of 5% would result in a reversal of impairment losses for property, plant, and equipment and right-of-use assets in the amount of EUR 5,867 thousand. A slowdown/decrease in growth rates of 5% would result in additional impairments of EUR 5,973 thousand.

With regard to the market rent level, Management assumes that an adjustment of the market conditions both downward and upward by 5% in each case is conceivable. In the event of a reduction in the average market rent level by 5%, an additional impairment loss on right-of-use amounting to EUR 3,642 thousand would be recognized. In the event of a 5% increase in the market rent level, a reversal of impairment losses on right-of-use assets of EUR 379 thousand would be recognized.

In order to review the determined values in use of goodwill, Management considers a deceleration of the sales performance in 2025 as well as an average relative increase of the discount rate by 10% each to be possible. Furthermore, for the groups of CGUs to which goodwill is allocated, a slowdown of 15% in the relative sales growth to extrapolate the cash flow forecasts following the detailed planning period is considered possible.

If the discount rate was to increase by 10%, the values in use of all goodwill would exceed the respective carrying amounts, which are not completely impaired, as was already the case in the previous year.

If the sales development in 2025 were to decrease by 10%, the values in use of all goodwill would exceed the respective carrying amounts.

If the growth rate of sales were to be reduced by 15% in order to extrapolate the cash flow forecasts following the detailed planning period, the value in use of all goodwill would exceed the carrying amount, as was already the case in the previous year.

11 | Financial and other assets

(in EUR thousand)

	2024			2023		
		Thereof current	**Thereof non-current**		Thereof current	Thereof non-current
Financial assets	80,142	49,341	30,801	80,769	54,132	26,637
Thereof equity investments	5,911	0	5,911	4,430	0	4,430
Tax refund claims and prepayments	23,379	23,379	0	33,293	33,293	0
Other assets	112,924	112,319	606	95,632	93,575	2,057
Total	**216,446**	**185,039**	**31,407**	**209,693**	**180,999**	**28,694**

Financial assets include positive market values of currency hedges amounting to EUR 1,892 thousand (2023: EUR 177 thousand) as well as rent deposits for the Group's own retail stores of EUR 19,541 thousand (2023: EUR 15,649 thousand). Financial assets also include receivables from credit card companies amounting to EUR 40,621 thousand (2023: EUR 46,871 thousand).

The tax refund claims and tax prepayments are mostly VAT receivables.

Other assets mainly include prepayments for service agreements in the amount of EUR 58,056 thousand (2023: EUR 37,087 thousand), reimbursement claims from returns in the amount of EUR 26,347 thousand (2023: EUR 26,385 thousand), and receivables from supplier arrangements in the amount of EUR 2,051 thousand (2023: EUR 1,296 thousand).

In fiscal year 2024, HUGO BOSS continued its long-term strategic partnership with HeiQ AeoniQ LLC, a fully owned subsidiary of Swiss innovator HeiQ Plc, with an equity investment of EUR 4,430 thousand made in fiscal year 2022. Additionally, HUGO BOSS invested EUR 1,376 thousand in Collateral Good Ventures Fashion I, a climate-first venture capital fund aimed at accelerating sustainability in the fashion industry, following a commitment made in 2023.

12 | Inventories

(in EUR thousand)

	2024	2023
Finished goods and merchandise	996,439	993,776
Raw materials and supplies	65,047	62,896
Work in progress	10,075	9,372
Total	**1,071,561**	**1,066,044**

The carrying amount of inventories recorded at net realizable value is EUR 220,173 thousand (2023: EUR 191,624 thousand). The impairment on inventories resulted in a net expense of EUR 13,517 thousand (2023: impairment reversals of EUR 35,970 thousand), which is included in the cost of sales.

13 | Trade receivables

(in EUR thousand)

	2024	2023
Trade receivables, gross	**384,791**	**393,215**
Accumulated allowance	(22,885)	(17,595)
Trade receivables, net	**361,906**	**375,620**

As of December 31, 2024, the aging analysis of trade receivables is as follows:

(in EUR thousand)

	2024			2023		
	Trade receivables, gross	Accumulated allowance	Trade receivables, net	Trade receivables, gross	Accumulated allowance	Trade receivables, net[1]
Total	**384,791**	**(22,885)**	**361,906**	**393,215**	**(17,595)**	**375,620**
Thereof: not overdue	**318,128**	**(2,534)**	**315,593**	**313,605**	**(44)**	**313,560**
Thereof: overdue	**56,235**	**(10,609)**	**46,626**	**69,305**	**(8,516)**	**60,788**
1 to 90 days	28,121	(2,681)	25,440	51,311	(40)	51,271
91 to 180 days	12,305	(1,761)	10,544	8,667	(3,053)	5,615
>180 days	15,809	(6,167)	9,642	9,326	(5,423)	3,902
Thereof: impaired	**10,429**	**(9,742)**	**686**	**10,306**	**(9,035)**	**1,271**

1 The prior-year figures have been split to align with the current year's presentation for better comparability.

Trade receivables are non-interest-bearing. The movement of allowances for doubtful accounts has developed as follows:

(in EUR thousand)

	2024	2023
Allowances for doubtful accounts as of January 1	**17,595**	**16,228**
Additions	9,796	9,388
Use	(1,144)	(2,480)
Release	(3,695)	(5,174)
Currency differences	334	(367)
Allowances for doubtful accounts as of December 31	**22,885**	**17,595**

The maximum credit risk from trade receivables corresponding to their gross value is EUR 384,791 thousand (2023: EUR 393,215 thousand) as of the reporting date.

Expected credit losses on trade receivables were recognized in accordance with IFRS 9. In fiscal year 2024, this amounted to EUR 22,885 thousand (2023: EUR 17,595 thousand), of which EUR 9,796 thousand (2023: EUR 9,388 thousand) were added during the course of the year. As of December 31, 2024, receivables written off in the amount of EUR 7,286 thousand (2023: EUR 2,802 thousand) were still subject to recovery measures.

Any expenses and income from allowances on trade receivables are reported under selling and marketing expenses.

In the event of a deterioration of the financial position of wholesale customers and concession partners, the amounts actually derecognized can exceed the bad debt allowances already recognized, which can have an adverse impact on the results of operations.

Pursuant to the general terms and conditions for sales, ownership of the goods supplied is transferred to wholesale partners upon complete payment of all receivables. No collateral has been provided in the Group for individual receivables. Receivables from wholesale customers in respect of whose assets insolvency proceedings have been initiated are evaluated on a case-to-case basis and impaired to the expected receivable recovery amount.

14 | Cash and cash equivalents

(in EUR thousand)

	2024	2023
Balances with banks and other cash items	200,553	102,594
Cheques	2	2,744
Cash on hand	10,067	12,989
Total	**210,622**	**118,327**

15 | Equity

Equity is made up of subscribed capital, own shares, capital reserve, other capital reserves, retained earnings, and accumulated other comprehensive income. Retained earnings contain profits that were generated in the past by entities included in the consolidated financial statements and effects from the revaluation of pension provisions. Accumulated other comprehensive income contains the differences arising from translation outside profit and loss of the foreign currencies used for the financial statements of foreign subsidiaries as well as the effects of the measurement outside profit and loss of cash flow hedges after tax.

Subscribed capital

The fully paid-in share capital of HUGO BOSS AG remains unchanged at EUR 70,400 thousand as of December 31, 2024 and consists of 70,400,000 no-par value registered ordinary shares. The arithmetical value per share is EUR 1.00.

Authorized capital

The Managing Board of HUGO BOSS AG may, with the consent of the Supervisory Board, increase the share capital by up to EUR 17,600 thousand on or before May 10, 2026 by issuing up to 17,600,000 new registered shares on a cash and/or non-cash basis once or repeatedly (authorized capital 2021). The shareholders are generally entitled to a subscription right. However, the Managing Board is authorized, with the consent of the Supervisory Board, to exclude shareholders’ subscription rights in full or in part in the cases specified in Article 4 paragraph 4 of the Articles of Association.

Conditional capital

By resolution of the Annual General Meeting of May 11, 2021, the Managing Board was authorized until May 10, 2026, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, profit participation rights, and/or participating bonds (or combinations of these instruments) with or without maturity restrictions in a total nominal amount of up to EUR 750,000 thousand, once or several times, also simultaneously in different tranches.

In this context, the share capital was conditionally increased by up to EUR 17,600 thousand by issuing up to 17,600,000 new registered no-par value shares (conditional capital 2021). The conditional capital increase will only be carried out to the extent that the holders or creditors make use of conversion/option rights from the bonds or fulfil conversion/option obligations or shares are tendered and no other forms of fulfillment are used for servicing. The Managing Board did not make use of the authorization in fiscal year 2024.

Capital management

In order to increase its enterprise value, the Group focuses on maximizing free cash flow over the long term. By consistently generating positive free cash flow, the Group is confident of being able to safeguard the liquidity of HUGO BOSS at all times and facilitate long-term growth. Increasing sales and operating profit (EBIT) is key for improving free cash flow over the long term. In addition, a strict management of trade net working capital and a value-oriented capital expenditure approach support the development of free cash flow. In order to maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, repay capital to shareholders, or issue new shares. In doing so, HUGO BOSS is pursuing a profit-based dividend policy aimed at allowing shareholders to participate appropriately in the Group's earnings development. The Company's target payout ratio, as laid out in "CLAIM 5," is projected to be in a range of between 30% and 50% of net income attributable to shareholders. In line with the Company's vision of being the leading premium tech-driven fashion platform worldwide, it is also considering strategic investments in the medium-term. In the event of excess liquidity, HUGO BOSS also considers share buybacks as viable alternatives to return cash to its shareholders. The balance sheet structure is analyzed at least once a year to determine its efficiency and ability to support future growth and to simultaneously provide sufficient safety in the event that the Company's business performance falls short of expectations.

HUGO BOSS has a revolving syndicated loan of EUR 600,000 thousand at its disposal, providing additional financial flexibility for the successful execution of its strategic initiatives. The proceeds of the facility can be used for general corporate purposes. Concluded in November 2021, it has a term of three years, including two options for extending the term by one year each and an option to increase the credit volume by up to EUR 300,000 thousand. With both extension options having been successfully exercised, the term was extended through 2026. The syndicated loan contains a standard covenant requiring the maintenance of financial leverage, defined as the ratio of net financial liabilities (including lease liabilities in accordance with IFRS 16) to EBITDA. As of December 31, 2024, financial leverage totaled 1.3, thus well below the maximum permissible level (December 31, 2023: 1.3). The syndicated loan is based on variable interest rates with applicable credit margins, depending on the external credit rating and the fulfillment of defined ESG criteria. At the end of fiscal year 2024, the utilization of the revolving credit facility totaled EUR 11,390 thousand of which EUR 11,390 thousand was used to issue bank guarantees (December 31, 2023: utilization of EUR 92,393 thousand of which EUR 9,263 thousand was used to issue bank guarantees).

(in EUR thousand)

	2024	2023
Liabilities due to banks incl. lease liabilities	1,248,210	1,124,122
Cash and cash equivalents	(210,622)	(118,327)
Net financial liabilities	**1,037,588**	**1,005,795**
Operating profit before depreciation and amortization (EBITDA)	**775,027**	**752,034**
Total leverage	**1.34**	**1.34**

Own shares

The number of own shares amounts to 1,383,833 (2023: 1,383,833). The overall percentage amounts to 2.0% of the subscribed capital (2023: 2.0%).

At the Annual General Meeting 2020, HUGO BOSS was granted a renewed authorization to buy back the Company's own shares up to a proportion of 10% of the outstanding share capital on or before May 26, 2025. The Company did not make use of this authorization as of December 31, 2024.

16 | Dividend

Despite the decline in earnings in fiscal year 2024, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 15, 2025, a dividend of EUR 1.40 per share for fiscal year 2024, reflecting an increase of 4% compared to the prior-year level (2023: EUR 1.35). This decision underscores the Company's robust financial position as well as the management's confidence in its long-term growth opportunities and its continued ability to generate a significantly positive free cash flow in the future. The proposal is equivalent to a payout ratio of 45% of the Group's net income attributable to shareholders in fiscal year 2024 (2023: 36%), in line with the Company's mid-term target payout ratio of between 30% and 50%. Assuming that shareholders approve the proposal, the dividend will be paid out on May 20, 2025. Based on the number of shares outstanding at the end of the year, the amount distributed will total EUR 96,623 thousand (2023: EUR 93,172 thousand).

In 2024, a dividend of EUR 93,172 thousand was paid out for the shares outstanding for fiscal year 2023 (in 2023 for 2022: EUR 69,016 thousand). This corresponds to EUR 1.35 per share for 2023 (2022: EUR 1.00 per share).

17 | Provisions

(in EUR thousand)

	2024	2023
Provisions for pensions	34,994	33,142
Other non-current provisions	64,851	75,659
Non-current provisions	**99,845**	**108,801**
Current provisions	**68,430**	**92,448**
Total	**168,275**	**201,249**

Other provisions of EUR 133,281 thousand (2023: EUR 168,107 thousand) comprise current provisions of EUR 68,430 thousand (2023: EUR 92,448 thousand) and other non-current provisions of EUR 64,851 thousand (2023: EUR 75,659 thousand). These mainly include non-current provisions for personnel expenses in connection with the long-term incentive program (LTI), and further explanations regarding LTI are provided in Note 18 Share-based payment. The risk-free interest rates used to discount other non-current provisions range between 0.3% and 5.5% (2023: between 0.1% and 5.3%) depending on the term and currency in question. In fiscal year 2024, other provisions developed as follows:

(in EUR thousand)

	Balance on Jan. 1, 2024	Changes in currency and the consolidated group	Compounding	Addition	Use	Release	Balance on Dec. 31, 2024
Provisions for personnel expenses	110,877	395	385	51,098	(73,838)	(5,319)	83,598
Provisions for deconstruction obligations	27,126	732	114	4,944	(1,346)	(1,895)	29,675
Costs of litigation, pending legal disputes	8,383	287	0	3,702	(4,907)	(34)	7,432
Provisions for restructuring	808	94	0	600	(301)	(115)	1,085
Other provisions	20,913	(123)	0	3,713	(10,167)	(2,845)	11,491
Total	**168,107**	**1,385**	**499**	**64,058**	**(90,560)**	**(10,209)**	**133,281**

Provisions for personnel expenses

The provisions for personnel expenses mainly concern the provisions for short- and medium-term profit sharing and bonuses, severance payment claims, phased retirement arrangements, and overtime.

It is expected that EUR 34,949 thousand (2023: EUR 47,683 thousand) of the personnel provisions will be paid out after more than twelve months.

Provisions for deconstruction obligations

Non-current provisions for deconstruction obligations relate to the Group's own retail stores, warehouses, and office space used by the Group companies. They are recognized on the basis of the expected settlement amounts and the rental period agreed upon. Estimates are made in terms of the cost as well as the actual timing of the utilization.

Provisions for costs of litigation and pending legal disputes

The provisions for costs of litigation and pending legal disputes include various, individually immaterial ongoing litigations as well as litigation costs for the protection of brand rights. These provisions are classified as current.

Miscellaneous other provisions

Based on reasonable estimates, provisions are recognized for the potential ramifications of legal issues. Such an assessment also takes into account the estimation of local, external experts such as lawyers and tax advisors. Any deviations between the original estimates and the actual outcome can impact the Group's net assets, financial position, and results of operations in the given period.

18 | Share-based payment

Equity-settled share-based payment

As part of the Restricted Stock Units Plan (RSUP) introduced by HUGO BOSS in fiscal year 2022, eligible senior management was granted options to purchase ordinary shares of HUGO BOSS. Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the options. The options carry neither rights to dividends nor voting rights.

Options were recognized at a price equal to the quoted market price of the HUGO BOSS shares on the grant date. The vesting period is three years. Options are forfeited if the employee leaves the Group before the options vest.

The number of share options outstanding as of December 31, 2024 is 159,890 (2023: 159,890). The aggregate amount of the estimated fair values of the options granted totals EUR 7,567 thousand (2023: EUR 7,567 thousand). The following inputs for the binomial model were made on July 1, 2022:

Share price at grant date (July 1, 2022)	EUR 50.36
Expected volatility	40%
Expected life	3 years
Risk free rate	0.81%
Expected dividend yields	2%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the past four years. The expected life used in the model is based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. In the event of changes in the group of eligible senior management, the fair values are reviewed.

The Group recognized total personnel expenses of EUR 2,569 thousand in fiscal year 2024 (2023: EUR 2,526 thousand) related to equity-settled share-based payment transactions.

Cash-settled share-based payment

A large part of the long-term provisions for personnel expenses consists of the Long-Term Incentive Program (LTI), as implemented at the beginning of fiscal year 2016. The LTI serves as a long-term share-based compensation component for the Managing Board and eligible senior and middle management staff of HUGO BOSS. As of December 31, 2024, there are four tranches in the LTI:

- 2021–2024 LTI tranche (issued on January 1, 2021)
- 2022–2025 LTI tranche (issued on January 1, 2022)
- 2023–2026 LTI tranche (issued on January 1, 2023)
- 2024–2027 LTI tranche (issued on January 1, 2024)

Each plan has a total duration of four years, which is split into a performance term of three years and a qualifying period of one year. The plan participant receives an individual number of virtual shares, the so-called "performance shares" (initial grant) at the beginning of the performance term, calculated as follows:

= Individual LTI budget in euro/average HUGO BOSS share price for the last three months prior to the date of granting the initial grant.

The number of virtual shares issued as of December 31, 2024, and the remaining terms of each plan are as follows:

LTI tranche	Number of virtual shares (initial Grant)	Remaining terms
2021–2024	378,618	0 years
2022–2025	212,436	1 year
2023–2026	252,009	2 years
2024–2027	239,916	3 years

The final entitlement of the participants in the plan depends on the following components:

(1) Individual number of performance shares (initial grant)

(2) Target achievement of predefined targets components: relative total shareholder return (RTSR); return on capital employed (ROCE); degree of employee satisfaction; score in the annual Corporate Sustainability Assessment (CSA)/Dow Jones Sustainability Index (DJSI)

(3) Average HUGO BOSS share price over the last three months of the qualifying period

A detailed explanation of the individual target components can be found in the Compensation Report as part of this Annual Report.

The final entitlement is paid out in cash no later than six weeks after the resolution has been passed by the management of HUGO BOSS regarding the confirmation of the annual financial statement for the corresponding fiscal years 2024, 2025, 2026, and 2027, respectively. Accordingly, the LTI tranche 2021–2024 will be paid out in fiscal year 2025.

The LTI is to be classified as a share-based cash-settled compensation and is therefore accounted for pursuant to the standards of IFRS 2. The expected entitlement of a plan participant is the basis for the calculation of a long-term personnel provision recognized on a pro-rata basis over the term of the respective plans and re-evaluated on each reporting date. The amount of the entitlement and the provision are evaluated using a Monte Carlo simulation, considering the following components:

(1) Expected degree of attainment of individual target components listed above

(2) Fair value per share option/performance shares (expected HUGO BOSS share price at the end of the period)

The fair value of the performance shares is calculated by an external expert using an option pricing model.

The fair values for the four plans as of December 31, 2024, as compared to the previous year, are as follows:

LTI tranche	Fair values per share option 2024	Fair values per share option 2023
2021–2024	EUR 61.40	EUR 59.34
2022–2025	EUR 60.89	EUR 91.16
2023–2026	EUR 49.89	EUR 73.86
2024–2027	EUR 38.73	n/a

The fair value measurement for the respective plans is based on the following parameters:

	2024	2023
HUGO BOSS share price at reporting date in EUR	44.78	67.46
Expected dividend return in %	2.00	2.00
Expected volatility in %	31.97	37.02
Risk free interest rate in % (LTI tranche 2021–2024)	n/a	3.04
Risk free interest rate in % (LTI tranche 2022–2025)	2.18	2.42
Risk free interest rate in % (LTI tranche 2023–2026)	1.98	2.09
Risk free interest rate in % (LTI tranche 2024–2027)	1.95	n/a

As of December 31, 2024, four tranches totaling EUR 41,588 thousand (2023: EUR 47,552 thousand) were recognized as provisions. Therefore, a total income for cash-settled share-based payment pursuant to IFRS 2 of EUR 5,964 thousand (2023: expense of EUR 18,686 thousand) was recognized in personnel expenses in fiscal year 2024.

CEO Investment Opportunity

Prior to Daniel Grieder assuming his duties, the CEO Investment Opportunity was agreed between Daniel Grieder and the Marzotto family, aimed at providing an additional incentive for a substantial and sustainable increase in the share price of HUGO BOSS. As such, the CEO Investment Opportunity represents a third-party agreement between Daniel Grieder and the Marzotto family and is thus explicitly not part of the compensation system in accordance with Sec. 87a AktG. Therefore, it is also not to be included in the maximum compensation of Daniel Grieder.

No conflicts of interest existing

The Supervisory Board discussed the CEO Investment Opportunity at a plenary meeting on June 16, 2020 and noted it with approval. In the opinion of the Supervisory Board, there are no conflicts of interest, particularly in regard to any other shareholder of HUGO BOSS, arising from the CEO Investment Opportunity as it is directly tied to the long-term share price performance of HUGO BOSS. Ultimately, all shareholders in HUGO BOSS benefit from a sustainable increase in the share price.

Sustainable increase in share price required

The CEO Investment Opportunity was implemented by setting up an investment vehicle titled ZPG HOLDING S.àr.l. ("ZPG"). ZPG bought 625,000 HUGO BOSS shares in mid-2021 for an average share price of EUR 46.40 and will hold these shares until the occurrence of a so-called liquidity event. In this context, Daniel Grieder invested a total amount of EUR 1.5 million in ordinary shares in ZPG, with the rest of the investment provided by PFC S.r.l. and Zignago Holding S.P.A., each controlled by the Marzotto family, and a third-party bank financing. PFC S.r.l. and Zignago Holding S.P.A. hold the remainder of ordinary shares and certain preference shares, with limited economic rights ranking senior to the ordinary shares. Liquidity events are the exercise of a call option by ZPG, the exercise of a put option by Daniel Grieder, or ZPG selling the HUGO BOSS shares to a third party.

The call option may be exercised by ZPG either in the event that Daniel Grieder leaves HUGO BOSS or in a period of 120 days following the ordinary expiration of his employment contract with HUGO BOSS. If the call option is exercised based on a reason for which Daniel Grieder is responsible (e.g., termination by Daniel Grieder not based on good cause), he will receive the lower of either the fair market value of his ZPG shares or the amount of his initial investment. If the call option is exercised without Daniel Grieder having given cause for it (e.g., termination by HUGO BOSS not based on good cause), he will receive the fair market value of his ZPG shares.

The put option may be exercised by Daniel Grieder once the average HUGO BOSS share price during a period of 120 days exceeds specific thresholds. The minimum share price required for exercising the put option is EUR 75.10, representing an increase of 62% compared to the average purchase price of HUGO BOSS shares (EUR 46.40) and a 68% increase compared to the share price of HUGO BOSS as of December 31, 2024. The consideration, both in the event of exercising the put option or in case ZPG sells its HUGO BOSS shares to a third party, is the fair market value of the ZPG shares held by Daniel Grieder.

The fair market value of the ZPG shares held by Daniel Grieder is linked to the difference between the average purchase price of HUGO BOSS shares (EUR 46.40) and the average share price of HUGO BOSS shares during the 120 days prior to the liquidity event. If the average share price of HUGO BOSS during the 120 days prior to the liquidity event ranges between EUR 46.40 and EUR 75.00, Daniel Grieder will receive back the contributed amount of EUR 1.5 million. If the average share price during the 120 days prior to the liquidity event is less than EUR 46.40, the amount will be correspondingly lower depending on the average share price. By contrast, if the average share price during the 120 days prior to the liquidity event is EUR 75.10 or higher, the fair market value of the ZPG shares held by Daniel Grieder increases depending on the share price performance of HUGO BOSS. For example, an average share price of EUR 75.10 would result in a fair market value of EUR 7.1 million, an average share price of EUR 100.00 in a fair market value of EUR 14.8 million, and an average share price of EUR 126.00 in a fair market value of EUR 23.6 million.

Liquidity event not occurred as of December 31, 2024

Against the backdrop of the challenging and volatile trading environment for consumer discretionary stocks in 2024, the share price of HUGO BOSS fluctuated between EUR 32.07 and EUR 66.62 throughout the fiscal year. As of December 31, 2024 the share price of HUGO BOSS was EUR 44.78 and thus well below the minimum threshold of EUR 75.10 required to exercise the put option. Consequently, as of the end of fiscal year 2024, there were no conditions in place that could have caused a potential liquidity event. Also, since the CEO investment opportunity was established, the average share price of HUGO BOSS has never reached the minimum threshold of EUR 75.10 over a consecutive 120-day period, thereby preventing the exercise of the put option.

As of the grant date, the fair value was closely aligned with the nominal value of the co-investment shares acquired by the CEO, along with no changes to the vesting conditions in fiscal year 2024, it is concluded not to result in any expenses according to the accounting implications under IFRS 2.

19 | Provisions for pensions and similar obligations

Provisions for pensions are recognized for obligations from future and current post-employment benefits to eligible current and former employees. The benefits agreed under the pension plans depend for the most part on the length of service of the eligible employee. In general, company pension plans are classified into two types of plans: defined contribution plans and defined benefit plans. At HUGO BOSS, most of the plans are defined benefit plans. In the past year, the main defined benefit plans were granted in Germany and Switzerland. The characteristics of these plans are described in the following.

Defined benefit plans

Germany

Since fiscal year 2014, there have only been direct pension obligations in Germany. A distinction is also made between general and individually agreed benefits. Under the general benefits granted, each employee who joined the Company prior to July 1, 2012, is entitled to benefits from Company pension plans. Employees who first receive benefits under the plan upon reaching the age of 50 or who have temporary employment agreements are excluded. Benefits comprise a post-employment benefit in the form of an old-age pension, an early-retirement benefit, a disability benefit, or a surviving dependents' benefit in the form of a dependent child benefit.

Individually agreed benefits are only granted to active and former members of the Managing Board. Benefits can take the form of a post-employment benefit as an old-age pension or disability annuity and take the form of a surviving dependents' benefit as a surviving spouse or dependent child benefit. All active members of the Managing Board have received pension commitments that are regulated in individual contracts and the amounts of which are measured as a percentage of the contractually agreed pensionable income depending on their duration of membership of the Managing Board. The basis for determining the pensionable income is defined as the base salary under the employment contract. For Managing Board members this takes the form of a defined benefit. The Group pays an annual pension contribution into a reinsurance contract for the life of the Managing Board member. This corresponds to 40% of the pensionable compensation, which is calculated on the basis of the basic salary in accordance with the employment contract. This form of pension commitment will also be used for future appointments to the Managing Board.

In addition, HUGO BOSS offers the Managing Board and senior management the opportunity to acquire additional pension benefits through salary conversions ("deferred compensation agreements"). This additional pension can be granted in the form of retirement benefits, optionally in the form of occupational disability benefits and/or surviving dependents' benefits and/or in the form of a lump-sum payment in the event of death. The pension benefits are paid as a monthly pension, whereby surviving dependents' benefits can also be granted as a lump sum.

In Germany, the Company pension plan for individually agreed benefits and deferred compensation agreements is funded by plan assets for which there is an employer's pension liability insurance, which is a qualifying insurance policy within the meaning of IAS 19.8 in conjunction with IAS 19.113 et seq. The assets concerned can be classified as non-marketable assets. Employer's pension liability insurance has not been taken out for general benefits granted.

Switzerland

In Switzerland, employee pension plans must be allocated to a pension fund that is separate from the employer. BVG ["Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge": The Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans] imposes minimum benefits. HUGO BOSS uses a collective foundation to provide for its employees against the economic consequences of old age, disability, and death. Under this model, the foundation assets are the plan assets. The board of trustees of the collective foundation is responsible for the investment policy; at present the majority of plan assets are invested in fixed-interest securities such as sovereign bonds. The supreme governing body of the collective foundation comprises an equal number of employer and employee representatives. The plans are financed by employer and employee contributions, which are defined as a percentage of the insured wage. The old-age pension is calculated as the retirement assets accumulated upon reaching a pensionable age multiplied by the conversion rates specified in the fund regulations. Employees can opt to receive their pension benefits as a lump-sum payment from the retirement assets. The benefit payments under the Swiss plans encompass old-age pensions, disability benefits, and surviving dependents' benefits. The collective foundation can change its financing system (contributions and future benefits) at any time. In addition, the collective foundation can terminate the affiliation agreement with HUGO BOSS; in such an event, the latter would have to join another welfare fund. Depending on the conditions of the affiliation agreement and the current partial liquidation rules, a deficit and the risks of increasing life expectancy (current pensions) can be transferred.

The pension obligations breakdown is as follows:

(in EUR thousand)

	Present value of the defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2024	2023	**2024**	2023	**2024**	2023
Germany	75,951	92,589	71,661	87,960	4,289	4,629
Switzerland	66,864	58,860	55,746	47,382	11,119	11,478
Others[1]	19,586	17,035	0	0	19,586	17,035
Total	**162,401**	**168,484**	**127,407**	**135,342**	**34,994**	**33,142**

1 Additional defined benefit plans are in place in Austria, France, Italy, Mexico, and Turkey.

The amount of the pension obligations was determined using actuarial methods in accordance with IAS 19 "Employee Benefits."

The fair value of plan assets includes only assets held through reinsurance policies in Germany and assets held exclusively by insurance companies in Switzerland.

In fiscal year 2024, the funding status of benefit obligations pursuant to IAS 19 was as follows:

(in EUR thousand)	2024	2023
Change in present value of benefit obligation		
Present value of benefit obligation on January 1	168,484	157,244
Currency differences	(2,525)	(1,167)
Service cost	6,798	8,077
Interest expense	6,832	5,603
Payments from settlements	(12)	(5,796)
Remeasurement of the carrying amount		
Actuarial gains/losses due to changes in financial assumptions	428	7,369
Actuarial gains/losses due to changes in demographic assumptions	(395)	5,392
Actuarial gains/losses due to experience adjustments	5,214	4,294
Benefits paid	(26,117)	(11,760)
Contribution by participants of the plan	3,490	3,223
Past service cost	0	(2,140)
Other changes in benefit obligation	204	(1,855)
Present value of benefit obligation as of December 31	**162,401**	**168,484**
Changes in plan assets		
Fair value of plan assets on January 1	135,342	129,506
Currency differences	(839)	2,906
Expected return on plan assets	3,925	3,992
Expected return on plan assets (without interest income)	3,252	4,026
Payments from settlements	0	0
Benefits paid	(22,096)	(10,298)
Contribution by the employer	4,333	4,025
Contribution by participants of the plan	3,490	3,223
Other changes in benefit obligation	0	(2,038)
Fair value of plan assets as of December 31	**127,407**	**135,342**
Funding status of the benefits funded by plan assets	**34,994**	**33,142**

As of December 31, 2024, EUR 74,058 thousand (2023: EUR 90,693 thousand) of the present value of the defined benefit obligation is financed through employer's pension liability insurance and EUR 66,864 thousand (2023: EUR 58,860 thousand) through foundation assets; while the remaining EUR 21,479 thousand (2023: EUR 18,931 thousand) was unfunded.

Actuarial assumptions underlying the calculation of the present value of the pension obligations as of December 31, 2024

Discretion is exercised to the extent that the expense from benefit-based plans is determined based on actuarial calculations. This involves making assumptions about discount rates, future wage and salary increases, mortality rates, and future pension increases. The discount rates used are based on the market yields of high-quality, fixed-interest corporate bonds.

The following premises were defined:

Actuarial assumptions	**2024**	2023
Discount rate		
Germany	3.55%	3.75%
Switzerland	1.10%	1.40%
Future pension increases		
Germany	2.00%	2.50%
Switzerland	0.00%	0.00%
Future salary increases		
Germany	3.00%	3.00%
Switzerland	3.00%	3.00%

Pension benefits in Germany are determined on the basis of biometric principles in accordance with the 2018 G mortality tables of Prof. Dr. Klaus Heubeck. The BVG 2020 mortality tables are used to measure the obligations of Swiss companies.

Sensitivity analysis of key actuarial assumptions

HUGO BOSS is exposed to special risks in connection with the aforementioned defined benefit plans. The funding status of pension obligations is influenced by both changes in the present value of the defined benefit obligations and changes in the fair value of plan assets. These are determined using actuarial methods that make assumptions concerning discount rates, future pension increases, future wage and salary increases, and mortality rates. Future deviations between actual conditions and the underlying assumptions can lead to an increase or a decrease in the present value of the defined benefit obligations or the fair value of plan assets.

In addition, future amendments to the accounting standards governing the accounting treatment of pension obligations can affect the pertinent items of net assets, financial position, and results of operations.

A change in the key actuarial parameters according to the scenarios presented below has the effects presented in the table below on the present value of the pension obligations as of December 31, 2024.

When conducting the sensitivity analysis, each parameter was altered ceteris paribus and not in combination with changes in other assumptions, thus excluding interdependencies between parameters. In addition, only ranges of values deemed to be reasonably plausible up to the date of preparing the next set of consolidated financial statements were selected.

(in EUR thousand)

Change in present value of the pension obligations	**2024**	2023
Discount rate December 31		
Increase of 75 basis points	(13,674)	(14,166)
Decline of 75 basis points	16,441	16,990
Future pension increases December 31		
Increase of 25 basis points	3,608	3,872
Decline of 25 basis points	(1,951)	(2,452)
Future salary increases December 31		
Increase of 50 basis points	1,540	1,275
Decline of 50 basis points	(1,440)	(1,174)
Life expectancy December 31		
Increase of 10 percent	(3,450)	(4,077)
Decline of 10 percent	3,404	4,018

Breakdown of the pension expenses in the period

The pension expenses of the period are composed of the following items:

(in EUR thousand)

	2024	2023
Current service costs	6,798	8,077
Past service costs	0	(2,140)
Net interest costs	2,907	1,611
Recognized pension expenses in the comprehensive statement of income	**9,705**	**7,548**
Expense from plan assets (without interest effects)	(3,252)	(4,026)
Recognized actuarial (gains)/losses	5,247	17,055
Recognized remeasurement of the carrying amount in the comprehensive statement of income	**1,995**	**13,029**

The net interest expense is calculated by multiplying the net pension obligation by the discount rate underlying the measurement of the defined benefit obligation (DBO).

In case of deferred compensation commitments, current service cost is only incurred in the year of deferral. An increase in the service rendered does not increase the benefits granted.

For fiscal year 2024, the Group expects employer contributions to plan assets of EUR 4,886 thousand (2023: EUR 5,540 thousand).

Duration

The duration of the benefit-based plans on December 31, 2024, is 14 years for Germany (2023: 14 years) and 18 years for Switzerland (2023: 17 years).

Defined contribution plans

Employer contributions to contribution-based plans totaled EUR 35,855 thousand in fiscal year 2024 (2023: EUR 32,793 thousand) and are reported under personnel expenses. The main contribution-based plan of HUGO BOSS is in Germany. The contribution-based plans receive the contributions to statutory pension insurance and the employer's contribution to employer-funded direct insurance in Germany.

20 | Financial liabilities

All interest-bearing and non-interest-bearing financial obligations as of the respective reporting date are reported under financial liabilities. They are broken down as follows:

(in EUR thousand)

	2024	**With remaining term up to 1 year**	2023	With remaining term up to 1 year
Financial liabilities due to banks	289,029	12,621	330,877	14,449
Lease liabilities	959,181	228,221	793,245	169,010
Other financial liabilities	7,789	7,789	9,272	9,272
Thereof non IFRS 16 relevant rental contracts for own retail business	6,420	6,420	8,802	8,802
Total	**1,255,999**	**248,631**	**1,133,394**	**192,732**

Other financial liabilities include negative market values from derivative financial instruments amounting to EUR 1,369 thousand (2023: EUR 727 thousand).

The following tables show the terms and conditions of financial liabilities:

	2024		2023	
Remaining term	**Weighted average interest rate**	**Carrying amount in EUR thous.**	Weighted average interest rate	Carrying amount in EUR thous.
Liabilities due to banks				
Up to 1 year	1.72%	12,621	4.11%	14,449
1 to 5 years	5.02%	253,522	4.07%	316,428
More than 5 years	2.98%	22,886	0.00%	0
Other financial liabilities				
Up to 1 year	0.00%	7,789	0.00%	9,272
1 to 5 years	0.00%	0	0.00%	0
More than 5 years	0.00%	0	0.00%	0

HUGO BOSS has a revolving syndicated loan of EUR 600,000 thousand at its disposal, providing additional financial flexibility for the successful execution of its strategic initiatives. The proceeds of the facility can be used for general corporate purposes. Concluded in November 2021, it has a term of three years, including two options for extending the term by one year each and an option to increase the credit volume by up to EUR 300,000 thousand. With both extension options having been successfully exercised, the term was extended through 2026.

At the end of fiscal year 2024, the utilization of the revolving credit facility totaled EUR 11,390 thousand, of which EUR 11,390 thousand was used to issue bank guarantees (December 31, 2023: utilization of EUR 92,393 thousand, of which EUR 9,263 thousand was used to issue bank guarantees).

In fiscal year 2023, a Schuldschein loan was recognized at a settlement amount of EUR 175,000 thousand. It is divided into four tranches with different maturities and with floating-rate or fixed-rate coupons:

- two tranches totaled EUR 87,500 thousand maturing in October 2026, and
- two tranches totaled EUR 87,500 thousand maturing in October 2028.

The funds were used for general corporate purposes. Directly attributable transaction costs of EUR 451 thousand were incurred in connection with the issuance of the Schuldschein loan. These were deducted from the fair value on initial recognition and are expensed over subsequent periods.

In fiscal year 2024, HUGO BOSS secured real estate financing in the amount of EUR 43,000 thousand for the expansion of its headquarters in Metzingen, Germany, with a maturity period of ten years.

The following table shows the contractually agreed undiscounted cash flows for non-derivative financial liabilities and for derivative financial instruments with a negative fair value:

(in EUR thousand)

2024		**Expected cash flows**			
Non-derivative financial liabilities	**Carrying amount**	**Total cash flows**	**<1 year**	**1–5 years**	**>5 years**
Financial liabilities due to banks	289,029	296,453	30,663	241,164	24,625
Lease liabilities	959,181	1,074,083	258,440	585,043	230,601
Other financial liabilities	6,420	6,420	6,420	0	0
Derivative financial liabilities					
Undesignated derivatives	1,369	173,324	173,324	0	0
Total	**1,255,999**	**1,550,280**	**468,847**	**826,207**	**255,226**
2023					
Non-derivative financial liabilities					
Financial liabilities due to banks	330,877	301,210	8,299	292,911	0
Lease liabilities	793,245	888,055	195,053	499,731	193,270
Other financial liabilities	8,545	8,545	8,545	0	0
Derivative financial liabilities					
Undesignated derivatives[1]	727	253,826	253,826	0	0
Total	**1,133,394**	**1,451,636**	**465,724**	**792,642**	**193,270**

1 Prior year figures for expected cash flows restated as nominal values.

21 | Other liabilities

(in EUR thousand)

	2024			2023		
	Total	**Current**	**Non-current**	Total	Current	Non-current
Other liabilities	239,105	236,590	2,516	208,881	206,569	2,313
Thereof indirect taxes	75,222	75,222	0	65,237	65,237	0
Thereof social security, accrued vacation, wages and salaries	64,519	64,519	0	56,114	56,114	0
Thereof right of return	53,316	53,316	0	47,305	47,305	0

The obligations arising from rights of return are calculated on the basis of historical return rates.

22 | Additional disclosures on financial instruments

Carrying amounts and fair values by category of financial instruments

(in EUR thousand)

		2024		2023	
Assets	**IFRS 9 category**	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	AC	210,622	210,622	118,327	118,327
Trade receivables	AC	361,906	361,906	375,620	375,620
Financial assets		80,142	80,142	80,768	80,768
Thereof:					
Equity investments	FVTPL	5,911	5,911	4,430	4,430
Undesignated derivatives	FVTPL	1,892	1,892	177	177
Other financial assets	AC	72,339	72,339	76,161	76,161
Liabilities					
Financial liabilities due to banks	AC	289,029	292,012	330,877	342,440
Trade and other payables	AC	642,740	642,740	571,822	571,822
Thereof reverse factoring	AC	148,491	148,491	106,986	106,986
Lease liabilities	n.a.	959,181	959,181	793,245	793,245
Other financial liabilities		7,789	7,789	9,272	9,272
Thereof:					
Undesignated derivatives	FVTPL	1,369	1,369	727	727
Other financial liabilities	AC	6,420	6,420	8,545	8,545

HUGO BOSS has implemented supplier financing programs to support its suppliers. Under the programs, outstanding trade payables can be settled with the supplier before maturity via the use of a credit institution. In this context, the credit institution pays the invoice amount less a discount to the supplier earlier, whereas HUGO BOSS pays the full invoice amount when due to the credit institution. As the original liability owed to the supplier remains the same on the basis of an unchanged acknowledgement of debt, the nature of the trade payables is assessed to remain unaffected. HUGO BOSS has included the amounts from the supplier financing programs in working capital. The range of payment due dates between 60 and 100 days, in line with the industry standards, remained unaffected on trade payables subject to, or not subject to, the supplier financing programs. There were no significant non-cash changes in the carrying amount of trade payables subject to the supplier financing programs.

The total reverse factoring credit limit as of the reporting date amounts to EUR 268,007 thousand (2023: EUR 251,097 thousand). The utilized volume amounts to EUR 148,491 thousand (2023: EUR 106,986 thousand). The payments received by suppliers from credit institutions correspond to the carrying amount of trade payables under the supplier financing programs.

The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade receivables, other financial assets, trade payables, and other current financial liabilities are close to their carrying amounts, mainly due to the short-term maturities of these instruments.

The fair value of loans from banks and other financial liabilities, obligations under finance leases, and other non-current financial liabilities is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities.

As of December 31, 2024, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The credit risk of the counterparty did not lead to any significant effects.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted (unadjusted) prices on active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

As of December 31, 2024, all financial instruments measured at fair value in the category FVTPL were assigned to Level 2. In fiscal year 2024, there were no transfers between Level 1 and Level 2 or from Level 3. The financial instruments measured at fair value comprised of forward exchange contracts. The assets amounted to EUR 1,892 thousand (2023: EUR 177 thousand) and liabilities amounted to EUR 1,369 thousand (2023: EUR 727 thousand). The fair value of financial instruments carried at amortized cost in the statement of financial position was also determined using a Level 2 method. The fair value of the assets and liabilities allocated to Level 2 are measured using input parameters from active markets. During fiscal year 2024, no circumstances occurred that would have caused the application of non-recurring fair value measurements.

Net result by measurement category

(in EUR thousand)

	Interest income and expenses	Changes in fair value	Currency translation	Bad debt losses	Disposal of financial instruments	2024	2023
Derivatives (FVTPL)	0	1,205	0	0	(4,080)	(2,875)	(2,964)
Financial Assets Measured at Amortized Cost (AC)	1,253	0	(2,516)	(7,306)	0	(8,570)	(5,542)
Financial Liabilities Measured at Amortized Cost (AC)	(17,755)	0	(1,500)	0	0	(19,255)	(12,466)

Interest on financial instruments is reported in the interest result in Note 4 Financial result.

The bad debt allowances recognized on trade receivables allocable to the AC category are reported under selling and marketing expenses.

Exchange gains and losses from the translation of foreign currency receivables and liabilities, as well as fair value changes and effects of disposals of exchange rate hedges, are reported in other financial items.

Changes in liabilities from financial activity

(in EUR thousand)

	Gross value Jan. 1	Cash flows	Changes in portfolio	Change in the maturity	Currency translation effects	Gross value Dec. 31
2024						
Liabilities arising from financing activities						
Short-term financial liabilities due to banks	14,449	(88,336)	0	86,029	479	12,621
Long-term financial liabilities due to banks	316,428	50,550	0	(86,029)	(4,542)	276,408
Lease liabilities	793,245	(216,123)	363,782	0	18,278	959,181
Total	**1,124,123**	**(253,909)**	**363,782**	**0**	**14,215**	**1,248,210**
2023						
Liabilities arising from financing activities						
Short-term financial liabilities due to banks	21,347	(57,409)	0	50,567	(57)	14,449
Long-term financial liabilities due to banks	88,532	279,473	0	(50,567)	(1,010)	316,428
Lease liabilities	804,218	(221,577)	222,231	0	(11,627)	793,245
Total	**914,097**	**487**	**222,231**	**0**	**(12,693)**	**1,124,123**

Offsetting of financial instruments

(in EUR thousand)

	Gross amounts recognized assets	Gross amounts offset liabilities	Net asset amounts disclosed in statement of fin. pos.	Liabilities not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
2024						
Trade receivables	386,055	(24,149)	361,906	0	0	361,906
Other financial assets	80,142	0	80,142	(122)	0	80,020
Thereof derivates	1,892	0	1,892	(122)	0	1,770
Total	**466,197**	**(24,149)**	**442,048**	**(122)**	**0**	**441,926**
2023						
Trade receivables	396,103	(20,484)	375,620	0	0	375,620
Other financial assets	80,769	0	80,769	(40)	0	80,728
Thereof derivates	177	0	177	(40)	0	137
Total	**476,872**	**(20,484)**	**456,388**	**(40)**	**0**	**456,348**

(in EUR thousand)

	Gross amounts recognized liabilities	Gross amounts offset assets	Net liabilities amounts disclosed in statement of fin. pos.	Assets not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
2024						
Trade payables	667,600	(24,860)	642,740	0	0	642,740
Other financial liabilities	7,789	0	7,789	(122)	0	7,667
Thereof derivates	1,369	0	1,369	(122)	0	1,247
Total	**675,389**	**(24,860)**	**650,529**	**(122)**	**0**	**650,407**
2023						
Trade payables	606,119	(34,297)	571,822	0	0	571,822
Other financial liabilities	9,272	0	9,272	(40)	0	9,232
Thereof derivates	727	0	727	(40)	0	686
Total	**615,391**	**(34,297)**	**581,094**	**(40)**	**0**	**581,054**

The liabilities of EUR 24,149 thousand (2023: EUR 20,484 thousand) offset against trade receivables as of the reporting date are outstanding credit notes to customers. The assets offset against trade payables are receivables in the form of outstanding credit notes from suppliers. These amounted to EUR 24,860 thousand (2023: EUR 34,297 thousand).

Master agreements for financial instrument contracts are in place between HUGO BOSS and its counterparties governing the offsetting of derivatives. These prescribe that derivative assets and derivative liabilities with the same counterparty can be combined into a single offsetting receivable or liability.

Hedging policy and financial derivatives

The following table shows the nominal amounts and the fair value of derivative financial instruments:

(in EUR thousand)

	2024		2023	
	Nominal values	**Fair values**	Nominal values	Fair values
Assets				
Currency hedging contracts	343,783	1,892	104,235	177
Liabilities				
Currency hedging contracts	173,324	(1,369)	253,826	(727)
Interest hedging contracts	0	0	0	0
Total	**517,106**	**523**	**358,061**	**(550)**

The nominal values are the principal amounts being hedged. The fair values of derivative financial instruments are recognized as other financial assets or other financial liabilities. They do not necessarily correspond to the amounts that will be generated in the future under normal market conditions.

Of the reported fair value from derivative financial instruments, a gain of EUR 1,073 thousand (2023: loss of EUR 550 thousand) stems from financial assets and liabilities that were classified as held for trading.

Of the amount recognized in other comprehensive income, net losses from the fair value measurement of currency hedges of EUR 0 thousand (2023: EUR 1,443 thousand) were reclassified to operating income in fiscal year 2024.

Currency risk hedges

To hedge against currency risks, HUGO BOSS occasionally enters into hedging transactions to mitigate risks.

The Group operates its own production facilities in Izmir, Turkey (HUGO BOSS Textile Industry Ltd.), among other locations. The functional currency of this subsidiary is the euro. However, certain local payments (including wages, salaries, social security contributions, and transport costs) are made in Turkish lira (TRY). This results in a transaction risk, both from the local and the Group perspective, due to the fluctuating exchange rate between the euro and the Turkish lira.

The hedging strategy aims to limit transaction risks from future cash flows. These are hedged using forward exchange contracts and are then linked with an effective hedging relationship as cash flow hedges as per IFRS 9 (hedge accounting). HUGO BOSS has implemented a rolling hedging strategy for cash flow hedges in which the target hedge ratio of up to 50% of the underlying exposure is built up over time. This rolling hedging allows HUGO BOSS to participate in market opportunities and, at the same time, can smooth the hedged rate. In addition, the ability to react to changes in forecast exposures is improved.

The maturities of the derivative financial instruments generally correspond with those of the hedged item, therefore the risk of the hedging instrument corresponds with the hedged risk. As a result, HUGO BOSS prospectively assumes an economic relationship between the hedged item and the hedging instrument. This is reviewed on a regular basis, but not less often than every reporting date. In addition, only the cross-currency basis spread (CCBS) contained in the hedging instrument was evaluated on the reporting date, and classified as immaterial. As this results in the underlying risk of the currency forward contract being identical to the hedged risk (the exchange rate risk between EUR and TRY), HUGO BOSS sets a hedging ratio of 1:1 for the hedging relationship indicated above.

In principle, differences between planned and actual due dates for cash flows can cause some partial inefficiency. Furthermore, inefficiency may occur in the calculation of the difference in values between the hedging transaction and the hedged item, since the currency basis or the forward points are not excluded when designating the hedging instruments.

Based on historical experience, HUGO BOSS anticipates all hedged items currently designated as cash flow hedges to accrue as of the reporting date.

As of December 31, 2024, there are no open forward exchange contracts for hedging future cash flows in TRY, nor any hedging instruments that the Company has designated in hedging relationships having an impact on the balance sheet.

On the other hand, as of December 31, 2024, there are open forward exchange contracts to hedge currency risks for economical purpose as already noted above.

For additional information and a detailed description of other financial risks, please refer to the Risk and Opportunities Report in the Combined Management Report.

Other notes

23 | Notes to the statement of cash flows

The statement of cash flows shows the change in cash and cash equivalents over the reporting period using cash transactions. In accordance with IAS 7, the sources and applications of cash flows are categorized according to whether they relate to operating, investing, or financing activities. The cash inflows and outflows from operating activities are calculated indirectly on the basis of the Group's net income for the period. By contrast, cash flows from investing and financing activities are directly derived from the cash inflows and outflows. The changes in the items of the statement of financial position presented in the statement of cash flows cannot be derived directly from the statement of financial position on account of exchange rate translations.

A more detailed description of cash flows reported in the consolidated statement of cash flows is available in Note 14 Cash and cash equivalents.

Non-cash expenses and income concern, in particular, unrealized exchange rate gains and losses, fair value changes of derivative financial instruments recognized in profit or loss, and non-cash changes in financial liabilities.

24 | Segment reporting

The Managing Board of HUGO BOSS AG manages the Company by geographic areas. The Group companies are responsible for the distribution of all HUGO BOSS products that are not sold as licensed products by third parties in their respective sales markets. The Managing Directors of the subsidiaries report to the regional directors in charge, who in turn report to the Managing Board of HUGO BOSS AG. This organizational structure enables the direct implementation of Group objectives while taking into account specific market conditions.

Accordingly, the operating segments are organized into the three regions: Europe including Middle East and Africa (EMEA), Americas, and Asia/Pacific, in addition to the license division. The distribution companies of HUGO BOSS are assigned to the corresponding region, while the global licenses business of HUGO BOSS with third parties is allocated to the license division.

The Managing Board of HUGO BOSS AG is the chief operating decision maker of HUGO BOSS.

Management of the regional business segments is aligned to the value-added contribution at group level.

The most important performance indicator used by the Managing Board to make decisions on resources to be allocated to segments is the EBIT. The segment result is thus defined as the EBIT of sales units plus the gross margin of sourcing units and intra-group royalties.

Group financing (including interest income and expenses) and income taxes are managed on a group-wide basis and are not allocated to operating segments.

Management of the operating figures inventories and trade receivables is assigned to the sales markets. These items are regularly reported to the Managing Board. Consequently, segment assets only contain trade receivables and inventories.

Liabilities are not part of internal management reporting. The segment liabilities are therefore not disclosed.

The accounting rules applied in the segment information are in line with the accounting rules of HUGO BOSS as described in the accounting policies.

The Managing Board regularly reviews certain effects recognized in the statement of comprehensive income, including, in particular, amortization, depreciation, and impairment losses.

Capital expenditure from property, plant, and equipment, intangible assets, as well as right-of-use assets are also regularly reported to the Managing Board as part of internal reporting, making it a component of segment reporting.

All expenses and assets that cannot be directly allocated to the sales markets or the license segment are reported in the reconciliations below under corporate units/consolidation. All group-wide central functions are pooled in the corporate units. The remaining expenses of the sourcing, production, and R&D units make up an operating cost center. No operating income is allocated to the corporate units.

(in EUR thousand)

	EMEA	Americas	Asia/Pacific	Licenses	Total operating segments
2024					
Sales	**2,624,984**	**1,020,251**	**553,091**	**109,023**	**4,307,349**
Segment profit	**592,834**	**99,749**	**74,411**	**95,349**	**862,343**
In % of sales	22.6	9.8	13.5	87.5	20.0
Segment assets	515,578	396,056	254,054	27,513	1,193,201
Capital expenditure	53,547	45,814	33,032	20	132,414
Impairments	(29,732)	(12,654)	(4,418)	0	(46,804)
Thereof property, plant, and equipment	(28,307)	(11,818)	(4,378)	0	(44,503)
Thereof intangible assets	0	0	0	0	0
Thereof rights-of-use assets	(2,915)	(836)	(41)	0	(3,791)
Thereof write-up	1,490	0	0	0	1,490
Depreciation/amortization	(156,059)	(74,483)	(73,905)	(16)	(304,462)

(in EUR thousand)

	EMEA	Americas	Asia/Pacific	Licenses	Total operating segments
2023					
Sales	**2,562,016**	**954,624**	**576,443**	**104,375**	**4,197,459**
Segment profit	**585,845**	**156,666**	**123,992**	**88,277**	**954,779**
In % of sales	22.9	16.4	21.5	84.6	22.7
Segment assets	534,360	417,085	277,150	29,931	1,258,525
Capital expenditure	79,275	53,771	37,647	9	170,702
Impairments	1,401	1,138	1,219	0	3,757
Thereof property, plant, and equipment	(10,781)	(909)	(552)	0	(12,242)
Thereof intangible assets	0	0	0	0	0
Thereof rights-of-use assets	(1,452)	0	0	0	(1,452)
Thereof write-up	13,633	2,047	1,771	0	17,451
Depreciation/amortization	(147,640)	(63,491)	(68,702)	(8)	(279,842)

Reconciliation

The reconciliation of segment figures to group figures is presented below.

Sales

(in EUR thousand)

	2024	2023
Sales – operating segments	**4,307,349**	**4,197,459**
Corporate units (incl. Consolidation)	0	0
Total	**4,307,349**	**4,197,459**

Operating income

(in EUR thousand)

	2024	2023
Segment profit (EBIT) – operating segments	**862,343**	**954,779**
Corporate units (incl. Consolidation)	(501,522)	(544,442)
EBIT HUGO BOSS	**360,821**	**410,337**
Net interest income/expenses	(54,978)	(44,861)
Other financial items	(4,341)	(8,587)
Earnings before taxes HUGO BOSS	**301,503**	**356,889**

Segment assets

(in EUR thousand)

	2024	2023
Segment assets – operating segments	**1,193,201**	**1,258,525**
Corporate units (incl. Consolidation)	240,266	183,138
Current tax receivables	23,452	23,148
Current financial assets	49,341	54,132
Other current assets	135,698	126,867
Cash and cash equivalents	210,622	118,327
Non-current assets held for sale	0	26,936
Current assets HUGO BOSS	**1,852,580**	**1,791,073**
Non-current assets	1,929,841	1,680,594
Total assets HUGO BOSS	**3,782,421**	**3,471,667**

Capital expenditure

(in EUR thousand)

	2024	2023
Capital expenditure – operating segments	**132,414**	**170,702**
Corporate units (incl. Consolidation)	153,204	126,805
Total	**285,619**	**297,507**

Impairments/write-ups[1]

(in EUR thousand)

	2024	2023
Impairments/write-ups – operating segments	**(46,804)**	**3,757**
Corporate units (incl. Consolidation)	0	0
Total	**(46,804)**	**3,757**

1 Impairment losses are shown as negative (-), while reversals of impairment losses are shown as positive (+).

Depreciation/amortization

(in EUR thousand)

	2024	2023
Depreciation/amortization – operating segments	**304,462**	**279,842**
Corporate units (incl. Consolidation)	62,939	65,612
Total	**367,402**	**345,454**

Geographic information

(in EUR thousand)

	Third party sales		Non-current assets[1]	
	2024	2023	**2024**	2023
Germany	576,930	555,227	624,808	506,517
Other EMEA markets	2,157,191	2,111,234	581,276	575,485
U.S.	653,566	608,513	313,604	235,217
Other North and Latin American markets	366,685	346,111	55,578	41,125
China	237,506	277,856	66,253	64,544
Other Asian markets	315,471	298,517	139,576	105,002
Total	**4,307,349**	**4,197,459**	**1,781,095**	**1,527,891**

1 Non-current assets are allocated to the country in which the company's registered office is located, irrespective of the segment structure.

25 | Related-party disclosures

In the reporting period from January 1 to December 31, 2024, the following transactions requiring disclosure were conducted with related-parties:

Related-parties

Related-parties comprise members of the Managing Board and the Supervisory Board.

Compensation of the Managing Board

The total compensation of the Managing Board amounts to EUR 17,768 thousand (2023: EUR 15,715 thousand). Expenses for short-term benefits totaled EUR 12,995 thousand (2023: EUR 7,666 thousand). A service cost of EUR 1,263 thousand (2023: EUR 1,120 thousand) was incurred for company pension plans in 2024. For share-based compensation, the expense amounted to EUR 3,511 thousand (2023: EUR 6,929 thousand).

The total compensation of the members of the Managing Board pursuant to Sec. 314 (1) no. 6 a) of the German Commercial Code (HGB) amounted to EUR 10,177 thousand in fiscal year 2024 (2023: EUR 10,471 thousand). Of this amount, EUR 3,382 thousand related to basic compensation including fringe benefits (2023: EUR 2,969 thousand). Special compensation was not granted in 2024 (2023: EUR 100 thousand). An amount of EUR 1,738 thousand (2023: EUR 2,940 thousand) is attributable to the "Short Term Incentive" (STI) as agreed for fiscal year 2024. An amount of EUR 5,058 thousand is attributable to the "Long Term Incentive" (LTI) 2024–2027, resulting from 79,348 subscription rights granted in 2024.

In addition, no loans were granted to members of the Managing Board in fiscal year 2024, nor were any contingent liabilities entered into in favor of these persons. Members of the Managing Board can purchase BOSS or HUGO products at reduced prices as part of their fringe benefits in kind granted as part of their salary and for their personal needs.

Former members of the Managing Board and their surviving dependents received total remuneration of EUR 2,271 thousand in 2024 (2023: EUR 1,710 thousand). This includes compensation attributable to the "Long Term Incentive" (LTI) and the "Short Term Incentive" (STI) amounting to EUR 1,728 thousand (2023: EUR 1,223 thousand).

Pension obligations for former members of the Managing Board of and their surviving dependents amount to EUR 39,955 thousand (2023: EUR 40,510 thousand). The corresponding plan assets in the form of reinsurance amount to EUR 37,559 thousand (2023: EUR 37,776 thousand).

Compensation of the Supervisory Board

The Supervisory Board received compensation for its activities in 2023 amounting to EUR 1,790 thousand. For fiscal year 2024, the total compensation amounts to EUR 1,790 thousand.

Other related-party disclosures

Members of the Managing Board and Supervisory Board together held around 1.5% (2023: around 1.5%) of the shares issued by HUGO BOSS AG at the end of fiscal year 2024.

26 | Subsequent events

Between the end of fiscal year 2024 and the preparation of these consolidated financial statements on March 5, 2025, there were no material macroeconomic, sociopolitical, industry-related, or Company-specific changes that the Management expects to have a significant impact on the Group's earnings, net assets, or financial position.

27 | Corporate Governance Code

In December 2024, the Managing Board and Supervisory Board of HUGO BOSS AG issued the declaration of compliance prescribed by Sec. 161 AktG. It is available for shareholders on the Company's website (**cgs.hugoboss.com**).

28 | Group auditor fees

(in EUR thousand)

2024	Deloitte network	Deloitte GmbH Wirtschafts-prüfungs-gesellschaft
Audit services	2,639	681
Other assurance services	170	97
Tax advisory services	114	0
Other services	38	0
Total	**2,961**	**778**
2023	Deloitte network	Deloitte GmbH Wirtschafts-prüfungs-gesellschaft
Audit services	2,663	616
Other assurance services	130	74
Tax advisory services	15	0
Other services	59	0
Total	**2,867**	**690**

In fiscal year 2024, the audit services provided by the Group auditor mainly included the statutory audit of the annual and consolidated financial statements. Additionally, other assurance services included the audit to obtain limited assurance on the Combined Non-Financial Statement. The tax advisory services related to tax filing in subsidiaries abroad.

Managing Board

Member of the Managing Board	Responsibility
Daniel Grieder (Brissago, Switzerland/Metzingen, Germany) Chairman of the Managing Board, Member of the Managing Board since June 1, 2021	Global Marketing & Brand Communication, Creative Direction, Business Unit BOSS Menswear, Business Unit BOSS Womenswear, Business Unit HUGO, Business Unit Footwear, Accessories, Bodywear & Hosiery (incl. Global Licenses), Human Resources, Corporate Communications & Public Affairs, Group Strategy & Corporate Development (incl. Global Corporate Responsibility), and Digital Platform: Brand & Product
Yves Müller (Hamburg/Metzingen, Germany) Member of the Managing Board since December 1, 2017	Group Finance & Tax, Business Planning & Analysis, Investor Relations & M&A, Operations Excellence Projects, Global Sourcing & Production, Technical Product Development, Global Logistics, IT (incl. Information Security), Legal, Compliance & Data Protection, Internal Audit, Construction & Procurement, and Digital Platform: Finance & Operations
Oliver Timm (Meerbusch/Metzingen, Germany) Member of the Managing Board since January 1, 2021	Global Sales Development, Global Retail & Wholesale, Customer Relationship Management (CRM), Data & Analytics, Global Merchandise Management, Global Travel Retail, Global Retail Management, Global E-Commerce & Metaverse, and Digital Platform: Omnichannel & Sales

Supervisory Board

Shareholder representatives	Employee representatives
Hermann Waldemer (Blitzingen, Switzerland) Management Consultant, Chairman of the Supervisory Board (from May 2020), Member since 2015	**Sinan Piskin** (Metzingen, Germany) Administrative Employee/Chairman of the Works Council, HUGO BOSS AG, Metzingen, Germany, Deputy Chairman of the Supervisory Board, Member since 2008
Iris Epple-Righi (Munich, Germany) Management Consultant, Member since 2020	**Andreas Flach** (Weil der Stadt, Germany) Trade Union Secretary of the German Metalworkers' Union IG Metall Frankfurt, Germany, Member since May 2023
Gaetano Marzotto (Milan Italy) Chairman of the Supervisory Board Gruppo Santa Margherita S.p.A., Fossalta di Portogruaro, Italy, Member since 2010	**Katharina Herzog** (Reutlingen, Germany) Senior Vice President Group Finance & Tax HUGO BOSS AG, Metzingen, Germany, Member since 2020
Luca Marzotto (Venice, Italy) Chief Executive Officer Zignago Holding S.p.A., Fossalta di Portogruaro, Italy, Member since 2010	**Daniela Liburdi** (Sindelfingen, Germany) Administrative Employee HUGO BOSS AG, Metzingen, Germany, Member since May 2023
Christina Rosenberg (Munich, Germany) Management Consultant innotail, Munich, Germany, Member since 2020	**Tanja Silvana Nitschke** (Inzigkofen, Germany) Coordinator of the "Tarifpolitische Bildungsoffensive" of IG Metall Baden-Württemberg, Reutlingen, Germany, Member since 2015
Robin J. Stalker (Oberreichenbach, Germany) Chartered Accountant, Member since 2020	**Bernd Simbeck** (Metzingen, Germany) Administrative Employee HUGO BOSS AG, Metzingen, Germany, Member since 2021 (previously already from 2010 until 2015)

Additional disclosures on the members of the Supervisory Board and the Managing Board

The members of the Supervisory Board of HUGO BOSS are also members of a supervisory board at the following companies[1]:

Iris Epple-Righi	Bambuser AB	Stockholm, Sweden
	Global-e Online Ltd.	Petah-Tikva, Israel
	Sennheiser electronic SE & Co. KG	Wedemark, Germany
Andreas Flach	Rolls Royce Power Systems AG	Friedrichshafen, Germany
	Rolls Royce Solutions GmbH	Friedrichshafen, Germany
Katharina Herzog	HUGO BOSS Holding Netherlands B.V.	Amsterdam, Netherlands
	HUGO BOSS International B.V.	Amsterdam, Netherlands
Gaetano Marzotto	Style Capital SGR S.p.A.[2]	Milan, Italy
	Golmar Italia S.p.A.	Turin, Italy
	Golmar Holding S.p.A.	Turin, Italy
	Zignago Holding S.p.A.	Fossalta di Portogruaro, Italy
	Zignago Vetro S.p.A.	Fossalta di Portogruaro, Italy
Luca Marzotto	Florence S.r.l.	Milano, Italy
	Forte Forte S.r.l.	Sarcedo, Italy
	Isotex Engineering S.r.l.	Trissino, Italy
	ITACA EQUITY Holding S.p.A.	Milano, Italy
	Multitecno S.r.l.	Fossalta di Portogruaro, Italy
	Santa Margherita S.p.A.	Fossalta di Portogruaro, Italy
	Santex Rimar Group S.r.l.	Trissino, Italy
	Serliana S.r.l.	Milano, Italy
	Smit S.r.l.	Trissino, Italy
	Sperotto Rimar S.r.l.	Trissino, Italy
	Techwald Next S.p.A.	Trissino, Italy
	Vetri Speciali S.p.A.	Trento, Italy
	Zignago Vetro S.p.A.	Fossalta di Portogruaro, Italy
Christina Rosenberg	Josef Tretter GmbH & Co. KG	Munich, Germany
	Villeroy & Boch AG	Mettlach, Germany
Robin J. Stalker	Schaeffler AG	Herzogenaurach, Germany
	Schmitz Cargobull AG[2]	Horstmar, Germany

1 Members not mentioned have no supervisory board mandates in other companies.
2 Member holds position of Chairman or Vice Chairman.

Members of the Managing Board

Daniel Grieder is a non-executive member of the board of directors of Rieter Holding AG (Winterthur, Switzerland). No other member of the Managing Board of HUGO BOSS AG holds a mandate on supervisory boards or comparable supervisory bodies of companies not belonging to HUGO BOSS during the reporting period. In the reporting period, members of the Managing Board held mandates on supervisory boards or comparable other supervisory bodies of Group companies for the purpose of Group management and monitoring.

Publication

The annual and consolidated financial statements of HUGO BOSS AG are published in the German Register of Companies and on the website of HUGO BOSS.

Metzingen, March 5, 2025

HUGO BOSS AG
The Managing Board

Daniel Grieder
Yves Müller
Oliver Timm

Shareholdings of HUGO BOSS AG

Unless stated otherwise, the interest in capital amounts to 100% and the following companies are fully consolidated.

(in EUR thousand)

Company[1]	Registered office	Equity 2024
HUGO BOSS International B.V.	Amsterdam, Netherlands	624,647
HUGO BOSS Holding Netherlands B.V.	Amsterdam, Netherlands	614,980
HUGO BOSS Internationale Beteiligungs-GmbH[2,5,9]	Metzingen, Germany	524,800
HUGO BOSS USA, Inc.	New York, NY, USA	247,903[4]
HUGO BOSS Cleveland Inc.	New York, NY, USA	
HUGO BOSS Fashion Inc.	New York, NY, USA	
HUGO BOSS Florida, Inc.	New York, NY, USA	
HUGO BOSS Licensing Inc.	New York, NY, USA	
HUGO BOSS Retail Inc.	New York, NY, USA	
HUGO BOSS China Retail Co. Ltd.	Shanghai, China	190,258
HUGO BOSS UK Limited	London, United Kingdom	75,774
HUGO BOSS Lotus Hong Kong Ltd.	Hong Kong, China	62,266
HUGO BOSS Hong Kong Ltd.	Hong Kong, China	58,569
HUGO BOSS Canada, Inc.	Toronto, Canada	46,080
HUGO BOSS Benelux B.V. y CIA S.C	Madrid, Spain	45,401
HUGO BOSS AL FUTTAIM UAE TRADING L.L.C.[6]	Dubai, U.A.E.	43,042
HUGO BOSS Textile Industry Ltd.[2]	Izmir, Turkey	39,856
HUGO BOSS Ticino S.A.	Coldrerio, Switzerland	39,046
HUGO BOSS Mexico S.A. de C.V.[2]	Mexico-City, Mexico	36,350
HUGO BOSS France SAS	Paris, France	36,031
HUGO BOSS Benelux B.V.	Amsterdam, Netherlands	34,431
HUGO BOSS Middle East FZ-LLC	Dubai, U.A.E.	30,779
HUGO BOSS do Brasil Ltda.	São Paulo, Brazil	28,059
HUGO BOSS Magazacilik Ltd. Sti.	Izmir, Turkey	14,420
HUGO BOSS Holdings Pty. Ltd.	Preston, Australia	12,363
HUGO BOSS (Schweiz) AG	Zug, Switzerland	11,248
HUGO BOSS Shoes & Accessories Italia S.p.A.	Morrovalle, Italy	11,021
HUGO BOSS Portugal & Companhia	Lisbon, Portugal	10,714
HUGO BOSS Scandinavia AB	Stockholm, Sweden	8,640
HUGO BOSS Italia S.p.A.	Milan, Italy	7,786
HUGO BOSS Australia Pty. Ltd.	Preston, Australia	7,559
HUGO BOSS Hellas LLC	Athens, Greece	6,715
HUGO BOSS (Macau) Co. Ltd.	Macau, China	6,563
Lotus (Shenzhen) Commerce Ltd. Shenzhen, China	Shenzhen, China	6,314
HUGO BOSS Nordic ApS	Copenhagen, Denmark	5,714
HUGO BOSS Guangdong Trading Co. Ltd.	Guangzhou, China	5,267
HUGO BOSS Belgium BVBA[2]	Diegem, Belgium	5,143

(in EUR thousand)

Company[1]	Registered office	Equity 2024
HUGO BOSS Vermögensverwaltungs GmbH & Co. KG[2,9]	Metzingen, Germany	4,606
HUGO BOSS Ireland Limited	Dublin, Ireland	4,530
HUGO BOSS Stiftung gGmbH[2]	Metzingen, Germany	4,393
HUGO BOSS Thailand Ltd.	Bangkok, Thailand	4,162
HUGO BOSS Korea Ltd.	Seoul, South Korea	3,011
HUGO BOSS Finland OY	Helsinki, Finland	2,176
HUGO BOSS South East Asia PTE.LTD.	Singapore	1,943
Salam Stores HUGO BOSS WLL[7]	Doha, Qatar	1,856
HUGO BOSS Shoes & Accessories Poland Sp. z o.o.	Radom, Poland	1,614
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co.Objekt Dieselstraße KG[2,9]	Metzingen, Germany	1,578
HUGO BOSS Malaysia SDN. BHD.	Kuala Lumpur, Malaysia	1,156
HUGO BOSS Holding Sourcing S.A.	Coldrerio, Switzerland	1,135
YOURDATA HB DIGITAL CAMPUS, Unipessoal, Lda.[2,10]	Porto, Portugal	857
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG[2,3,8,9]	Grünwald, Germany	453
HUGO BOSS Estonia OÜ	Tallinn, Estonia	249
Eightyards GmbH[2,11]	Metzingen, Germany	(55)
HUGO BOSS Beteiligungsgesellschaft mbH[2,5,9]	Metzingen, Germany	(85)
HUGO BOSS Latvia SIA.	Riga, Latvia	(243)
GRAMOLERA Grundstücks-Vermietungsgesellschaft Objekt Ticino mbH[9]	Metzingen, Germany	(499)
GRETANA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt D 19 KG[2]	Grünwald, Germany	(566)
HUGO BOSS New Zealand Ltd.	Auckland, New Zealand	(2,076)
HUGO BOSS Belgium Retail BVBA	Diegem, Belgium	(3,027)
HUGO BOSS Japan K.K.	Tokyo, Japan	(11,608)
HUGO BOSS Benelux Retail B.V.	Amsterdam, Netherlands	(12,507)

1 The figures correspond to the financial statements after possible profit transfer, for subsidiaries according to internally-consolidated IFRS financial statements.
2 Directly affiliated to HUGO BOSS AG.
3 Investments with an equity share of 94%.
4 Subgroup financial statement include the following companies: HUGO BOSS Cleveland Inc., HUGO BOSS Fashion Inc., HUGO BOSS Florida, Inc., HUGO BOSS Licensing Inc., HUGO BOSS Retail Inc, and HUGO BOSS USA, Inc.
5 Companies with a profit transfer agreement with HUGO BOSS AG.
6 Investments with an equity share of 49%, consolidation of IFRS 10.7: Other contractual agreements.
7 Investments with an equity share of 70%.
8 Investments with a 94% share in capital and 15% of voting rights, consolidation of IFRS 10.7: Other contractual agreements.
9 Subsidiaries that exercise the exemption of Sec. 264 (3) and 264b HGB ["Handelsgesetzbuch": German Commercial Code].
10 Investments with an equity share of 42%, consolidation of IFRS 10.7: Other contractual agreements.
11 Investment that is not consolidated; previously: HUGO BOSS Dienstleistungs GmbH.

CHAPTER 5
ADDITIONAL INFORMATION

5

ADDITIONAL DISCLOSURES ON THE COMBINED NON-FINANCIAL STATEMENT

The information disclosed in this chapter is part of the Company's combined non-financial statement as part of the combined management report. The combined non-financial statement was subject to a voluntary review with limited assurance according to ISAE 3000 (Revised).

Material ESG-related impacts, risks, and opportunities

The following tables provide information on our Company's material impacts, risks, and opportunities resulting from our double materiality assessment (DMA). In line with EFRAG guidance, the assessment was conducted on a gross basis, thus excluding the influence of implemented mitigation measures.

MATERIAL IMPACTS

Topical ESRS	Sub-topic/sub-sub-topic	Material impact	Value chain stage
E1 – Climate change	Climate change	HUGO BOSS, like the broader textile industry, has a climate impact, primarily from greenhouse gas emissions linked to fossil fuel use in its upstream value chain, including during raw material cultivation and extraction as well as the processing and manufacturing of textiles and apparel products. Additional emissions arise in the Company's own business as well as in the value chain, as for example transportation, particularly air freight, adds to emissions, while also washing, drying, and disposing textiles impacts the environment by contributing to global warming.	Upstream, own operations (own production only), downstream
E1 – Climate change	Energy	Energy consumption, especially from fossil fuels, is a significant source of emissions in the textile industry, particularly during raw material extraction and wet processing. The majority of the Company's CO_2 emissions originates from its upstream value chain, while energy use in its global retail operations and administration further contributes to emissions. The energy used in washing and drying during the products' use-phase also exacerbates the environmental footprint.	Upstream, own operations, downstream
E2 – Pollution	Pollution of water	Textile production impacts water quality, particularly through dyeing and finishing processes. Untreated wastewater and chemicals used in raw material extraction, such as pesticides and fertilizers, further contaminate water bodies, especially in regions with poor agricultural practices, affecting both the environment and people.	Upstream
E2 – Pollution	Pollution of soil	Textile production degrades soil through overgrazing, poor farming practices, and the excessive use of chemicals. Improper disposal of textile waste can contaminate soil and groundwater, impacting both the environment and public health in surrounding communities.	Upstream, downstream
E2 – Pollution	Substances of concern, substances of very high concern	Textile production relies on various harmful chemicals, including fertilizers in cotton farming and pollutants from fabric processing. Improper discharge of these chemicals affects local ecosystems and, through water and soil contamination, harms human health in affected regions.	Upstream
E2 – Pollution	Microplastics	Synthetic textiles contribute to the release of microplastics, primarily during washing and wearing. These microplastics pollute oceans and other ecosystems, indirectly impacting both marine life and human health by entering the food chain.	Downstream

Topical ESRS	Sub-topic/sub-sub-topic	Material impact	Value chain stage
E3 – Water and marine resources	Water withdrawals	Water consumption in fiber production, particularly for cotton, significantly impacts water availability and exacerbates water scarcity in regions where cotton farming is prevalent. Textile manufacturing processes, such as dyeing and washing, also require substantial amounts of water, impacting both the environment and people.	Upstream
E4 – Biodiversity and ecosystems	Biodiversity and ecosystems	The textile industry drives biodiversity loss through the excessive use of toxic herbicides and pesticides, habitat destruction for raw material farming, and deforestation for virgin materials. Overproduction leads to waste, much of which ends up in landfills or is burned, harming both ecosystems and communities relying on these environments.	Upstream, downstream
E5 – Circular economy	Resources inflows, including resource use, and resources outflows	Toxic chemicals in textile waste impede recycling, necessitating the continuous extraction of new raw materials. This extraction harms the environment through deforestation, excessive water use, and pollution, negatively affecting ecosystems and human health.	Upstream
E5 – Circular economy	Waste	Inefficient textile recycling leads to significant waste, often ending up in landfills or incinerated, contributing to environmental degradation. The lack of packaging reuse or recycling systems exacerbates the issue. This waste contributes to environmental degradation while also affecting people by reducing local air and soil quality, particularly in surrounding communities.	Downstream
S1 – Own workforce	Working conditions – Working time	Employees in wholesale and retail sectors, including sales staff as well as employees in own production, logistics, and administration, may work long hours, which can impact health, work-life balance, and productivity. In advanced economies, extended hours may be linked to career growth opportunities, while in emerging markets and developing economies, they are often driven by comparatively lower wage levels.	Own operations
S1 – Own workforce	Working conditions – Adequate wages	Ensuring adequate wages for all employees at HUGO BOSS fosters financial security, job satisfaction, and loyalty across our workforce. Fair compensation helps attract and retain talent, improving productivity and overall performance. This commitment not only enhances employee well-being but also strengthens our business resilience and long-term success.	Own operations
S1 – Own workforce	Working conditions – Freedom of association, the existence of works councils, and the information, consultation, and participation rights of workers	In certain regions where textiles are produced, workers' rights may be disregarded, making it challenging for workers to negotiate better conditions. Some HUGO BOSS employees work in regions who may face difficulties in organizing and advocating for rights.	Own operations (own production only)
S1 – Own workforce	Working conditions – Work-life balance	In the fashion industry, both white-collar and blue-collar employees may face increased workloads and extended hours during peak seasons, often necessitating overtime. This can lead to stress and fatigue, adversely affecting overall well-being and work-life balance.	Own operations
S1 – Own workforce	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value	Despite progress in workforce representation, women continue to be underrepresented in senior leadership roles across many industries, contributing to ongoing disparities in career progression and pay equity. These systemic challenges limit opportunities for women, particularly in higher-level roles, slowing progress toward achieving gender parity and equal pay across the workforce.	Own operations
S1 – Own workforce	Equal treatment and opportunities for all – Training and skills development	Insufficient training can hinder employee development, skills, and productivity, while increasing the risk of errors and workplace accidents, particularly in roles that demand specialized safety skills, such as textile production.	Own operations
S1 – Own workforce	Equal treatment and opportunities for all – Employment and inclusion of persons with disabilities	A lack of accessibility infrastructure at workplaces hinders employees with disabilities, limiting their ability to perform tasks independently and impeding the creation of an inclusive work environment.	Own operations

Topical ESRS	Sub-topic/sub-sub-topic	Material impact	Value chain stage
S1 – Own workforce	Equal treatment and opportunities for all – Measures against violence and harassment in the workplace	Neglecting to address violence and harassment in the workplace creates an environment where underrepresented groups feel vulnerable, undermining efforts to cultivate diversity, inclusivity, and a welcoming work culture.	Own operations
S1 – Own workforce	Equal treatment and opportunities for all – Diversity	A lack of diversity can result in employee disengagement, as individuals may feel undervalued or excluded due to factors such as nationality, gender, religion, or disability, thereby reducing morale and team cohesion.	Own operations
S2 – Workers in the value chain	Working conditions – Secure employment	Intense competition in textile production, particularly in developing economies, heightens job insecurity for lower-tier workers, many of whom are women without social security. The reliance on subcontractors further diminishes accountability for worker rights.	Upstream
S2 – Workers in the value chain	Working conditions – Working time	Workers in fiber production, particularly in natural fibers, often endure long working hours under challenging conditions. Similar risks extend to yarn and fabric production within the textile supply chain.	Upstream
S2 – Workers in the value chain	Working conditions – Adequate wages	High competition among suppliers, combined with limited employee representation, can result in low wages. The increase in informal labor without legal protections, coupled with unpaid overtime, heightens the risk of wage theft and labor rights violations across the supply chain.	Upstream
S2 – Workers in the value chain	Working conditions – Freedom of association, including the existence of work councils	Textile industry workers often face challenges in expressing concerns or negotiating for better wages and working conditions due to restricted freedom of association and the absence of work councils. This challenge is particularly pronounced among suppliers and subcontractors in developing countries, restricting workers' ability to advocate for improved conditions.	Upstream
S2 – Workers in the value chain	Working conditions – Collective bargaining	In many regions, textile supply chain workersface barriers to collective bargaining, limiting their ability to negotiate fair wages and improved working conditions. This is especially prevalent in countries with weak labor protections, where restrictions on unionization and collective agreements often result to exploitation and reduced workplace rights.	Upstream
S2 – Workers in the value chain	Working conditions – Health and safety	Workers across the textile supply chain face health and safety risks, including exposure to pesticides in cotton farming and toxic chemicals in dyeing processes. These hazards jeopardize the safety and well-being of workers.	Upstream
S2 – Workers in the value chain	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value	Gender inequality persists in the textile supply chain, with women often earning a lower pay than their male counterparts for the same work. In addition, women are frequently underrepresented in leadership positions, and gender-based discrimination can limit career advancement and access to equal opportunities. This disparity hinders efforts to achieve workplace equity and equal pay for equal value.	Upstream
S2 – Workers in the value chain	Other work-related rights – Child labor	Child labor remains a concern in the global textile industry, particularly in the production of natural fibers and yarn. Children often work in hazardous conditions for long hours, depriving them of education and childhood development opportunities.	Upstream
S2 – Workers in the value chain	Other work-related rights – Forced labor	Forced labor is prevalent in the textile supply chain, from raw materials to manufacturing. Vulnerable groups, including migrant workers, women, and children, are often subjected to exploitation, especially in regions with weak labor protections.	Upstream
G1 – Business conduct	Corporate culture	A lack of a defined corporate culture can lead to workplace conflicts and unclear expectations. Companies that fail to comply with laws and regulations due to insufficient awareness or training risk negatively impacting employees and communities.	Own operations
G1 – Business conduct	Protection of whistleblowers	Insufficient whistleblower protection across the value chain undermines the ability to expose unethical practices, fostering distrust and limiting a company's capacity to address and resolve issues effectively.	Upstream, own operations, downstream
G1 – Business conduct	Animal welfare	Without adequate transparency and control, the use of animal-derived materials such as leather, wool, and down in apparel products risks unethical treatment of animals within the supply chain, impacting animal welfare.	Upstream, own operations (own production only)

MATERIAL RISKS AND OPPORTUNITIES

Topical ESRS	Sub-topic/sub-sub-topic	Material risk and/or opportunity
E1 – Climate change	Climate change mitigation	Insufficient climate change mitigation strategies and failure to transition to a low-carbon economy may result in regulatory challenges, reputational damage, and financial losses.
E1 – Climate change	Climate change adaptation	Inability to adapt to the physical and operational impacts of climate change can disrupt operations, supply chains, and infrastructure, increasing vulnerability to extreme weather events and long-term risks.
S2 – Workers in the value chain	Working conditions – Working time	Failure of vendors and supply chain partners to monitor and enforce compliance with working time regulations for value chain workers could lead to legal penalties, worker exploitation, and reputational harm.
S2 – Workers in the value chain	Working conditions – Adequate wages	Vendors and supply chain partners offering inadequate wages, such as below-market rates or non-compliance with minimum wage laws, can lead to worker dissatisfaction, legal risks, and supply chain instability.
S2 – Workers in the value chain	Other work-related rights	Failure of vendors or supply chain partners to comply with child labor and forced labor regulations can result in severe human rights violations.
S4 – Consumers and end–users	Information-related impacts for consumers and/or end-users	Failure to safeguard consumer privacy, ensure freedom of expression, or provide access to accurate information can lead to privacy violations, data breaches, and loss of consumer trust.

Overview of ESRS disclosure requirements

The following table provides an overview of all ESRS disclosure requirements and their respective application status within this consolidated non-financial statement, differentiated into applied, partially applied, material but not applied, and not material requirements.

ESRS DISCLOSURE REQUIREMENTS

Disclosure requirement	Application status	Paragraph
ESRS 2 BP–1	partially applied	About this combined non-financial statement
ESRS 2 BP–2	not applied	
ESRS 2 GOV–1	partially applied	Governance, Corporate Governance and the Corporate Governance Statement
ESRS 2 GOV–2	not applied	
ESRS 2 GOV–3	not applied	
ESRS 2 GOV–4	not applied	
ESRS 2 GOV–5	not applied	
ESRS 2 SBM–1	partially applied	Business model, strategy, and value chain, Business Activities and Group Structure, Group Strategy
ESRS 2 SBM–2	partially applied	Interests and views of stakeholders
ESRS 2 SBM–3	partially applied	Double materiality assessment, Additional Disclosures on the Combined Non-financial Statement
ESRS 2 IRO–1	applied	Double materiality assessment
ESRS 2 IRO–2	partially applied	Double materiality assessment, Additional Disclosures on the Combined Non-financial Statement
ESRS E1 GOV–3	not applied	
ESRS E1–1	partially applied	Transition plan for climate change
ESRS E1 SBM–3	not applied	
ESRS E1 IRO–1	not applied	
ESRS E1–2	partially applied	Policies related to climate change
ESRS E1–3	partially applied	Actions related to climate change
ESRS E1–4	partially applied	Targets related to climate change
ESRS E1–5	partially applied	Energy consumption and mix
ESRS E1–6	partially applied	Greenhouse gas emissions
ESRS E1–7	not applied	
ESRS E1–8	not applied	
ESRS E1–9	not applied	
ESRS E2 IRO–1	not applied	
ESRS E2–1	partially applied	Policies related to pollution
ESRS E2–2	partially applied	Actions related to pollution
ESRS E2–3	partially applied	Targets related to pollution
ESRS E2–4	not applied	
ESRS E2–5	not applied	
ESRS E2–6	not applied	
ESRS E3 IRO–1	not applied	
ESRS E3–1	partially applied	Policies related to water resources
ESRS E3–2	partially applied	Actions related to water resources
ESRS E3–3	not applied	
ESRS E3–4	not material	
ESRS E3–5	not applied	
ESRS E4 SBM–3	not applied	
ESRS E4 IRO–1	not applied	
ESRS E4–1	partially applied	Transition plan for biodiversity and ecosystems
ESRS E4–2	partially applied	Policies related to biodiversity and ecosystems
ESRS E4–3	partially applied	Actions in relation to biodiversity and ecosystems

Disclosure requirement	Application status	Paragraph
ESRS E4–4	partially applied	Targets related to biodiversity and ecosystems
ESRS E4–5	not applied	
ESRS E4–6	not applied	
ESRS E5 IRO–1	not applied	
ESRS E5–1	partially applied	Policies related to resource use and circular economy
ESRS E5–2	partially applied	Actions related to resource use and circular economy
ESRS E5–3	partially applied	Targets related to resource use and circular economy
ESRS E5–4	partially applied	Resource inflows
ESRS E5–5	not applied	
ESRS E5–6	not applied	
ESRS S1 SBM–2	not applied	
ESRS S1 SBM–3	not applied	
ESRS S1–1	partially applied	Policies related to own workforce
ESRS S1–2	partially applied	Engagement with own workforce
ESRS S1–3	partially applied	Grievance mechanisms and remediation processes
ESRS S1–4	partially applied	Targets and actions related to own workforce
ESRS S1–5	partially applied	Targets and actions related to own workforce
ESRS S1–6	partially applied	Characteristics of our workforce
ESRS S1–7	not applied	
ESRS S1–8	partially applied	Freedom of association and collective bargaining
ESRS S1–9	partially applied	Diversity, equity, and inclusion (DE&I)
ESRS S1–10	partially applied	Adequate wages
ESRS S1–11	not material	
ESRS S1–12	not applied	
ESRS S1–13	not applied	
ESRS S1–14	not material	
ESRS S1–15	not applied	
ESRS S1–16	not applied	
ESRS S1–17	partially applied	Targets related to measures against violence and harassment
ESRS S2 SBM–2	not applied	
ESRS S2 SBM–3	not applied	
ESRS S2–1	partially applied	Policies related to workers in the value chain
ESRS S2–2	partially applied	Engaging with workers in the value chain
ESRS S2–3	partially applied	Grievance mechanisms and remediation processes
ESRS S2–4	partially applied	Actions related to workers in the value chain
ESRS S2–5	partially applied	Targets related to workers in the value chain
ESRS S3 SBM–2	not material	
ESRS S3 SBM–3	not material	
ESRS S3–1	not material	
ESRS S3–2	not material	
ESRS S3–3	not material	
ESRS S3–4	not material	
ESRS S3–5	not material	
ESRS S4 SBM–2	not applied	
ESRS S4 SBM–3	not applied	
ESRS S4–1	partially applied	Policies related to consumers and end-users
ESRS S4–2	partially applied	Engaging with consumers and end-users
ESRS S4–3	partially applied	Grievance mechanisms and remediation processes
ESRS S4–4	partially applied	Actions related to consumers and end-users
ESRS S4–5	partially applied	Targets related to consumers and end-users
ESRS G1 GOV–1	not applied	
ESRS G1–1	partially applied	Business Conduct
ESRS G1–2	not material	
ESRS G1–3	partially applied	Prevention and detection of corruption and bribery
ESRS G1–4	partially applied	Targets related to the prevention and detection of corruption and bribery
ESRS G1–5	not material	
ESRS G1–6	not material	

Additional ESG data points below materiality thresholds

The following table provides information on additional ESG data points below our DMA's materiality thresholds.

ADDITIONAL ESG DATA POINTS

	2024	2023
Environment		
Total waste disposed (in metric tons)[1]	7,870	8,916
Total net freshwater consumption (in cubic meters)[1]	58,180	46,363
Social		
Employee Lost-Time Injury Frequency Rate (LTIFR)[2]	9.6	6.8
Contractors Lost-Time Injury Frequency Rate (LTIFR)[2]	4.1	5.9
Number of work-related fatalities for employees	0	0
Number of work-related fatalities for contractors	0	0

1 Own operations.
2 The Lost Time Injury Frequency Rate (LTIFR) measures the number of work-related injuries that prevent employees or third-party contractors from returning to work on their next scheduled workday or shift. It is calculated as the number of these injuries per one million hours worked.

ESG datapoints deriving from other EU legislation

The following table, disclosed in accordance with ESRS 2, provides an overview of datapoints that derive from other EU legislation.

ESG DATAPOINTS DERIVING FROM OTHER EU LEGISLATION

Disclosure Requirement/Data Point		SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph
ESRS 2 GOV-1 21 (d)	Board's gender diversity	x		x		Corporate Governance and the Corporate Governance Statement
ESRS 2 GOV-1 21 (e)	Percentage of board members who are independent			x		Corporate Governance and the Corporate Governance Statement
ESRS 2 GOV–4 30	Statement on due diligence	x				not applied
ESRS 2 SBM–1 40 (d) i	Involvement in fossil fuel activities	x	x	x		not material
ESRS 2 SBM–1 40 (d) ii	Involvement in chemical production	x		x		not material
ESRS 2 SBM–1 40 (d) iii	Involvement in controversial weapons	x		x		not material
ESRS 2 SBM–1 40 (d) iv	Involvement in tobacco cultivation			x		not material
ESRS E1–1 14	Transition plan for climate neutrality by 2050				x	Transition plan for climate change
ESRS E1–1 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		not applied
ESRS E1–4 34	GHG emission reduction targets	x	x	x		Targets related to climate change
ESRS E1–5 38	Energy consumption from fossil sources	x				Energy consumption and mix
ESRS E1–5 37	Energy consumption and mix	x				Energy consumption and mix
ESRS E1–5 40–43	Energy intensity in high climate impact sectors	x				Energy consumption and mix
ESRS E1–6 44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Greenhouse gas emissions
ESRS E1–6 53–55	Gross GHG emissions intensity	x	x	x		Greenhouse gas emissions
ESRS E1–7 56	GHG removals and carbon credits				x	not applied
ESRS E1–9 66	Exposure to climate-related physical risks			x		not applied
ESRS E1–9 66 (a); 66 (c)	Disaggregation by physical risk and asset location		x			not applied

Disclosure Requirement/Data Point		SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph
ESRS E1–9 67 (c)	Real estate asset value by energy-efficiency classes		x			not applied
ESRS E1–9 69	Portfolio exposure to climate-related opportunities			x		not applied
ESRS E2–4 28	Pollutants emitted to air, water, soil	x				not applied
ESRS E3–1 9	Water and marine resources	x				Policies related to water resources
ESRS E3–1 13	Dedicated policy on water and marine resources	x				not material
ESRS E3-1 14	Sustainable oceans and seas	x				not applied
ESRS E3-4 28 (c)	Total water recycled and reused	x				not material
ESRS E3-4 29	Total water consumption per net revenue	x				not material
ESRS 2- SBM 3 - E4 16 (a) i		x				not applied
ESRS 2- SBM 3 - E4 16 (b)		x				not applied
ESRS 2- SBM 3 - E4 16 (c)		x				not applied
ESRS E4-2 24 (b)	Sustainable land/agriculture practices or policies	x				not applied
ESRS E4-2 24 (c)	Sustainable oceans/seas practices or policies	x				not applied
ESRS E4-2 24 (d)	Policies to address deforestation	x				Policies related to biodiversity and ecosystems
ESRS E5-5 37 (d)	Non-recycled waste	x				not material
ESRS E5-5 39	Hazardous waste and radioactive waste	x				not material
ESRS 2- SBM3 - S1 14 (f)	Risk of incidents of forced labour	x				not material
ESRS 2- SBM3 - S1 14 (g)	Risk of incidents of child labour	x				not material
ESRS S1-1 20	Human rights policy commitments	x				Policies related to own workforce
ESRS S1-1 21	Due diligence policies on issues addressed by ILO Conventions 1 to 8		x			Policies related to own workforce
ESRS S1-1 22	Processes for preventing trafficking in human beings	x				not material
ESRS S1-1 23	Workplace accident prevention policy or management system	x				Policies related to own workforce
ESRS S1-3 32 (c)	Grievance/complaints handling mechanisms	x				Grievance mechanisms and remediation processes
ESRS S1-14 88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x	x			Additional ESG data points below materiality thresholds
ESRS S1-14 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Additional ESG data points below materiality thresholds

Disclosure Requirement/Data Point		SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph
ESRS S1-16 97 (a)	Unadjusted gender pay gap	x	x			not applied
ESRS S1-16 97 (b)	Excessive CEO pay ratio	x				not applied
ESRS S1-17 103 (a)	Incidents of discrimination	x				Targets related to measures against violence and harassment
ESRS S1-17 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x			Targets related to measures against violence and harassment
ESRS 2- SBM3 – S2 11 (b)	Significant risk of child labour or forced labour in the value chain	x				not applied
ESRS S2-1 17	Human rights policy commitments	x				Policies related to workers in the value chain
ESRS S2-1 18	Policies related to value chain workers	x				Policies related to workers in the value chain
ESRS S2-1 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x	x			Policies related to workers in the value chain
ESRS S2-1 19	Due diligence policies on issues addressed by ILO Conventions 1 to 8		x			Policies related to workers in the value chain
ESRS S2-4 36	Human rights issues and incidents connected to its value chain	x				Actions related to workers in the value chain
ESRS S3-1 16	Human rights policy commitments	x				not material
ESRS S3-1 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x	x			not material
ESRS S3-4 36	Human rights issues and incidents	x				not material
ESRS S4-1 16	Policies related to consumers and end-users	x				Policies related to consumers and end-users
ESRS S4-1 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x			not applied
ESRS S4-4 35	Human rights issues and incidents	x				not material
ESRS G1-1 §10 (b)	United Nations Convention against Corruption	x				not applied
ESRS G1-1 §10 (d)	Protection of whistle-blowers	x				Whistleblowing policy and channels to raise concerns
ESRS G1-4 §24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x	x			Targets related to the prevention and detection of corruption and bribery
ESRS G1-4 §24 (b)	Standards of anti-corruption and anti-bribery	x				Actions related to the prevention and detection of corruption and bribery

Additional disclosures on the EU Taxonomy

The following tables, disclosed in accordance with Annex I, Annex II, and Annex V of the Delegated Regulation on Article 8 of the EU Taxonomy, provide information on the taxonomy-eligible and taxonomy-aligned proportions of sales, CapEx, and OpEx.

EU TAXONOMY – DISCLOSURE REGARDING TURNOVER FOR FISCAL YEAR 2024

Financial year 2024	**2024**			**Substantial contribution criteria**						**DNSH criteria ("Does Not Significantly Harm")**									
Economic Activities	**Codes[1]**	**Turnover**	**Proportion of Turnover[2]**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	**Minimum Safeguards[3]**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2023**	**Category enabling activity[4]**	**Category transitional activity[5]**
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0														0		
Of which enabling[4]		0	0														0		
Of which transitional[5]		0	0														0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0														0		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0	0														0		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		4,307	100																
Total		**4,307**	**100**																

"Y" = "Yes," taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; "N" = "No," taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; "EL" = "Eligible," taxonomy-eligible activity for the relevant objective; "N/EL" = "Not eligible," taxonomy-non-eligible activity for the relevant environmental objective.

1 Abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective.

2 No taxonomy-eligible or -aligned sales in fiscal year 2024, as no binding taxonomy criteria are yet available for the core business of HUGO BOSS.

3 Compliance with the social minimum safeguards specified by the Taxonomy Regulation.

4 According to the Taxonomy Regulation, activities that directly enable other activities to make a significant contribution to one or more of the environmental targets.

5 According to the Taxonomy Regulation, activities that support the transition to a climate-neutral economy.

EU TAXONOMY – DISCLOSURE REGARDING CAPEX FOR FISCAL YEAR 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Codes[1]**	**CapEx**	**Proportion of CapEx[2]**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	**Minimum safeguards[3]**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2023**	**Category enabling activity[4]**	**Category transitional activity[5]**
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0														0		
Of which enabling[4]		0	0														0		
Of which transitional[5]		0	0														0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	12	2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12	2														0		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		12	2														0		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		633	98																
Total		**645**	**100**																

"Y" = "Yes," taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; "N" = "No," taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; "EL" = "Eligible," taxonomy-eligible activity for the relevant objective; "N/EL" = "Not eligible," taxonomy-non-eligible activity for the relevant environmental objective.

1 Abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective ("CCM 7.1" = Climate Change Mitigation, Construction of new buildings").
2 Capital expenditure (CapEx) to be considered under the Taxonomy Regulation comprise additions to property, plant and equipment and intangible assets, including additions to rights of use assets of long-term leases.
3 Compliance with the social minimum safeguards specified by the Taxonomy Regulation.
4 According to the Taxonomy Regulation, activities that directly enable other activities to make a significant contribution to one or more of the environmental targets.
5 According to the Taxonomy Regulation, activities that support the transition to a climate-neutral economy.

EU TAXONOMY – DISCLOSURE REGARDING OPEX FOR FISCAL YEAR 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Codes[1]**	**OpEx**	**Proportion of OpEx[2]**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	**Minimum safeguards[3]**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2023**	**Category enabling activity[4]**	**Category transitional activity[5]**
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0														0		
Of which enabling[4]		0	0														0		
Of which transitional[5]		0	0														0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0														0		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0	0														0		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		128	100																
Total		**128**	**100**																

"Y" = "Yes," taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; "N" = "No," taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; "EL" = "Eligible," taxonomy-eligible activity for the relevant objective; "N/EL" = "Not eligible," taxonomy-non-eligible activity for the relevant environmental objective.

1 Abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective.
2 In accordance with the specifications set out in Annex I of the delegated acts on Article 8 of the EU Taxonomy, HUGO BOSS will, as in the previous year, refrain from presenting its taxonomy-eligible and -aligned operating expenses (OpEx) for fiscal year 2024 due to immateriality.
3 Compliance with the social minimum safeguards specified by the Taxonomy Regulation.
4 According to the Taxonomy Regulation, activities that directly enable other activities to make a significant contribution to one or more of the environmental targets.
5 According to the Taxonomy Regulation, activities that support the transition to a climate-neutral economy.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report, which is combined with the management report of HUGO BOSS AG, includes a fair review of the development and performance of the business and the position of the HUGO BOSS Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Metzingen, March 5, 2025

HUGO BOSS AG
The Managing Board

Daniel Grieder
Yves Müller
Oliver Timm

AUDITOR'S REPORTS

Independent Auditor's Report

To HUGO BOSS AG, Metzingen/Germany

Report on the audit of the consolidated financial statements and of the combined management report

Audit Opinions

We have audited the consolidated financial statements of HUGO BOSS AG, Metzingen/Germany, and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated income statement and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the combined management report for the parent and the group of HUGO BOSS AG, Metzingen/Germany, for the financial year from January 1 to December 31,2024. In accordance with the German legal requirements, we have not audited the content of the combined non-financial statement pursuant to Sections 289b to 289e and 315b and 315c German Commercial Code (HGB) included in the combined management report, as well as the corporate governance statement pursuant to Sections 289f and 315d HGB referred to in the section "Legal Disclosures" of the combined management report. In addition, we have not audited the content of the section of the combined management report marked as unaudited and not pertaining to the management report entitled "Key features of the internal control and risk management system".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024 and of its financial performance for the financial year from January 1 to December 31, 2024, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the combined non-financial statement included in the combined management report and the combined corporate governance statement referred to in section "Legal Disclosures" of the combined management report and the above-mentioned section of the report marked as unaudited and not pertaining to the management report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Accounting of rental and lease agreements
2. Recoverability of non-current assets allocated to the Group's directly operated stores

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)
b) auditor's response

1. Accounting of rental and lease agreements

a) The consolidated financial statements include right-of-use for leasing objects of mEUR 877.2 and respective current and non-current lease liabilities of mEUR 959.2, which corresponds to approx. 23.2% and 25.4% of the consolidated statement of financial position total, respectively. In particular, the items result from closed rental and lease agreements for HUGO BOSS Group's directly operated stores. The composition of the contract portfolio is regularly subject to significant changes due to contract amendments, terminations, expiring contracts and new contracts.

Against this background, there is an increased risk of misstatements in the accounting with regard to the completeness of the recognition of contracts and their presentation in the consolidated financial statements. For this reason, we considered the accounting of rental and lease agreements to be a key audit matter.

The disclosures on accounting for rental and lease agreements are included in the sections "Accounting and valuation principles" and "9 I Leases" in the notes to the consolidated financial statements.

b) During our audit, we obtained an understanding of the processes set up for approving, recording and validating rental and lease agreements. In doing so, we assessed the design and implementation as well as the effectiveness of selected accounting-related internal controls to ensure the complete recognition and correct calculation of the value of the right-of-use and lease liabilities. We also assessed new contracts and contract amendments in the financial year 2024 on a sample basis with regard to their accounting treatment in accordance with IFRS 16 and compared the relevant data in the rental and lease agreements with the data used to determine the value in use and lease liabilities. The arithmetical accuracy of the valuation was also checked on a sample basis with regard to the right-of-use assets, lease liabilities, depreciation and interest expenses. In order to assess the completeness of the leases recognized in the balance sheet, we tested the appropriate accounting treatment in accordance with IFRS 16 on a sample basis in addition to performing interviews.

We also assessed the completeness and correctness of the disclosures in the notes to the consolidated financial statements required by IFRS 16.

2. Recoverability of non-current assets allocated to the Group's directly operated stores

a) The material share of the non-current assets of HUGO BOSS Group relates to assets assigned to the Group's directly operated stores (hereafter referred to as: "DOS") and is disclosed under the rights-to-use assets on leased objects and to assets disclosed under property, plant and equipment. These are subject to impairment tests as at the balance sheet date if there are any indications of impairment. The Group's DOS were determined as cash-generating units. As part of the impairment test, the future cash inflows determined on the basis of the planning adopted by the executive directors and approved by the supervisory board are discounted using a discounted cash flow method. The planning is carried forward using industry- and country-specific growth rates. In this context, expectations about future market developments and country-specific assumptions are also taken into account. Discounting is based on the weighted cost of capital of the respective cash-generating unit.

The result of this valuation is highly dependent on the executive directors' assessment of future cash inflows, specific growth rates and the weighted cost of capital used for discounting and is therefore subject to uncertainties and discretion. Against this background, we classified the recoverability of the non-current assets allocated to the Group's DOS as a key audit matter within the scope of our audit.

The disclosures on the determination, recognition and valuation of the assets allocated to DOS are included in the sections "Accounting and valuation methods" and "10 I Impairment tests" within the notes to the consolidated financial statements.

b) As part of our audit, we obtained an understanding of the processes and controls in place and tested the appropriateness and implementation of the processes established by the Company and the effectiveness of selected related controls. We assessed the valuation model, in particular its methodological and mathematical accuracy, with the involvement of our internal valuation experts. To assess the quality and reliability of the corporate planning, we compared the planning for selected financial years with the actual results achieved and analyzed significant deviations in individual cases (planning accuracy). We verified whether the data sources used in the calculation and the planned future cash flows form an appropriate basis, in particular by comparing them with the planning adopted by the executive directors and approved by the supervisory board, and by questioning those responsible about the key assumptions and premises of this planning. In addition, we critically examined the planning and checked its plausibility, taking into account macroeconomic and sector-specific market expectations. As a significant portion of the respective value in use results from forecast cash flows for the period after the detailed planning period of basically one year, we critically assessed in particular the sustainable retail growth rate applied for this phase by comparing it with internal and external data. We assessed the derivation of the discount rates and their individual components with the involvement of our internal valuation experts, in particular by questioning the appropriateness of the peer group, comparing the market data used with external evidence and verifying the mathematical accuracy of the model.

We also examined the completeness and accuracy of the disclosures in the notes to the consolidated financial statements required by IAS 36.

Other information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the combined non-financial statement included in the combined management report,
- the combined corporate governance statement, which is referred to in the section "Legal Disclosures" of the combined management report and is additionally shown in the chapter "Corporate Governance and Corporate Governance Statement" of the annual report,
- the chapter of the combined management report marked as unaudited and not pertaining to the management report entitled "Key features of the internal control and risk management system",
- the remuneration report pursuant to Section 162 AktG,

- the executive directors' confirmations pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report, and

- all other parts of the annual report expect for the section "Legal Disclosures",

- but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 AktG concerning the German Corporate Governance Code, which is part of the combined corporate governance statement, and for the remuneration report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory Requirements

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value cd44a63f604b79b23393c09ae303e90eceef92431a3b58abaa37428ab15d9acc, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)).

Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents
The executive directors of the Parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Parent are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Audit of the ESEF Documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on May 14, 2024. We were engaged by the supervisory board on September 29, 2024. We have been the group auditor of HUGO BOSS AG, Metzingen/Germany, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

German Public Auditor responsible for the Engagement

The German Public Auditor responsible for the engagement is Marco Koch.

Stuttgart/Germany, March 7, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Reitmayr	Marco Koch
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Report of the Independent Auditor on the Audit of the Remuneration Report in Accordance with Section 162 (3) Aktg

To HUGO BOSS AG, Metzingen/Germany

Audit Opinion

We conducted a formal audit of the remuneration report of HUGO BOSS AG, Metzingen, for the financial year from January 1 to December 31, 2024 to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (08.2021)). Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our report. Our audit firm has applied the IDW Quality Assurance Standard: Requirements for Quality Management in the Audit Firm (IDW QS 1). We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

Responsibilities of the Executive Board and the Supervisory Board

The executive board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report, and to express an opinion on this in a report on the audit.

We planned and conducted our audit in such a way to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the remuneration report.

Stuttgart/Germany, March 12, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Reitmayr Wirtschaftsprüfer (German Public Auditor)	Marco Koch Wirtschaftsprüfer (German Public Auditor)

Limited Assurance Report of the Independent Practitioner Regarding the Combined Non-Financial Statement

To HUGO BOSS AG, Metzingen/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the combined non-financial statement of HUGO BOSS AG, Metzingen/Germany, for the financial year from January 1 to December 31, 2024, included in section "Combined Non-Financial Statement" of the combined management report for the parent and the group for complying with Sections 289b to 289e, 315b and 315c German Commercial Code (HGB) including the disclosures for complying with the requirements under Article 8 of Regulation (EU) 2020/852 included in this combined non-financial statement (hereafter referred to as "the combined non-financial statement").

References to information of the Company outside of the group management report and the external sources of documentation or expert opinions mentioned in the combined non-financial statement were not subject to our assurance engagement. Furthermore, our assurance engagement did not cover the prior year's disclosures marked as unassured.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying combined non-financial statement for the financial year from January 1 to December 31, 2024 is not prepared, in all material respects, in accordance with Sections 289b to 289e, 315b and 315c HGB and the requirements of Article 8 of Regulation (EU) 2020/852, and the specifying criteria presented by the executive directors of the Company.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Non-Financial Statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards and of the International Standard on Quality Management (ISQM) 1. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Combined Non-Financial Statement

The executive directors are responsible for the preparation of the combined non-financial statement in accordance with the applicable German legal and European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a combined non-financial statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent reporting in the combined non-financial statement) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the combined non-financial statement as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the combined non-financial statement.

Inherent Limitations in Preparing the Combined Non-Financial Statement

The applicable German legal and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have made interpretations of such wording and terms in the combined non-financial statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain. The quantification of non-financial performance indicators disclosed in the combined non-financial statement is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the combined non-financial statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Non-Financial Statement

Our objective is to express a limited assurance conclusion based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the combined non-financial statement has not been prepared, in all material respects, in accordance with the applicable German legal and European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the combined non-financial statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also

- obtain an understanding of the process used to prepare the combined non-financial statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we

- evaluated the suitability of the criteria as a whole presented by the executive directors in the combined non-financial statement.
- inquired of the executive directors and relevant employees involved in the preparation of the combined non-financial statement about the preparation process and about the internal controls related to this process.

- evaluated the reporting policies used by the executive directors to prepare the combined non-financial statement.

- evaluated the reasonableness of the estimates and related information provided by the executive directors.

- performed analytical procedures or tests of details and made inquiries in relation to selected information in the combined non-financial statement.

- considered the presentation of the information in the combined non-financial statement.

- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the combined non-financial statement.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions based on it.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Stuttgart/Germany, March 7, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Reitmayr
Wirtschaftsprüfer
(German Public Auditor)

Daniel Oehlmann
Wirtschaftsprüfer
(German Public Auditor)

GENERAL INFORMATION

The performance of HUGO BOSS is best reflected in the consolidated financial statements. Like many other companies, HUGO BOSS has refrained from including the figures from the separate financial statements of the parent company HUGO BOSS AG in this report for the sake of clarity of presentation. These statements, which continue to be prepared in accordance with the German Commercial Code (HGB), are published on the Company's website at **group.hugoboss.com**.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect management's current views with respect to future events. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "plan," "project," "should," and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties. If any of these or other risks or uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. HUGO BOSS does not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

TEN-YEAR-OVERVIEW

	2024	2023	2022	2021	2020[1]	2019[2]	2018	2017	2016	2015
Sales (in EUR million)	4,307	4,197	3,651	2,786	1.946	2,884	2,796	2,733	2,693	2,809
Sales by brand[3]										
BOSS Menswear	3,329	3,256	2,868	2,181	1,530	2,488	2,422	2,336	2,313	2,522
BOSS Womenswear	297	288	239	192	131					
HUGO	682	653	545	413	285	396	374	397	380	287
Sales by segments										
EMEA	2,625	2,562	2,303	1,742	1,231	1,803	1,736	1,681	1,660	1,683
Americas	1,020	955	789	543	308	560	574	577	582	671
Asia/Pacific	553	576	467	423	343	438	410	396	382	393
Licenses	109	104	92	77	64	84	76	79	69	62
Sales by distribution channel[3]										
Brick-and-mortar retail[4]	2,241	2,262	2,016	1,512	1,057	1,869	1,768	1,732	1,677	1,689
Brick-and-mortar wholesale[5]	1,111	1,033	895	647	472	931	952	922	947	1,058
Digital	846	798	648	549	352	–	–	–	–	–
Licenses	109	104	92	77	64	84	76	79	69	62
Results of operations (in EUR million)										
Gross profit	2,660	2,581	2,256	1,721	1,187	1,875	1,823	1,808	1,777	1,853
Gross margin in %	61.8	61.5	61.8	61.8	61.0	65.0	65.2	66.2	66.0	66.0
EBIT	361	410	335	228	(236)[6]	344	347	341	263	448
EBIT margin in %	8.4	9.8	9.2	8.2	(12.1)[7]	11.9	12.4	12.5	9.8	15.9
EBITDA	775	752	680	568	230	707	476	499	433	590
Net income attributable to equity holders of the parent company	213	258	209	137	(220)[8]	205	236	231	194	319
Net assets and liability structure as of December 31 (in EUR million)										
Trade net working capital	791	870	613	376	491	528	537	459	524	528
Non-current assets	1,930	1,681	1,535	1,458	1,516	1,713	686	662	752	765
Equity	1,450	1,311	1,135	940	760	1,002	981	915	888	956
Equity ratio in %	38	38	36	34	30	35	53	53	49	53
Total assets	3,782	3,472	3,127	2,736	2,570	2,877	1,858	1,720	1,799	1,800
Financial position and dividend (in EUR million)										
Free cash flow	497	96	166	560	164	457	170	294	220	208
Net financial liabilities (as of December 31)	1,038	1,006	767	628	1,004	1,040	22	7	113	82
Capital expenditure	286	298	192	104	80	192	155	128	157	220
Depreciation/amortization	414	342	345	339	465[9]	362	129	158	169	142
Total leverage (as of December 31)[10]	1.3	1.3	1.1	1.1	(6.7)	0.2	0.0	0.0	0.2	0.1
Amount distributed[11]	97	93	69	48	3	3	186	183	179	250
Additional key figures										
Employees (as of December 31)[12]	18,623	18,738	16,930	14,041	13,795	14,633	14,685	13,985	13,798	13,764
Personnel expenses (in EUR million)	979	918	794	627	570	640	629	604	605	563
Number of Group's own retail points of sale	1,532	1,418	1,316	1,228	1,157	1,113	1,092	1,139	1,124	1,113
Shares (in EUR)										
Earnings per share	3.09	3.74	3.04	1.99	(3.18)[13]	2.97	3.42	3.35	2.80	4.63
Dividend per share[11]	1.40	1.35	1.00	0.70	0.04	0.04	2.70	2.65	2.60	3.62
Last share price (as of December 31)	44.78	67.46	54.16	53.50	27.29	43.26	53.92	70.94	58.13	76.60
Number of shares (as of December 31)	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000

1 In 2020, HUGO BOSS recorded non-cash impairment charges related to the negative impact of COVID-19 on the Group's retail business in the amount of EUR 110 million.
2 The application of IFRS 16 in fiscal year 2019 partially limits the comparability of some performance indicators towards the prior-year figures. Additional information on the first-time application of IFRS 16 are presented in the Annual Report 2019.
3 Starting 2020, presentation has been aligned to the "CLAIM 5" strategy.
4 Until fiscal year 2019, own retail sales were reported including the Company's own online sales.
5 Until fiscal year 2019, wholesale sales were reported including online sales generated in wholesale.
6 2020: Excluding non-cash impairment charges, EBIT amounted to minus EUR 126 million.
7 2020: Excluding non-cash impairment charges, EBIT margin amounted to (6.5)%.
8 2020: Excluding non-cash impairment charges, net income amounted to minus EUR 131 million.
9 2020: Excluding non-cash impairment charges, depreciation and amortization amounted to EUR 355 million.
10 2021: Net financial liabilities/EBITDA including the impact of IFRS 16; Until 2020: Net financial liabilities/EBITDA excluding the impact of IFRS 16.
11 2024: Dividend proposal; 2020/2019: legal minimum dividend of EUR 0.04 per share in the wake of the COVID-19 pandemic.
12 Full-time equivalent (FTE).
13 2020: Excluding non-cash impairment charges, EPS amounted to minus EUR 1.90.

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LEGAL NOTICE

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Release date
Thursday, March 13, 2025

Conception and Design
nexxar GmbH, Vienna
www.nexxar.com

Photos of the Managing Board
Andreas Pohlmann

FINANCIAL CALENDAR 2025

May 6, 2025	First Quarter Results 2025
May 15, 2025	Annual General Meeting
August 5, 2025	Second Quarter Results 2025 & First Half Year Report 2025
November 4, 2025	Third Quarter Results 2025