

ANNUAL REPORT 2025

HUGO BOSS

SHAPE

REFOCUS
ON WHAT MAKES US STRONG.

REFINE
HOW WE CREATE VALUE.

REALIGN
FOR LONG-TERM SUCCESS.

WE ARE SHAPING THE FUTURE OF HUGO BOSS.




HUGO


VISION
MISSION
BE THE PREMIUM
TECH-DRIVEN,
CUSTOMER-CENTRIC
FASHION PLATFORM
WORLDWIDE
WE LOVE FASHION
WE CHANGE FASHION

FISCAL YEAR 2025

AT A GLANCE

4.3
EUR BILLION
GROUP SALES

391
EUR MILLION
EBIT

3.61
EUR
EARNINGS PER SHARE

499
EUR MILLION
FREE CASH FLOW

KEY FIGURES COMPARISON

HIGHLIGHTS

MORE HIGHLIGHTS



CEO DANIEL GRIEDER REFLECTS ON 2025

LETTER TO SHAREHOLDERS

CLAIM 5 TOUCHDOWN STRATEGY PAVES THE WAY FOR PROFITABLE GROWTH

GROUP STRATEGY

HUGO BOSS ACHIEVES FINANCIAL TARGETS FOR 2025

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE



OUR COMMITMENT FOR A BOLD AND BETTER FUTURE

SUSTAINABILITY STRATEGY

STORIES



SHAPING BRAND EXCELLENCE

EXPLORE ONLINE



SHAPING DISTRIBUTION EXCELLENCE

EXPLORE ONLINE



SHAPING OPERATIONAL EXCELLENCE

EXPLORE ONLINE

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OUR DIGITAL ANNUAL REPORT
Our annual report is also available online offering many interactive features.
annualreport.hugoboss.com/2025

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

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LETTER TO SHAREHOLDERS



Daniel Grieder, Chief Executive Officer

Dear Shareholders, Dear Readers,

2025 once again underscored how fast the world around us is transforming: new technologies, shifting consumer behavior, and elevated macroeconomic and geopolitical uncertainties continued to shape our industry. In this dynamic environment, staying agile while maintaining focus and clarity is essential. At HUGO BOSS, we reinforced the foundation of our long-term success – concentrating on what we can actively shape: further strengthening our brands, elevating our products, and deepening our global consumer engagement.

Throughout the year, we continued to create moments that truly inspired consumers and deepened emotional connections with our brands. Powerful BOSS and HUGO campaigns, the launch of the first two BOSS collections with global icon David Beckham, and the BOSS Fashion Show in Milan stood out as clear highlights. Together, they reinforced our global brand relevance and reflected our ambition to create truly desired brands and build lasting consumer connections. At the same time, we continued to drive efficiency across our business and remained disciplined in managing our cost base, ensuring that every investment is targeted and sustainable.

This balanced approach enabled us to deliver on our financial commitments in 2025. Despite the challenging environment, Group sales increased by 2% on a currency-adjusted basis to EUR 4.3 billion. Driven by our rigorous focus on operational excellence and cost efficiency, EBIT increased by 8% to EUR 391 million, with the EBIT margin improving by 80 basis points to 9.2%. In addition, we generated strong free cash flow before leases of EUR 499 million, underscoring the resilience and cash-generating strength of our business model.

«WE DELIVERED ON OUR 2025 TARGETS AND STRENGTHENED THE LONG-TERM POSITIONING OF OUR BRANDS.»

Beyond our financial performance, 2025 was also a year in which we reassessed our strategic direction and successfully shaped HUGO BOSS for the next chapter. With the launch of CLAIM 5 TOUCHDOWN in December, we introduced a clear strategic framework through 2028, designed to strengthen brand equity and pave the way for sustainable, profitable growth and long-term shareholder value. This next chapter builds on the solid foundation laid during CLAIM 5 and allows us to refine our approach to prepare for the decisive steps ahead. It involves a deliberate refocus of our business to further strengthen our operational and financial base. Over the coming years, we will sharpen our priorities and shift our focus toward stronger profitability and free cash flow, establishing a solid foundation for future shareholder returns. To deliver on this ambition, execution under CLAIM 5 TOUCHDOWN will center on three fields of excellence – brand, distribution, and operations – ensuring that every part of our business consistently reinforces the strength and desirability of BOSS and HUGO.

2026 plays a crucial role in this journey and marks a true pivotal moment, serving as a year of targeted brand and channel realignment. This includes a more targeted distribution approach to enhance productivity and quality across our global footprint, as well as more focused and elevated product assortments across brands. While these deliberate actions will temporarily impact top-line development, we regard this phase as a necessary and value-creating step to further drive the quality of our sales and position HUGO BOSS for long-term success. At the same time, we remain sharply focused on profitability, executing with discipline to support a stronger earnings profile beyond 2026.

«WE ARE BUILDING THE FOUNDATION FOR SUSTAINABLE, PROFITABLE GROWTH AND LONG-TERM VALUE CREATION.»

I would like to thank you, our shareholders, for your continued trust and support throughout our CLAIM 5 journey. Our commitment to long-term value creation and attractive shareholder returns remains firmly embedded in CLAIM 5 TOUCHDOWN. Supported by our robust free cash flow generation and a very solid balance sheet, we plan to buy back shares in an amount of up to EUR 200 million until the end of 2027, further strengthening the value creation delivered to our shareholders. At the same time, we remain fully committed to preserving the financial flexibility required to consistently execute our strategy, invest in future growth, and successfully navigate an ongoing volatile environment.

Our vision is clear: to be the leading premium, tech-driven, customer-centric fashion platform, shaping the future of our industry. Digitalization and artificial intelligence are central to this vision. We will therefore continue to systematically embed AI and digital technologies across our business, enabling smarter decisions, more intuitive customer experiences, and highly scalable operations. By combining technological excellence with the power of our brands, we are creating a platform designed to redefine premium fashion in a rapidly evolving world.

Ultimately, it is our people who shape the future of HUGO BOSS. The passion of our employees and their exceptional commitment turn our ambition into reality and give us confidence as we enter this decisive year together. I have absolute confidence in the strength of our brands, our strategy, and our global team. Together, we are unlocking the full potential of HUGO BOSS and taking our Company to the next level.

Sincerely yours,

Daniel Grieder
Chief Executive Officer

MANAGING BOARD



Yves Müller
CFO/COO

Daniel Grieder
CEO

Oliver Timm
CSO/Deputy CEO



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 Corporate Communications & Public Affairs, Creative Direction, Group Strategy & Corporate Development (incl. Corporate Responsibility), Human Resources, Licenses, Marketing & Brand Communications, and Sourcing & Production.



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 management 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 Business Unit Menswear, Business Unit Womenswear, Business Unit Footwear, Accessories, Bodywear & Hosiery, Customer Relationship Management (CRM), E-Commerce & Metaverse, Merchandise Management, Retail Management, Retail & Wholesale, Sales Development, and 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 & Service Management, Group Finance & Tax, Indirect Procurement, Internal Audit, Investor Relations, IT (incl. Information Security), Legal, Compliance & Data Protection, Logistics, and Operations Excellence Projects.

REPORT OF THE SUPERVISORY BOARD



CHAIRMAN OF THE SUPERVISORY BOARD

STEPHAN STURM

Stephan Sturm, born in Worms in 1963, studied economics and business administration at the University of Mannheim. He began his career in 1989 as a management consultant at McKinsey. After holding various management positions in investment banking, in 2005, Stephan Sturm was appointed Chief Financial Officer (CFO) of Fresenius Group, where he also held the position of Director of Labor Relations until 2007. In 2016, Stephan Sturm was named Chief Executive Officer (CEO) of Fresenius Group, while also serving as Chairman of the Supervisory Boards of Fresenius Medical Care Management AG as well as Fresenius Kabi AG. Between 2015 and 2021, Stephan Sturm was a member of the Supervisory Board of Deutsche Lufthansa AG. Since 2023, Stephan Sturm has been Chairman of the Board of the Heinz Hermann Thiele Family Foundation.

Stephan Sturm was elected and appointed Chairman to the Supervisory Board of HUGO BOSS AG in 2025.

Dear Shareholders, Dear Readers,

2025 was a demanding yet successful year for HUGO BOSS. The company operated in a complex macroeconomic and geopolitical environment, characterized by muted consumer sentiment in virtually all key markets, ongoing geopolitical tension and continued cost inflation. Against this backdrop, HUGO BOSS advanced important brand, product, and sales initiatives while maintaining a strong focus on efficiency gains and disciplined cost management. This enabled HUGO BOSS to achieve its full-year targets, recording Group sales of EUR 4.3 billion and operating profit of EUR 391 million. At the same time, HUGO BOSS **strengthened its foundation for long-term business success**. With the communication and launch of CLAIM 5 TOUCHDOWN in December, the Company provided a clear strategic framework through 2028, designed to drive sustainable, profitable growth and long-term shareholder value.

Having assumed the role of Chairman of the Supervisory Board in May 2025, I am honored to be part of HUGO BOSS on this next stage of its strategic journey. My first year in office was marked by both **continuity and renewal at the Supervisory Board level**. Together with my fellow Board members, I focused on ensuring that the Supervisory Board was quickly and effectively established in its new composition. This enabled us to provide relevant support to the Managing Board in navigating various operational challenges, while actively engaging in the discussions around the evolution of our strategy towards CLAIM 5 TOUCHDOWN.

In 2025, the **Supervisory Board fully discharged its duties** under law, the Company's Articles of Association, and its own bylaws. We advised and monitored the Managing Board in a close, trust-based collaboration and on the basis of regular, comprehensive reporting. Particular attention was paid to the Company's current business performance, cost and liquidity management, and its risk profile, as well as to the definition, communication, and launch of CLAIM 5 TOUCHDOWN, providing guidance on strategic priorities and long-term value creation.

Composition of the Supervisory Board

The Supervisory Board of HUGO BOSS AG was re-elected as scheduled at the ordinary Annual General Meeting on May 15, 2025, resulting in a balanced combination of experienced members and new perspectives. Among the **shareholder representatives**, Iris Epple-Righi, Luca Marzotto, and Christina Rosenberg were re-elected, while Stephan Sturm, Andreas Kurali, and Michael Murray joined as new members. The previous representatives, Hermann Waldemer, Gaetano Marzotto, and Robin J. Stalker, did not stand for re-election. The **employee representatives** had been elected separately in March and assumed their mandates after the Annual General Meeting. Katharina Herzog, Daniela Liburdi, Tanja Silvana Nitschke, and Sinan Piskin were re-elected, while Dr. Claudia Hülsken and Laura Micati replaced Bernd Simbeck and Andreas Flach as new members. The term of office of the newly elected Supervisory Board runs until the end of the ordinary Annual General Meeting in 2030, which will decide on the discharge of the Supervisory Board for fiscal year 2029. Immediately following the 2025 Annual General Meeting, Stephan Sturm was unanimously appointed **Chairman** and Sinan Piskin re-elected **Deputy Chairman**.

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** including strategy, planning, business performance, risk assessment, changes in the risk situation, and compliance matters. In particular, with regard to CLAIM 5 TOUCHDOWN, an intense and constructive exchange took place between the Managing Board and the Supervisory Board throughout the year.

Additionally, Andreas Kurali as 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 perspectives and ideas in committees and Supervisory Board meetings. Any approval was issued only after requesting due clarification from the Managing Board and discussing the matter extensively with them. In time-critical cases, the Supervisory Board passed resolutions by means of the circular resolution procedure. In all decisions of fundamental importance to the Company, the Supervisory Board was directly involved at an early stage.

Main topics at the meetings of the Supervisory Board

In 2025, one **Supervisory Board meeting** was held in March, prior to the newly elected Supervisory Board assuming office on May 15, 2025. All members attended the meeting. The newly elected Supervisory Board convened four regular meetings in May, July, September, and December, and one extraordinary meeting in October, with full attendance at each meeting. The Supervisory Board meeting in September was held as a two-day session. Accordingly, a total of six Supervisory Board meetings were held during the fiscal year. In addition, one resolution was passed by means of a circular resolution in May.

In 2025, the **Audit Committee** met four times, twice in its former composition and twice with its new members. Except for Dr. Claudia Hülsken, who was unable to attend one meeting, all members attended the meetings. The **Working Committee** convened three times, twice in its former composition and once with the new members, with all members attending all meetings. The meeting in June was an extraordinary meeting. The **Personnel Committee** met five times during the fiscal year. All former members attended the two meetings held prior to the Annual General Meeting, while all newly appointed members participated in the three subsequent meetings. The **Nomination Committee** and the **Mediation Committee** did not meet during 2025.

Both the Supervisory Board and the Audit Committee held one of its meetings in a **hybrid format**, allowing members of the Supervisory Board to participate either in person or via video conference. Additionally, one meeting of the Supervisory Board, the Audit Committee, the Personnel Committee, and the Working Committee in July, as well as the meeting of the Personnel Committee in November, were conducted entirely **virtually**.

PARTICIPATION IN MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES[1]
(STARTING FROM THE ANNUAL GENERAL MEETING 2025)

Member	Supervisory Board (5)	Audit Committee (2)	Working Committee (1)	Personnel Committee (3)	Attendance rate (11)
Stephan Sturm, Chairman	5/5	2/2	1/1	3/3	11/11
Sinan Piskin, Deputy Chairman	5/5	2/2	1/1	3/3	11/11
Iris Epple-Righi	5/5	2/2	–	–	7/7
Katharina Herzog	5/5	–	1/1	–	6/6
Dr. Claudia Hülsken	5/5	1/2	–	–	6/7
Andreas Kurali	5/5	2/2	–	–	7/7
Daniela Liburdi	5/5	–	1/1	3/3	9/9
Luca Marzotto	5/5	–	1/1	3/3	9/9
Laura Micati	5/5	–	–	3/3	8/8
Michael Murray	5/5	–	1/1	–	6/6
Tanja Silvana Nitschke	5/5	2/2	–	–	7/7
Christina Rosenberg	5/5	–	–	3/3	8/8

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

PARTICIPATION IN MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES[1]
(UNTIL THE ANNUAL GENERAL MEETING 2025)

Member	Supervisory Board (1)	Audit Committee (2)	Working Committee (2)	Personnel Committee (2)	Attendance rate (7)
Hermann Waldemer, Chairman	1/1	2/2	2/2	2/2	7/7
Sinan Piskin, Deputy Chairman	1/1	2/2	2/2	2/2	7/7
Iris Epple-Righi	1/1	–	2/2	–	3/3
Andreas Flach	1/1	2/2	–	–	3/3
Katharina Herzog	1/1	–	2/2	–	3/3
Daniela Liburdi	1/1	–	–	2/2	3/3
Gaetano Marzotto	1/1	2/2	–	–	3/3
Luca Marzotto	1/1	–	2/2	2/2	5/5
Tanja Silvana Nitschke	1/1	–	2/2	–	3/3
Christina Rosenberg	1/1	–	–	2/2	3/3
Bernd Simbeck	1/1	2/2	–	2/2	5/5
Robin J. Stalker	1/1	2/2	–	–	3/3

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

The **meeting of the Supervisory Board in March 2025** focused on the annual financial statements of HUGO BOSS AG and the HUGO BOSS Group as of December 31, 2024, as well as on the audit report prepared by the auditor. At this meeting, the annual financial statements and the consolidated financial statements of HUGO BOSS AG as of December 31, 2024, were approved and ratified. Furthermore, the Supervisory Board's report to the Annual General Meeting and the compensation report for fiscal year 2024 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 15, 2025. An additional topic was the reappointment of Oliver Timm as member of the Managing Board and Deputy CEO until December 31, 2028 and the renewal of his service agreement, both implemented by way of a circular vote in May 2025. As part of the meeting in March, the

Supervisory Board also discussed the strategic direction of the Company's Womenswear business and the setup of a Joint Venture for Saudi Arabia. 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.

Immediately following the Annual General Meeting in **May 2025**, the newly elected Supervisory Board met for its constituent meeting. In addition to the election of the Chairman and Deputy Chairman, the composition of the Supervisory Board committees was determined.

At its **meeting in July 2025**, the Supervisory Board reviewed the Company's current business performance, the shareholder structure, and the renewal of the revolving syndicated loan. Furthermore, the Supervisory Board discussed and approved key audit matters for the audit of the fiscal year 2025. At its **meeting in September 2025** the Supervisory Board reviewed the Company's current business performance and the prevailing industry environment. Furthermore, working capital management, shareholder structure, and capital allocation were addressed in the meeting. The Supervisory Board discussed the further development of the Company's strategy in depth. Additional agenda items included the operational performance and strategic direction of both the Company's Womenswear business and of the HUGO brand, as well as a general update on the evolution of the Company's omnichannel set-up. The extraordinary **meeting in October 2025** focused primarily on the Company's future strategy, including its capital allocation framework. In addition, the Supervisory Board received an update on the renewal process for the revolving credit facility.

At its **meeting in December 2025**, the Supervisory Board discussed and passed the budget for 2026, following its approval of the introduction of CLAIM 5 TOUCHDOWN. Further topics included the shareholder structure and capital allocation. In addition, the Supervisory Board discussed ESG targets to be incorporated into the variable components of the Managing Board's compensation and approved the execution of the new revolving credit facility. Furthermore, the findings of the Supervisory Board efficiency review, which was conducted by an external provider, were discussed in detail. The Supervisory Board also reviewed and resolved on the declaration of compliance with the German Corporate Governance Code (GCGC).

The 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 also involved detailed reports on the contents of the previous committee meetings. In 2025, the Supervisory Board primarily focused on the strategy update, efficiency improvements, the Company's capital and shareholder structure, compliance issues, and the requirements of GCGC.

Work of the Committees in 2025

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 take decisions instead of the full Supervisory Board. Otherwise, they prepare decisions and topic areas for the full Supervisory Board. At regular intervals, the committee chairs report to the entire Supervisory Board in detail about the work of their respective committees.

In total, the **Audit Committee** met four times in 2025. The main agenda items 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 2025 and a recommendation for the mandate of the external auditor, it approved non-audit services and placed a cap on the fees payable for such non-audit services. In addition, the results of the audit review of the combined non-financial statement were discussed.

The **Personnel Committee** held five meetings in 2025. It focused on preparing the target agreements for the Managing Board for 2025, succession planning, filling strategically important management positions, the compensation system for the Managing Board, and the expected target achievement for 2025. In addition, the Personnel Committee discussed the reappointment of Oliver Timm as a member of the Managing Board and Deputy CEO as well as the corresponding amendments to his contract.

The **Working Committee** met three times in 2025 and dealt with the Company's current business performance and the strategic direction of the Group. It approved the execution of the Commercial Paper Program launched in May and a local financing agreement for the Company's subsidiary in Mexico. In addition, the Working Committee also discussed the Company's sports sponsorship activities and shareholder structure.

The **Nomination Committee** and the **Mediation Committee** did not convene in 2025.

Corporate governance

The Supervisory Board also dealt with the **principles of good corporate governance** within the Company. In its December 2025 meeting, the Managing Board and the Supervisory Board issued a new declaration of compliance with the 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 2025. Overall, the Supervisory Board drew a favorable conclusion. No individual training measures were conducted for members of the Supervisory Board during 2025.

Conflicts of interest

No conflicts of interest involving members of the Managing Board or Supervisory Board arose in 2025. In accordance with GCGC, any such conflicts would be required to be disclosed without delay to the Supervisory Board, and, where applicable, to the Annual General Meeting. In particular, the Chairman of the Supervisory Board assured himself that appropriate safeguards were in place to prevent any potential conflicts of interest in relation to Michael Murray, who serves as a member of the Supervisory Board while simultaneously holding the position of CEO of Frasers Group plc, the Company's largest shareholder and a key wholesale partner.

Audit of annual and consolidated financial statements for 2025

Deloitte Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the consolidated financial statements of HUGO BOSS AG for 2025, 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 2025 prepared in accordance with the provisions of the German Commercial Code (HGB) as well as the combined management report for 2025 of HUGO BOSS AG and the Group. The corresponding audit mandate had been assigned by the Supervisory Board based on the recommendation by the Audit Committee in accordance with the resolution of the Annual General Meeting held on May 15, 2025. 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 2025. 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 the financial statements and all corresponding 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 2025 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 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 2025. The external 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 9, 2026, the Supervisory Board approved the **financial statements for 2025** prepared by the Managing Board. The financial statements of HUGO BOSS AG for 2025 were therefore ratified in accordance with Sec. 172 AktG.

For 2025, the Managing Board compiled a **combined non-financial statement** for HUGO BOSS AG and the Group, which was included in the combined management report for 2025. 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 2025 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 9, 2026. 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 2025 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 9, 2026. 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 great personal commitment and dedication. My special thanks also go to all members of the Supervisory Board who have left the Board during the past year for their valuable contributions as well as all employee representatives of HUGO BOSS AG for their consistently constructive collaboration. Finally, I would like to express my sincere gratitude to you, dear shareholders, for the trust you place in our Company.

Metzingen, March 9, 2026

The Supervisory Board

Stephan Sturm
Chairman of the Supervisory Board

SUPERVISORY BOARD



SUPERVISORY BOARD (AS OF DECEMBER 31, 2025)

Shareholder representatives

Stephan Sturm
(Hofheim, Germany)
Chairman of the Board of the Heinz Hermann Thiele Family Foundation, Munich, Germany,
Chairman of the Supervisory Board,
Member since 2025

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

Andreas Kurali
(Zug, Switzerland)
Business Consultant (freelance),
Member since 2025

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

Michael Murray
(London, United Kingdom)
Chief Executive Officer (CEO)
Frasers Group plc,
London, United Kingdom,
Member since 2025

Christina Rosenberg
(St. Heinrich – Münsing, Germany)
Management Consultant
innotail, Munich, Germany,
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

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

Dr. Claudia Hülsken
(Stuttgart, Germany)
First Authorized Representative of
IG Metall Reutlingen-Tübingen, Germany,
Member since 2025

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

Laura Micati
(Metzingen, Germany)
Commercial Employee HUGO BOSS AG,
Metzingen, Germany,
Member since 2025

Tanja Silvana Nitschke
(Weil im Schönbuch, Germany)
Coordinator of the "Tarifpolitische Bildungsoffensive" of IG Metall Baden-Württemberg,
Reutlingen, Germany,
Member since 2015

Supervisory Board Committees

WORKING COMMITTEE
- **Stephan Sturm (Chairman)**
- Katharina Herzog
- Daniela Liburdi
- Luca Marzotto
- Michael Murray
- Sinan Piskin

NOMINATION COMMITTEE
- **Stephan Sturm (Chairman)**
- Luca Marzotto
- Michael Murray

PERSONNEL COMMITTEE
- **Stephan Sturm (Chairman)**
- Daniela Liburdi
- Luca Marzotto
- Laura Micati
- Sinan Piskin
- Christina Rosenberg

AUDIT COMMITTEE
- **Andreas Kurali (Chairman)**
- Iris Epple-Righi
- Dr. Claudia Hülsken
- Tanja Silvana Nitschke
- Sinan Piskin
- Stephan Sturm

MEDIATION COMMITTEE
(in accordance with Sec. 27 (3) Mitbestimmungsgesetz [Co-Determination Act])
- **Stephan Sturm (Chairman)**
- Iris Epple-Righi
- Daniela Liburdi
- Sinan Piskin

OUR SHARE

Positive year for global equity markets despite elevated volatility

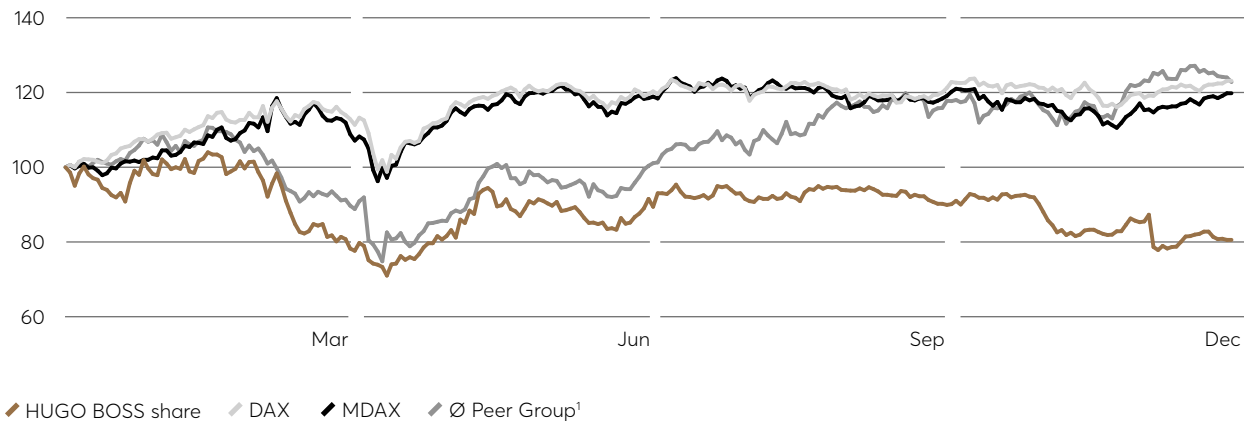
HUGO BOSS shares underperform broader market and sector development

Realignment of market expectations provide baseline for future strategy execution

In 2025, financial markets proved resilient while navigating **heightened volatility** from historic tariff shocks, sticky inflation, geopolitical tensions and concerns about an AI-driven valuation bubble. It was the first year since the pandemic in which all major asset classes delivered positive returns. Stock markets ultimately posted broad-based gains, with several major indices reaching record highs, and after years of relative underperformance, non-US markets outpaced U.S. indices. Against this backdrop, German indices posted double-digit gains, with the DAX up 23%, and the MDAX rising 20%.

Sector performance, however, was highly divergent. While technology-heavy names benefited from risk appetite, consumer-facing stocks lagged, with the **MSCI World Textiles, Apparel & Luxury Goods** ending the year up 3%. After a prolonged period of outperformance, the premium/luxury goods sector moved out of favor, and investors rotated into other sectors as FX headwinds, **muted consumer confidence**, tariff uncertainty and nervousness about price elasticity weighed on margins and growth prospects. Elevated valuation premia and uncertainty around the timing and strength of any recovery in Chinese demand left the sector under-owned and highly sensitive to macro and currency shifts.

SHARE PRICE PERFORMANCE 2025 (INDEX: DECEMBER 31, 2024 = 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.

Against this backdrop, **HUGO BOSS shares** declined 19% to EUR 36.15 (2024: EUR 44.78), underperforming both the broader market and the sector. In addition to the sector wide headwinds, our share price was impacted by a normalization of previously elevated market expectations for 2025, which were gradually adjusted over the course of the year. Furthermore, uncertainty in the market regarding the Company's future strategic course contributed to investor caution. With the presentation of the strategic framework CLAIM 5 TOUCHDOWN in December 2025, we provided clarity on our future direction and explicitly positioned 2026 as a year of realignment and refocus, laying the foundation for sustainable, profitable growth from 2027 onwards.

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

	1 year	3 years	5 years	10 years
HUGO BOSS share	(19)	(33)	32	(53)
DAX	23	76	79	128
MDAX	20	22	(1)	47
MSCI World Textiles, Apparel & Luxury Goods	3	2	(5)	95

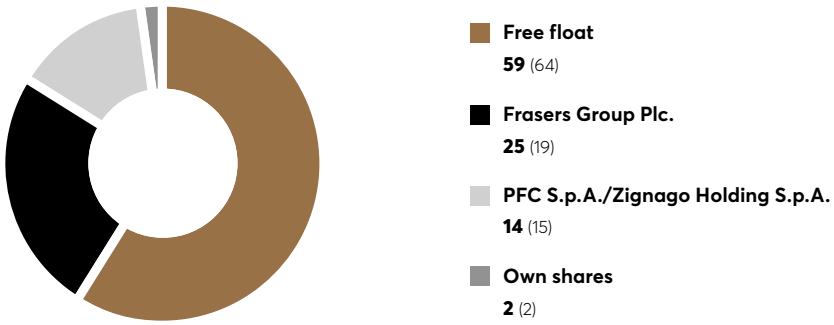
THE HUGO BOSS SHARE

	2025	2024
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 (Xetra)		
Last (December 31)	36.15	44.78
High	46.56	66.62
Low	31.90	32.07
Market capitalization in EUR million (December 31)	**2,545**	**3,153**
Earnings per share in EUR[1]	**3.61**	**3.09**
Price-earnings ratio[2]	**10.0**	**14.5**

1 Based on net income attributable to shareholders.
2 Based on closing price (December 31).

At the end of 2025, the HUGO BOSS share (ISIN DE000A1PHFF7), listed in the German MDAX, ranked 79th in Deutsche Börse's free-float-adjusted **market capitalization ranking** (2024: 72nd), 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 1.0% at the end of 2025 (December 31, 2024: 1.5%). On average, around 350,000 shares were traded on Xetra in 2025 per day (2024: around 400,000).

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



2025 (2024)

As of December 31, 2025, **Frasers Group plc** directly held 25.21% of the voting rights, according to the voting rights notification of June 23, 2025, while a further 32.00% was being held through instruments. **PFC S.p.A.** and **Zignago Holding S.p.A.**, both controlled by the Marzotto family, held a combined stake of 14.15% as of December 31, 2025, based on the most recent voting right notifications of September 24, 2025. Both companies have pooled their shares through a shareholder agreement. As of December 31, 2025, **HUGO BOSS** itself continued to hold 1,383,833 own shares, 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 59% of shares were held in **free float**. > Legal Disclosures

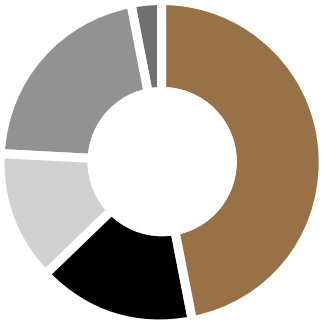
At the Annual General Meeting 2025, HUGO BOSS was granted a renewed **authorization to buy back shares** up to a proportion of 10% of the outstanding share capital on or before May 14, 2030. The Company did not make use of this authorization as of December 31, 2025. > Legal Disclosures

Supported by the Company's robust fundamentals, including strong free cash flow generation and a solid balance sheet, and reflecting Management's confidence in the future development of HUGO BOSS, the Managing Board has decided to launch a **share buyback program**, further strengthening shareholder value creation. Until December 31, 2027, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million. The share buyback shall be financed through the Company's continued free cash flow generation, with HUGO BOSS intending to cancel the repurchased shares. At the same time, HUGO BOSS remains fully committed to preserving the financial flexibility required to consistently execute its strategy, invest in future growth, and further strengthen its balance sheet amid an ongoing volatile environment. In this context, and reflecting a disciplined capital allocation approach, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 21, 2026, to only pay the legal minimum **dividend** of EUR 0.04 per share for fiscal year 2025 (2024: EUR 1.40). > Outlook

In fiscal year 2025, members of 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 2025, 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 2025. 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 %)



North America
47 (41)

Great Britain & Ireland
16 (23)

Germany
13 (10)

Rest of Europe
21 (15)

Rest of World
3 (11)

2025 (2024)

HUGO BOSS regularly analyzes its shareholder base to target institutional investors more effectively. Besides the **regional distribution of institutional investors**, these analyses also determine the proportion of **private shareholders**, which remained broadly stable at around 10% of issued capital in 2025 (2024: 11%). The total number of shareholders is estimated at approximately 40,000 as of December 31, 2025, consistent with the prior year.

HUGO BOSS maintains a close dialog with capital market participants and is continuously monitored by a large number of **financial analysts**, with 17 analysts regularly publishing research reports on HUGO BOSS in 2025 (2024: 21 analysts). As of December 31, 2025, 24% of our analysts recommended to **buy** (2024: 43%), 65% to **hold** (2024: 48%), and 12% to **sell** our share (2024: 10%), coupled with an average target price of EUR 39.45 (2024: EUR 47.07).

HUGO BOSS ensures timely and transparent communication on its business development and financial performance through **comprehensive Investor Relations activities**. We engage with institutional investors at national and international conferences and roadshows, while also attending events for private shareholders. As part of our **Strategy Update in December 2025**, HUGO BOSS presented CLAIM 5 TOUCHDOWN, setting out a clear strategic framework until 2028 and providing an initial outlook for fiscal year 2026. The event was held in a virtual format, deliberately chosen to enable efficient access for institutional investors and financial analysts worldwide, and to facilitate real-time interaction with the Managing Board. Subsequent roadshow activities, including targeted investor meetings and a dedicated sell-side breakfast session, provided additional opportunities for in-depth, face-to-face interactions with Managing Board members. Our **Investor Relations website** **group.hugoboss.com/investors**, serves as a key platform for detailed information, including press releases, voting rights notifications, financial reports, and the financial calendar. In 2025, the Investor Relations team received notable external recognition, including second place for "Best Investor Relations Professional MDAX" at the "Deutscher Investor Relations Preis," as well as being honored in several categories within the prestigious "Investors' Darling." **> irawards.hugoboss.com**

In line with our **strong commitment to environment, social, and governance (ESG)** aspects, these are firmly integrated in our Investor Relations activities. In recognition of the strategic importance of ESG factors to our business activities, we address growing investor expectations and evolving regulatory requirements through transparent reporting and ongoing dialog with the capital markets. HUGO BOSS discloses its performance in **key ESG ratings and rankings**, including ISS ESG Corporate Rating, MSCI ESG Rating, Sustainalytics ESG Risk Rating, CDP (Climate and Water Security) and Corporate Sustainability Assessment (CSA), in a transparent manner on its Investor Relations website. Based on the results of the annual CSA conducted by S&P Global, HUGO BOSS was again included in the Dow Jones Best-in-Class World and Europe Indices in 2024. Due to a change in S&P Global's publication timeline, the index inclusion status for 2025 has not yet been announced as of December 31, 2025. > group.hugoboss.com

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The chapters "Legal Disclosures" (pp. 214–218) and "Additional Disclosures on the Combined Non-financial Statement" (pp. 299–308) 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)



>17,500
Employees[1]



128
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**. While both brands are clearly distinguished by individual characteristics such as design and fit, they share equally high standards in terms of quality, innovation, and sustainability. In fiscal year 2025, HUGO BOSS generated sales of EUR 4.3 billion (2024: EUR 4.3 billion). > Earnings development

As a 24/7 lifestyle brand, **BOSS** offers outfits suited for every occasion across 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 emphasizes high-end tailoring heritage for menswear. Casualwear products are mostly covered under BOSS Orange, while BOSS Green focuses on athleisurewear designed for an active lifestyle. **HUGO** focuses on a broad range of contemporary and streetwear-inspired products, reflecting the brand's authentic and unconventional style. > Group Strategy, Brand Excellence, Distribution Excellence

In addition to a broad product offering within the **seasonal BOSS and HUGO collections**, capsule collections and collaborations increase the relevance of our brands. To elevate brand equity and drive customer loyalty, we pursue two clearly distinguished **marketing strategies** for BOSS and HUGO, with a strong focus on social media. In this context, we put particular emphasis on key partnerships, product-led campaigns, and high-profile brand events. > Group Strategy, Brand Excellence

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, and watches. To increase speed-to-market capabilities and shorten the product development process, the majority of our products are developed digitally. > Product Development and Innovation

In fiscal year 2025, HUGO BOSS produced 17% of its total sourcing volume at own facilities (2024: 20%). All five **own production sites** are located in Europe, with Izmir (Turkey) contributing the largest share. The remaining 83% of sourcing volume was sourced from **external contract suppliers** or as **merchandise** (2024: 80%), primarily from partners in Asia and Europe. > Business Operations, > Combined Non-financial Statement, Workers in the Value Chain

We pursue an omnichannel strategy aimed at delivering a **seamless brand experience across all consumer touchpoints**, including brick-and-mortar retail, wholesale, and digital channels. Consumers can experience and purchase BOSS and HUGO products at around 8,000 brick-and-mortar points of sale globally (2024: more than 8,000) and in 74 markets via hugoboss.com (2024: 74 markets). > Group Strategy, Distribution Excellence, > Consumer Touchpoints

In 2025, BOSS and HUGO products were distributed across 128 countries (2024: 129), with **distribution divided into three sales regions**. EMEA (Europe, Middle East, and Africa) represents the largest, accounting for 62% of Group sales (2024: 61%). The Americas and Asia/Pacific contributed 23% and 12%, respectively (2024: 24% and 13%), while licensing accounted for the remaining 2% (2024: 3%). > Earnings Development, Sales and Earnings Development of the Business Segments

Digitalization represents a key enabler for implementing our vision of being the leading premium tech-driven, customer-centric global fashion platform. In this context, we drive the digitalization of our business activities and leverage the power of **artificial intelligence (AI)** along the entire value chain. AI is increasingly embedded across key business processes, supporting design and product creation, production and sourcing, demand forecasting, marketing effectiveness, and distribution and logistics, thereby enabling higher transparency, improved planning, and smarter decision-making.

Sustainability is essential to our corporate responsibility and business activities. Our Sustainability Strategy, which was updated in 2025, is based on five key pillars: increasing circularity, driving digitization and data analytics, leveraging better natural materials, shifting to better polyester and polyamide, and reducing climate impact. In addition to environmental protection, we also put a focus on socially responsible production processes while maintaining the high quality and durability of our products. > Group Strategy, Sustainability Strategy, > Combined Non-financial Statement

We strive to further strengthen our **attractiveness as an employer in fashion**. Our human resources (HR) strategy focuses on attracting, retaining, and developing top talent. The passion and dedication of our more than 17,500 employees worldwide (2024: over 18,500) are vital to the successful execution of our strategic ambitions. In this context, we are committed to a performance-oriented company culture built on **trust**, guided by our values entrepreneurial spirit, personal ownership, team mentality, simplicity & quality, and youthful spirit. > Combined Non-financial Statement, Own Workforce

Group structure

HUGO BOSS is managed by its **parent company**, HUGO BOSS AG, which as a German stock corporation, operates under a dual management and control structure. Accordingly, the Managing Board is responsible for steering the Group and successfully executing its strategy, while the Supervisory Board oversees and advises the Managing Board. The two boards are strictly separate in terms of both composition and responsibilities yet work together closely in the best interests of the Company. The Group comprises HUGO BOSS AG and **59 consolidated subsidiaries**, including 39 distribution companies and four production-focused subsidiaries, each responsible for their local business activities. > Notes to the Consolidated Financial Statements, Basis of Consolidation

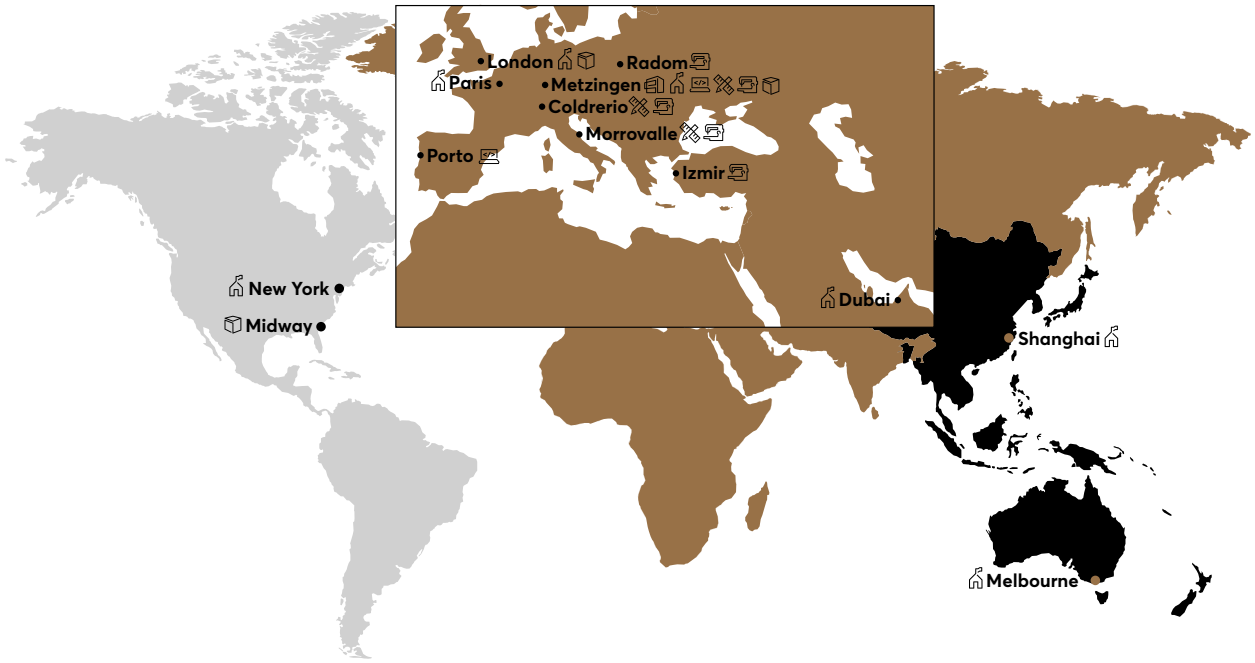
HUGO BOSS is **structured by region**, with our business segments being EMEA, the Americas, Asia/Pacific, and the license business.

HUGO BOSS GROUP STRUCTURE

<table>
<tr><td></td><td colspan="4">Managing Board</td></tr>
<tr><td rowspan="9">Central departments</td><td colspan="2">Brand Management/Business Units</td><td colspan="2">Internal Audit</td></tr>
<tr><td colspan="2">Business Operations</td><td colspan="2">Investor Relations</td></tr>
<tr><td colspan="2">Business Planning & Analysis/Risk Management</td><td colspan="2">IT</td></tr>
<tr><td colspan="2">Construction</td><td colspan="2">Legal/Compliance</td></tr>
<tr><td colspan="2">Corporate Communications</td><td colspan="2">Logistics</td></tr>
<tr><td colspan="2">Design/Creative Management</td><td colspan="2">Marketing</td></tr>
<tr><td colspan="2">Finance/Tax</td><td colspan="2">Omnichannel</td></tr>
<tr><td colspan="2">Group Strategy</td><td colspan="2">Procurement</td></tr>
<tr><td colspan="2">Human Resources</td><td colspan="2">Wholesale</td></tr>
<tr><td>Operating segments</td><td>EMEA</td><td>Americas</td><td>Asia/Pacific</td><td>Licenses</td></tr>
<tr><td rowspan="4">Hubs
(Individual markets)</td><td>Northern Europe</td><td rowspan="4">Americas
(United States/
Canada/
Latin America)</td><td rowspan="2">China</td><td rowspan="4"></td></tr>
<tr><td>Central/Eastern Europe</td></tr>
<tr><td>Western Europe</td><td rowspan="2">Southeast Asia/
Pacific</td></tr>
<tr><td>Emerging Markets</td></tr>
</table>

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 Group strategy is executed on a market level in order to ensure strong customer focus and agile responses to market-specific developments. The markets are grouped into **hubs**, with local management reporting directly to the Chief Sales Officer (CSO), enabling close alignment with central functions and short decision-making processes. In addition, certain functions are bundled within the hubs and central departments across markets to leverage specialist expertise and generate cost benefits.

KEY LOCATIONS/GLOBAL MARKET PRESENCE



AMERICAS

~2,200
Brick-and-mortar points of sale
148
Freestanding retail stores

16% Employees

EMEA
(Europe incl. Middle East and Africa)

~5,000
Brick-and-mortar points of sale
185
Freestanding retail stores

72% Employees

ASIA/PACIFIC

~650
Brick-and-mortar points of sale
152
Freestanding retail stores

12% Employees

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

GROUP STRATEGY

Vision to be the leading premium, tech-driven, customer-centric global fashion platform

CLAIM 5 TOUCHDOWN to pave way for sustainable, profitable growth

Clear execution focus on brand, distribution, and operational excellence

In December 2025, HUGO BOSS introduced **CLAIM 5 TOUCHDOWN**, setting the strategic course through 2028 and paving the way for sustainable, profitable growth. Amid a challenging market environment, CLAIM 5 TOUCHDOWN builds on the achievements of the Company's CLAIM 5 strategy, initially launched in 2021. CLAIM 5 has driven a noticeable acceleration in momentum for both BOSS and HUGO, reflected in robust top-line growth across brands, channels, and regions, and resulting in significant market share gains globally. At the same time, supported by substantial investments in the business, HUGO BOSS has established a solid operational and organizational platform, laying a strong foundation for long-term success. Building on this foundation, HUGO BOSS will now **refocus, refine, and realign its business** to further strengthen brand equity, while also enhancing efficiency, profitability, and long-term value creation.

CLAIM 5 TOUCHDOWN

While the Company's overall strategic direction remains unchanged, HUGO BOSS will **sharpen its focus** on rebalancing top-line growth toward stronger profitability and cash generation. In doing so, CLAIM 5 TOUCHDOWN places particular emphasis on those areas of the business with the greatest potential for further value creation. Against this backdrop, 2026 will serve as a year of deliberate realignment, strengthening the business by streamlining processes, refining assortments, and optimizing the distribution network. At the same time, HUGO BOSS aims to accelerate average free cash flow generation, thereby forming the basis for future shareholder returns. To deliver against this ambition, execution will center on **three key fields of excellence: brand, distribution, and operations**. Initiatives across these priorities are designed to foster brand equity and drive efficiency across the organization, while setting the stage for renewed top- and bottom-line growth from 2027 onward. Overall, our vision remains clear: to be the premium, tech-driven, customer-centric global fashion platform.

CLAIM 5 TOUCHDOWN

BRAND EXCELLENCE	DISTRIBUTION EXCELLENCE	OPERATIONAL EXCELLENCE

MEANINGFUL FREE CASH FLOW GENERATION

CONTINUED SHAREHOLDER RETURNS

Brand Excellence

As part of CLAIM 5, we comprehensively **renewed the brand images of BOSS and HUGO**. With a bolder, younger, and more emotional appearance, momentum for both brands has increased noticeably in recent years. At the same time, we successfully evolved our brands into true 24/7 lifestyle brands with the introduction of new brand lines, ensuring that our customers are perfectly dressed for every occasion.

Going forward, HUGO BOSS is committed to driving Brand Excellence by further **elevating BOSS and HUGO**. A new organizational setup with **two dedicated powerhouses** for menswear and womenswear will unlock synergies across the two brands, while strengthening gender-specific expertise. **BOSS Menswear** will remain the Group's key growth engine, continuing to leverage its strong 24/7 lifestyle positioning across a clearly differentiated product portfolio. In this context, we see particular growth opportunities across BOSS Green and BOSS Camel, while we remain committed to further capitalizing on product categories such as shoes, accessories, and bodywear. At the same time, we aim to reduce product complexity and further sharpen assortments of BOSS Menswear to drive scalability, increase productivity, and support profitability.

Within the new powerhouse structure, the Company is also focused on improving the long-term performance of BOSS Womenswear and HUGO, currently accounting for 7% and 15% of Group sales, respectively. **BOSS Womenswear** will further sharpen its identity through a clearly defined positioning. Going forward, it will focus on a more curated and streamlined product assortment built around essential products, aimed at strengthening resonance with female consumers. **HUGO** will further refine its identity through an enhanced positioning and a more accessible product range, with an even stronger focus on contemporary tailoring. In doing so, the Company aims to increase commercial relevance over time. Across both brands, the Company will put particular emphasis on exploiting its growth potential within its core region Europe as well as the U.S.

Overall, we aim to strengthen the position of BOSS and HUGO as truly desired global brands. To achieve this, we will continue to **build brand equity and deepen consumer relationships**. Marketing remains a key lever in this regard, with investments targeted at around 7% of Group sales (2025: 7.1%). We will prioritize **high-return initiatives**, including strategic partnerships such as Beckham x BOSS, and impactful, product-led campaigns. In doing so, the Company seeks to drive full-funnel engagement, translating brand awareness into purchase intent and, ultimately, into customer loyalty. By consistently inviting consumers into the worlds of BOSS and HUGO, we are committed to creating sustainable long-term brand value.

Distribution Excellence

In prior years, we have made substantial progress in translating the brand power of BOSS and HUGO into our various customer touchpoints, thus providing consumers with a premium **omnichannel experience**. In this context, we significantly invested into our high-quality channel mix on a global scale to ensure a seamless brand experience across all touchpoints.

A clear focus on Distribution Excellence will further **elevate the brand experience across all touchpoints**, supported by a more targeted and higher-quality distribution footprint. In **brick-and-mortar retail**, HUGO BOSS will continue to optimize its store portfolio for an even better customer experience. Besides the selective closure of underperforming stores, this includes initiatives to enhance sales productivity and retail efficiency – such as improving rent-to-sales ratios and implementing smart price increases – as well as elevating the in-store experience through more curated product assortments and even more personalized customer service. By doing so, the Company aims to strengthen both store profitability and customer loyalty.

At the same time, the Company will strengthen the quality of its **brick-and-mortar wholesale** business by fostering strategic partnerships and pursuing a more selective assortment strategy. This approach is essential to strengthening brand equity and supporting profitable growth. In parallel, HUGO BOSS will unlock additional growth opportunities by further expanding its global franchise business, with a particular focus on emerging markets.

Building on strong growth in recent years, HUGO BOSS will continue to drive its **digital business** by further advancing seamless brand and customer experiences across platforms. In this context, we will further amplify our two-brand strategy on hugoboss.com to enhance customer experience, while reinforcing clear assortment guidelines and a consistent brand presentation across all touchpoints. > Consumer Touchpoints

From a regional perspective, HUGO BOSS will continue to leverage its strong and leading presence in **Europe** to drive further market share gains and profitable growth. Building on this solid foundation, the Company will continue to strengthen its positions in the **U.S.** and **China** by optimizing distribution and tailoring brand activities to local market needs. At the same time, HUGO BOSS will capture additional growth opportunities in **emerging markets**, supported by its expanding franchise footprint.

Operational Excellence

In recent years, HUGO BOSS has built a **robust operational platform**, investing around EUR 500 million in digital capabilities, sourcing, logistics capacity expansion, and back-end infrastructure. At the same time, the Company successfully executed a range of strategic initiatives to strengthen its supply chain and unlock economies of scale. These include consolidating the supplier base, significantly shifting from air freight to sea freight, reducing product complexity, and increasing nearshoring activities. Collectively, these measures are designed to notably enhance flexibility and efficiency in the future.

Building on this solid foundation, HUGO BOSS will further **elevate Operational Excellence across the entire value chain**. By leveraging past investments, the Company aims to support long-term growth, improve profitability, and strengthen cash generation. Key priorities include further increasing sourcing efficiencies by leveraging additional economies of scale through continued vendor optimization, maintaining a sea-freight-first approach, and achieving shorter lead times, thereby supporting sustainable improvements in gross margin. > Business Operations

In parallel, the Company will further **enhance its planning capabilities** and enable faster, smarter decision-making through technology and artificial intelligence. Central to this effort is our Digital TWIN initiative, which provides greater transparency, advanced data analytics, agile planning, and informed decision-making. In addition, the Company will maximize the benefits of its expanded automated logistics network and further strengthen back-end efficiency through streamlined processes and automation. Together, these initiatives are expected to positively impact operating expenses by driving efficiency gains across the organization.

Financial ambition

CLAIM 5 TOUCHDOWN marks the next chapter of our Group strategy, building on the strong foundation established under CLAIM 5. It is designed to further elevate the desirability of BOSS and HUGO, sharpen our global distribution and operational setup, and thereby lay the groundwork for sustainable, profitable growth. Over the medium to long term, the Company aims to **outgrow the market and achieve an EBIT margin of around 12%**. In line with this ambition, the next years will mark a phase of further strengthening the Company's operational and financial base.

Against the backdrop of deliberate brand and channel realignment, **2026 will be a year of consolidation** and an important step toward positioning HUGO BOSS for long-term profitable growth. Currency-adjusted sales are expected to decline mid- to high-single digits in 2026 (2025: EUR 4.3 billion), before returning to growth in 2027, and accelerating in 2028. Gross margin improvements are expected in 2026 and beyond, supported by sourcing efficiencies, selective price adjustments, and stronger full-price sell-through. Supported by ongoing cost discipline, EBIT is expected between EUR 300 million and EUR 350 million in 2026 (2025: EUR 391 million), with profitability improving from 2027 onward. Further details on our **targets for fiscal year 2026** are presented in the Outlook section. > Outlook

At the same time, CLAIM 5 TOUCHDOWN is designed to significantly strengthen cash generation. **Average free cash flow is targeted at around EUR 300 million annually** (excluding the impact of IFRS 16). Including IFRS 16, this corresponds to a targeted annual average of around EUR 500 million (2025: EUR 499 million). This will be supported by a further normalization in capital expenditure, targeted between 3% and 4% of Group sales (2025: 4.6%), and by disciplined trade net working capital management, amounting to between 18% and 20% of Group sales (2025: 20.0%). The latter will benefit from a planned reduction in **inventory levels**, which are forecast to approach 20% of sales by 2028 (2025: 21.5%). Overall, these measures are intended to underpin the Company's financial framework and provide the basis for sustainable, profitable growth and attractive shareholder returns over the medium to long term.

Capital allocation framework

As part of CLAIM 5 TOUCHDOWN, the Company's capital allocation framework is designed to **balance investment, value creation, and resilience**. The framework emphasizes continued investments into the business to support long-term profitable growth, while also including a firm commitment to delivering continued shareholder returns. In this context, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million until December 31, 2027. At the same time, HUGO BOSS will continue to further strengthen its balance sheet over the coming years, aiming to reduce financial leverage while remaining within its target corridor and maintaining investment-grade ratings from S&P ("BBB-") and Moody's ("Baa2"). The Company will also preserve the strategic flexibility needed to pursue selective, value-accretive M&A opportunities. > Outlook

Focused execution for sustainable growth

CLAIM 5 TOUCHDOWN serves to **sharpen focus, discipline, and execution** across the business. With clear priorities, a performance-driven culture, and fully committed teams, HUGO BOSS is well positioned to navigate market challenges and translate strategic focus into tangible results. Backed by its strong cash flow profile and a clear trajectory toward sustainable, profitable growth, HUGO BOSS remains firmly committed to driving long-term shareholder value.

Sustainability Strategy

Sustainability is a vital part of our business strategy. In 2025, we further refined our Sustainability Strategy and aligned our targets accordingly. Our **Sustainability Strategy** focuses on five key pillars: increasing circularity, driving digitization and data analytics, leveraging better natural materials, shifting to better polyester and polyamide, and reducing climate impact.

SUSTAINABILITY STRATEGY



As we aim to extend the longevity and life cycles of our products, we have set ourselves the target of having **80% of our products designed for circularity by 2030** (2025: 41%). Measures include the systematic integration of circular design principles, including recyclability, across design and production. As part of our Group and sustainability strategies, we are **digitalizing 70% of our processes from design to sales by 2030**, contributing to waste reduction, for example by minimizing the production of physical samples. Recognizing our dependence on healthy ecosystems, we are putting strong emphasis on sourcing selected materials to reduce our environmental footprint and support biodiversity. Accordingly, we aim to procure **100% of our main natural materials** and **100% of polyester and polyamide from preferred sources by 2030** (2025: 48% and 14%, respectively), as outlined in our Material Strategy. We also remain committed to reducing our overall use of polyester and polyamide in our products. To mitigate climate impact, we are committed to achieving **net zero emissions by 2050** (base year 2024). As part of this, we aim to **reduce our Scope 1–3 emissions by 50% by 2030** compared with 2024 levels (2025: minus 14%). Further details are available in the Environment section of the Combined Non-financial Statement and on our Group website.

> Combined Non-financial Statement, Environment

Our sustainability strategy and its five key pillars are built on a **strong environmental, social, and governance (ESG) core**. In addition to environmental protection, we also put a focus on socially responsible production processes that align with our human rights and labor commitment. 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 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, enabling appropriate levels of investment and thereby 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** on a currency-adjusted basis and increasing **operating profit (EBIT)** is key to improving free cash flow over the long term. In addition, strict management of **trade net working capital (TNWC)** 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 currency-adjusted sales, EBIT, trade net working capital, and capital expenditure. The 2026 guidance for these key performance indicators and the underlying assumptions are presented in the "Outlook" section of this Annual Report. > Outlook

FOUR KEY PERFORMANCE INDICATORS



As part of CLAIM 5 TOUCHDOWN, HUGO BOSS aims to **accelerate average free cash flow generation**, forming the foundation for future shareholder returns. To deliver on this ambition, execution will center on three key fields of excellence: brand, distribution, and operations. While 2026 will serve as a year of realignment to strengthen the business, these priorities will drive profitability in the long run and set the stage for renewed top- and bottom-line growth from 2027 onward. Free cash flow generation will be supported by lower capital expenditure and strict trade net working capital management. > Group Strategy

DEFINITION EBIT

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

For HUGO BOSS, **trade net working capital (TNWC)** 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, trade receivables, and trade payables** is the main responsibility of the respective operating central departments and supported locally by our subsidiaries. These 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, a specific approval process for the purchase of inventories for our global retail business shall ensure continuously optimized 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. Accordingly, the **short-term incentive program (STI)** for managers across all four management levels below the Managing Board is tied to the achievement of specific sales and EBIT targets, with TNWC as a percentage of sales serving as a third component. Beginning in fiscal year 2026, the STI will also include a non-financial component that can comprise one or more environmental, social, and governance (ESG) objectives. For management at the two levels below the Managing Board, the compensation scheme further includes a **long-term incentive program (LTI)**, aligned with that of the Managing Board. The LTI comprises two financial criteria, return on capital employed (ROCE) and relative total shareholder return (RTSR), as well as ESG elements. **> Combined Non-financial Statement**

In recent years, HUGO BOSS has made substantial investments to support long-term growth. **Investment activity** has been primarily focused on the optimization and modernization of our global store network, the digitalization of our business model, and the overall infrastructure, including the expansion of our logistics network. With most of these strategic investments now implemented, as part of CLAIM 5 TOUCHDOWN, HUGO BOSS plans to return to more normalized capital expenditure levels, with a strong focus on capital expenditure efficiency and maintenance investments, while still supporting our strategic priorities. 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 strict management of TNWC and the efficient use of capital expenditure. Free cash flow will either be reinvested into the Company or distributed to shareholders. In this context, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million until December 31, 2027. At the same time, HUGO BOSS will continue to further strengthen its balance sheet over the coming years. In this context, 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. At the end of fiscal year 2025, HUGO BOSS holds two **investment-grade ratings** from Standard & Poor's (BBB-) and Moody's (Baa2), underscoring the rating agencies' positive assessment of the Company's financial strength. At the same time, the Company will also preserve the strategic flexibility needed to pursue selective, value-accretive M&A opportunities. **> 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 2025 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, EBIT, and investment budgets as well as forecasts for TNWC for their respective markets or divisions. Based on this, our product development and sourcing units derive mid-term capacity planning. Business Planning & Analysis, part of the Business Operations division which reports to 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 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 2025, the past 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 throughout the year, with particular attention paid to the various macroeconomic factors and their implications on our operational performance. Against this backdrop, the Company continued to focus on efficiency and effectiveness across the business, with a particular emphasis on sourcing excellence and strict cost discipline, thereby supporting both gross margin and operating expenses. As a result, the Company successfully achieved its top- and bottom-line targets for fiscal year 2025. **> Report on Economic Position, Comparison of Actual and Forecast Business Performance**

COMPARISON OF ACTUAL AND FORECAST DEVELOPMENT OF KEY PERFORMANCE INDICATORS

	Results 2024	Forecast 2025	**Results 2025**
Group sales (reported)	EUR 4,307 million	Between EUR 4.2 billion and EUR 4.4 billion (–2% to +2%)	Decrease by 1% to EUR 4,270 million
Operating result (EBIT)	EUR 361 million	Increase to a level of EUR 380 million to EUR 440 million (+5% to +22%)	Increase by 8% to EUR 391 million
Trade net working capital as a percentage of sales	19.6%	Remain at a level of between 19% and 20%	Increase by 40 basis points to 20.0%
Capital expenditure	EUR 286 million	Between EUR 200 million and EUR 250 million	Decrease by 32% to EUR 195 million

PRODUCT DEVELOPMENT AND INNOVATION

Customer-centric product design with a clear focus on 24/7-lifestyle

Broader use of digital tools to enhance product development

Capsule collections and collabs to drive excitement among BOSS and HUGO

At HUGO BOSS, we put strong effort on developing collections and products that meet the highest customer demands in terms of design, quality, innovation, and sustainability. With our 24/7-lifestyle approach, we put consumers at the center of all our activities and offer a broad range of products for different wearing occasions. At the same time, we are committed to continuously optimizing 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. We aim to fully leverage digitalization throughout the entire product development process to further enhance speed, precision, and sustainability. Inspiring capsule collections and high-impact collaborations with renowned brands and personalities also contribute to strengthening the relevance and brand equity of BOSS and HUGO. > Group Strategy, Brand Excellence

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 recent years, we have significantly expanded the **digitalization of our product development process**, 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 further reducing the need for physical samples, predicting trends more accurately, and better anticipating customer preferences, thus minimizing waste. In fiscal year 2025, the proportion of **digitally developed products** amounted to around 75% (2024: around 65%), with continued expansion expected over the coming years.

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 derived from digital demand forecasting and trend analysis. With the goal of reducing overall collection complexity by around 20% across brands by 2028, we are placing a strong emphasis on a more focused product assortment. 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. In this context, in-house developed image generators, virtual try-ons with avatars, as well as immersive 3D simulations with innovative software solutions enable us to simplify development processes without compromising on performance and fit. When selling our collections, digitally developed styles are also of high importance – for example to wholesale partners via digital showrooms or offering virtual try-ons to our customers at hugoboss.com.

Key areas of product innovation

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, including the launch of functional capsule collections, for example our dedicated BOSS Ski capsule. At the same time, our **BOSS Performance** product range, which accounts for around one third of our BOSS formalwear assortment, further elevates our BOSS Black offering. It combines traditional formalwear outfits with innovative sportswear elements, thereby perfectly matching the needs of our customers. At HUGO, the Company will drive a more harmonized and aligned product offering. A clear focus on contemporary tailoring and streetwear aims at sharpening brand identity and fueling brand heat.
> Group Strategy, Brand Excellence

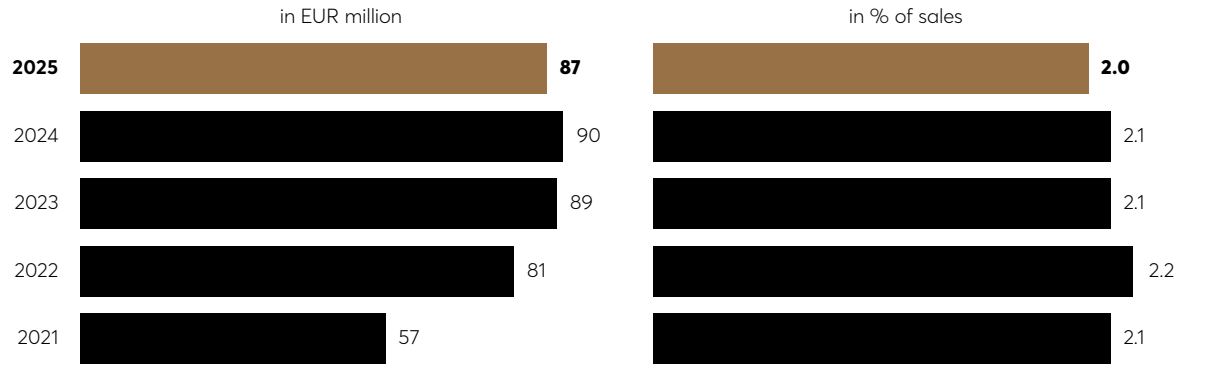
We are equally committed to living up to customer expectations in terms of **sustainability**. To this end, we also continue to explore innovative materials and manufacturing techniques, aiming to reduce the environmental impact. As part of a long-term strategic partnership with textile and material innovator **HeiQ**, we are leveraging AeoniQ, a circular and recyclable cellulose yarn, aimed at replacing environmentally impactful polyester and polyamide. In addition, we introduced **NovaPoly** in 2025, a recycled polyester yarn made from textile waste generated during production as well as the post-consumer phase. Going forward, initiatives like these are set to also support our ambition of enabling 80% of apparel products to become circular by 2030, with 41% of products already classified as circular in 2025 (2024: 33%). > Group Strategy, Sustainability Strategy

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 2025, we further leveraged our partnership with **David Beckham**, including the launch of two dedicated Beckham x BOSS collections. In addition, BOSS collaborated with strong partners such as Aston Martin and Steiff, while HUGO again teamed up with Formula One's Racing Bulls in 2025. Exceptional collaborations like these will continue to play a key role in driving brand equity and customer loyalty. Our product range is completed by **basic and core products**, such as never-out-of-stock items, which are designed to remain part of our collections for multiple seasons, as they are not tied to seasonal or fashion-driven trends. > Group Strategy, Brand Excellence

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, 2025, the number of employees in this area totaled 696 (2024: 731).

RESEARCH AND PRODUCT DEVELOPMENT EXPENSES



At EUR 87 million, our R&D expenses in 2025 were slightly below the prior-year level (2024: EUR 90 million). At 77%, personnel expenses accounted for the vast majority of **R&D expenses** last fiscal year (2024: 75%), with the remainder being primarily composed of other department expenses. In 2025, 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

Structural investments in recent years have created a robust operational platform

Successful expansion of global logistics network to support long-term growth

Robust and efficient operational platform

The **sourcing and production of high-quality products** is crucial for meeting elevated customer expectations on design, functionality, comfort, longevity, and sustainability. Beyond ensuring these quality characteristics, we are constantly striving for best-in-class solutions to further enhance the **efficiency, flexibility, and resilience** of our global sourcing and production activities. Consequently, HUGO BOSS has built a robust and efficient operational infrastructure by significantly investing into its business in recent years, forming a strong basis for long-term growth. This also represents a crucial factor in navigating ongoing macroeconomic and geopolitical challenges. In 2025, HUGO BOSS maintained supply chain continuity amid a dynamic external environment, leveraging its well-diversified global sourcing footprint and implementing proactive measures, such as rerouting product flows in response to prolonged tariff discussions. > Group Strategy, Operational Excellence

Fully **leveraging our robust operational platform** will remain a key priority for HUGO BOSS going forward. As part of CLAIM 5 TOUCHDOWN, we continue to put strong emphasis on optimizing end-to-end operations, further improving effectiveness, and driving efficiency across our supply chain. Looking ahead, we are committed to **realizing additional economies of scale** to boost sourcing efficiency. In this context, we will further optimize vendor allocation, reduce collection complexity across brands, and shorten lead times. On top of that, we strive to **further optimize freight modes** through a sea-freight-first approach. Already in recent years, HUGO BOSS has successfully reduced its reliance on airfreight with a further reduction targeted going forward. This underscores our commitment to balancing cost efficiency with operational excellence and sustainable sourcing practices. Altogether, these measures will continue to strengthen our operational capabilities and are expected to provide tailwind to gross margin development in the coming years. > Earnings Development, Income Statement

The further **digitalization of our value chain** remains a key priority, enabling faster responses to market trends and better alignment with customer demand. In 2025, we pushed ahead with the implementation of our **Digital TWIN**, a digital copy of our supply chain aimed at enhancing real-time data utilization, streamlining business processes, and enabling smarter decision-making through technology and AI. As part of this initiative, we put a particular focus on further **improving demand and supply planning** to optimize the procurement of products and fabrics, both in terms of timing and quantity. Along with efficient logistics planning and smart inventory allocation, we want to ensure that customer demand is met even more effectively, while also lowering cost and supporting **higher full-price sell-through**. At the same time, increased transparency along the supply chain enhances **end-to-end product traceability**, thus fully aligning with our sustainability ambitions.

Sourcing volumes and regional split

In terms of value, 17% of the total **sourcing and production volume** in 2025 was produced at our own production facilities (2024: 20%). Consequently, the remaining 83% were sourced from independent contract suppliers or procured as merchandise (2024: 80%).

REGIONAL SPLIT OF SOURCING AND PRODUCTION VOLUME (IN %)



2025 (2024)

HUGO BOSS attaches great importance to a **regionally balanced strategic sourcing mix** to mitigate risks such as local or regional capacity shortfalls. In 2025, 49% of our merchandise was sourced in **EMEA**, modestly below the prior year (2024: 53%). In line with our strategic ambition of further promoting **nearshoring**, we aim to align our regional sourcing activities even closer with our sales markets, to ultimately benefit from shorter lead times and increased speed-to-market capabilities. With a share of 24% of our global sourcing and production volume (2024: 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 accounted for 15% of the global sourcing and production volume in 2025 (2024: 17%). Besides Turkey, **Portugal**, **Bulgaria**, and **Italy** also represent relevant sourcing markets within EMEA.

At 48%, the **Asian** share of our global sourcing and production volume slightly increased in 2025 (2024: 44%), also reflecting higher demand for casualwear. Within Asia, **Bangladesh** and **Vietnam** remain the largest sourcing markets, accounting for 12% and 9% of our global sourcing and production volume, respectively (2024: 11% and 8%). At the same time, we significantly reduced our sourcing volume in **China** in recent years, now accounting for only 6% (2024: 7%), down from over 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**, which currently stands at 3% (2024: 3%).

Own production as a competitive advantage

We significantly expanded our own production capacity in recent years. In addition to greater **independence from external factors**, this allows faster, more flexible responses to customer demand and in-season replenishment opportunities. It also strengthens our expertise in 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**, plays a particularly strategic role. Initially focused on formalwear, our Izmir site meanwhile dedicates 30% of its production volume to casualwear (2024: more than 25%). Today, Izmir thus accounts for around 10% of our global casualwear sourcing (2024: around 10%), after the Company has significantly expanded the share in recent years. This flexibility enables us to react even faster 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. Production in **Radom** and **Morrovalle** mainly focuses on business shoes and sneakers, while **Coldrerio** specializes in BOSS Made to Measure shirts. > Product Development and Innovation

Network of experienced and specialist suppliers

To ensure excellent processing quality and high product availability, HUGO BOSS partners with a **network of experienced and specialist suppliers**. In fiscal year 2025, we sourced finished goods from 178 external **Tier 1 suppliers** (2024: 200) operating 245 production facilities (2024: 271). In addition, fabrics and trimmings were procured from 374 external **Tier 2 suppliers** (2024: 382) operating 395 production facilities (2024: 411).

HUGO BOSS fosters **long-term strategic partnerships** with its suppliers, averaging over ten years, and supports them in the continuous development of key processes. Alongside economic criteria, we attach great importance to environmental and social aspects in the selection of suppliers. Cooperation is based on respect for human rights, labor standards, and occupational health and safety, with the **HUGO BOSS Supplier Code of Conduct** forming the framework for all supplier relationships. More details can be found in the "Combined Non-financial Statement." > Combined Non-financial Statement, Workers in the Value Chain

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 our 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 Midway (U.S.) and third party-operated sites, for example in China or the UK.

As part of CLAIM 5 TOUCHDOWN, HUGO BOSS aims to fully leverage the benefits of its expanded automated logistics network. Between 2021 and 2025, the Company has made significant **investments in its logistics infrastructure** to increase unit capacity by around 40%. This includes the **expansion of our largest central distribution center** in Filderstadt (Germany), where we invested more than EUR 100 million with a strong emphasis on further digitalization and automation. Scheduled for completion in 2026, the expansion is expected to significantly increase shipping and storage capacity, further strengthening our operational platform, driving efficiencies, and supporting growth across channels.

CONSUMER TOUCHPOINTS

Omnichannel strategy encompasses brick-and-mortar and digital business

Elevating brand experience across touchpoints to drive distribution excellence

Further successful rollout of customer loyalty program HUGO BOSS XP in 2025

With a global presence of around 8,000 consumer touchpoints, distribution is a key strategic lever for HUGO BOSS to strengthen brand equity, deepen customer relationships, and drive sustainable growth. By moving to where consumers expect us to be, we ensure being omnipresent both physically and digitally. In line with our premium positioning, HUGO BOSS is committed to delivering a **best-in-class omnichannel journey**. Our own retail business plays a key role in this context. By offering a brand-led shopping experience and first-class customer service, it enables us to interact directly with our customers and turn them into true fans. To drive **distribution excellence** as part of CLAIM 5 TOUCHDOWN, we aim to further elevate the BOSS and HUGO brand experience across all touchpoints – from brick-and-mortar retail and brick-and-mortar wholesale to our digital touchpoints. Each channel is designed to fulfill distinct customer needs, while together forming a seamless and consistent omnichannel experience.

Distribution formats

HUGO BOSS OMNICHANNEL DISTRIBUTION

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

EXPLORE ONLINE

Brick-and-mortar retail

Our **brick-and-mortar retail business** represents the largest channel for HUGO BOSS, accounting for 51% of Group sales in 2025 (2024: 52%). As of year-end 2025, we operated 1,462 own retail points of sale worldwide (2024: 1,532), including 485 **freestanding stores** (2024: 500), focused on prime retail locations. Our freestanding full-price retail stores offer a superior, brand-led shopping experience, combining experiential store design, in-store digitalization, and seamless omnichannel integration. To further engage with consumers worldwide, we also operate pop-ups and hospitality concepts, such as the Beckham x BOSS Shanghai pop-up in 2025, creating special moments of brand activation. In addition, we run self-managed **shop-in-shops** in department stores as part of the concession model, as well as self-managed **factory outlets** allowing us to introduce our brands to more value-oriented customer segments.

In recent years, HUGO BOSS has made significant investments in its own retail business. As part of this transformation, we successfully rolled out new **store concepts for BOSS and HUGO** that are more brand-led and more digital, thereby turning our stores into true points of experience. As of December 31, 2025, the majority of our freestanding BOSS and HUGO stores had been refreshed or equipped with the latest store concepts, including halo stores in Barcelona, London, Dubai, and Shanghai. Halo stores play a vital role in delivering a superior and comprehensive brand experience in key metropolitan areas, inspiring and engaging with consumers. To exploit the full potential of brick-and-mortar retail, as part of CLAIM 5 TOUCHDOWN, HUGO BOSS will continue to **elevate its own store portfolio** to enhance the customer experience. At the same time, we aim to optimize our store network to improve both sales productivity and retail efficiency. Key measures include the renegotiation of expiring rental contracts and the selective closure of up to 50 stores between 2025 and 2028. **> Group Strategy, Distribution Excellence, > Earnings Development**

Brick-and-mortar wholesale

Our brick-and-mortar wholesale business accounted for 26% of Group sales in 2025 (2024: 26%), addressing consumers who prefer to discover and enjoy a variety of brands, while also extending reach into smaller markets not covered by our own retail business. Department stores and specialist retailers distribute BOSS and HUGO products through **shop-in-shops** or **multi-brand environments**, while **franchise partners** operate mono-branded freestanding stores independently. In total, our wholesale business comprises around 6,400 brick-and-mortar points of sale worldwide (2024: around 6,500), including 432 franchise stores (2024: 388). We sell our collections to wholesale partners via 10 **showrooms** globally, offering wholesale partners a premium brand environment during the selling process. In addition, we are increasingly using digital showrooms, which enable a more seamless and efficient order process while enhancing flexibility for wholesale partners.

In recent years, our brands significantly increased their **visibility and market presence** at key European and U.S. department stores. Going forward, HUGO BOSS will continue to **foster strategic partnerships** while adopting a more selective distribution approach. This includes focusing on the most relevant partners and further sharpening product assortments to strengthen brand equity. In line with CLAIM 5 TOUCHDOWN, the Company will also further expand its global franchise business, particularly in emerging markets, to capitalize on regional growth opportunities.

Digital

Our **digital touchpoints** – including **hugoboss.com**, **online concessions**, and **digital wholesale** – contributed 21% of Group sales in 2025 (2024: 20%). Our 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 (2024: 74 markets). Over the past years, we have significantly increased the reach and relevance of hugoboss.com, driven by the successful relaunch of our website, the continued global expansion of our digital presence, and the relaunch of our **customer app** as a fully integrated touchpoint within our omnichannel ecosystem. The latter includes key features such as virtual product try-ons or AI-enabled chatbots.

To exploit the full potential of our digital business and unlock additional growth opportunities, we are advancing **seamless brand and customer experiences** across platforms, driven by captivating content and consistent brand storytelling. As part of CLAIM 5 TOUCHDOWN, we will further amplify our two-brand strategy on hugoboss.com to enhance customer experience and reinforce assortment guidelines across touchpoints.

Customer loyalty

HUGO BOSS aims to turn consumers into fans by putting strong emphasis on retaining and engaging with our most valuable customers. Already in 2024, we launched our next-level **loyalty program HUGO BOSS XP**, a hyper-personalized omnichannel member experience centered on the hugoboss.com app. Leveraging advanced technologies, the program is designed to build brand loyalty, boost member sales, and drive customer lifetime value. HUGO BOSS XP was first rolled out in the UK, Germany, and France, and was **expanded to the U.S. and China in 2025**. Supported by this broader rollout and increasing customer engagement, we successfully expanded our member base by around 20% in 2025, reaching more than 13 million members by the end of the fiscal year (2024: more than 10 million).

COMBINED NON-FINANCIAL STATEMENT

Sustainability is an integral element of our business and governance framework

ESG activities aim to generate long-term value for our stakeholders

Statement includes ESG information assessed as material in line with ESRS

HUGO BOSS considers its sustainability-related 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 addressing environmental impacts, living up to relevant social and societal expectations, and continuously develop our approach to responsible corporate governance. In doing so, our **numerous environmental, social, and governance (ESG) activities** aim to benefit 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 transposition into national law by July 2024. By December 31, 2025, several member states, including Germany, had not completed this process. As a result, for fiscal year 2025 reporting, the legal framework applicable to listed German companies remains unchanged. Consequently, HUGO BOSS continues to prepare a combined non-financial statement in accordance with the **Non-Financial Reporting Directive (NFRD)**, consistent with previous years. In line 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 information on our sustainability activities for fiscal year 2025. It covers the material HGB topics **environmental matters, employee matters, social matters, respect for human rights, anti-corruption and bribery matters**, and the **EU Taxonomy**.

This statement applies Set 1 of the **European Sustainability Reporting Standards (ESRS)** on a partial basis as permitted by Sec. 289d HGB. A full application of the ESRS was not undertaken since the CSRD has not yet been transposed into German law. The statement draws on the results of the **double materiality assessment (DMA)** conducted in accordance with ESRS 1. The DMA concluded that nine of the ten ESRS topics are generally material for HUGO BOSS. The scope of disclosures presented does not fully reflect the extent indicated by the DMA, partly because HUGO BOSS makes use of applicable **proportionality and phase-in provisions** under the ESRS framework. This includes proportionality provisions introduced through the EU quick fix delegated act in the areas of Biodiversity and Ecosystems (E4), Workers in the Value Chain (S2), and Consumers and End-Users (S4) as well as the use of phase-in provisions and other permitted limitations

in the area of Own Workforce (S1). The chapter "Overview of ESRS Disclosure Requirements" within the section "Additional Disclosures on the Combined Non-financial Statement" provides transparency on the presence, scope, and limitations of the **ESRS disclosures included in this report**. > 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** consistent with our 2025 financial statements. Accordingly, the quantitative ESG data covers HUGO BOSS AG and all subsidiaries under its control. Unless stated otherwise, the disclosures presented apply equally to HUGO BOSS AG and to the Group. > Notes to the Consolidated Financial Statements, Basis of Consolidation

Any **references to information outside this 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). > Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in relation to the Combined Non-financial Statement

Governance

HUGO BOSS is managed by its parent company HUGO BOSS AG, which as a German stock corporation, operates under a **dual management and control structure**. Accordingly, the Managing Board is responsible for steering the Group and successfully executing its strategy, while the Supervisory Board oversees and advises the Managing Board. The two boards are strictly separate in terms of both composition and responsibilities yet work together closely in the best interests of the Company. 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 (IROs) 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 relating to material IROs 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 manages ESG reporting and ESG-related capital-market communication with investors and analysts. 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 key business areas involved in sustainability topics. 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 topics in 2025, including progress on our sustainability strategy, ESG reporting, and regulatory requirements. To further strengthen our cross-functional ESG governance, HUGO BOSS established an internal **ESG Decision Forum** in 2025. This body convenes on a quarterly basis and brings together key decision-makers, with the CFO/COO joining upon request. The forum aims to foster a holistic approach to sustainability management by ensuring transparency on ESG projects, prioritizing strategic initiatives, aligning capacity and resource planning, and promoting unified decision-making across the Company.

The Managing Board of HUGO BOSS has overall responsibility for an **effective risk and opportunity management system (RMS)**, which also encompasses a Compliance Management System (CMS). On its behalf, the central Risk Management and Internal Controls department coordinates the execution and continuous development of the RMS. Monitoring its effectiveness is the responsibility of the Supervisory Board. 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 a leading fashion and lifestyle company in the premium segment of the global apparel market. Our **business model** is described in the chapter "Business Activities and Group Structure" of this Annual Report, while details on our **Group strategy**, including our sustainability strategy, 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 key stakeholders, including employees, shareholders, customers, business partners, employee representatives, 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. Further information on our stakeholder engagement and partnerships can be found on our corporate website. > group.hugoboss.com

Double materiality assessment

Already in 2024, HUGO BOSS conducted a comprehensive **double materiality assessment (DMA)** in preparation for compliance with the ESRS, which was subsequently reviewed and updated in 2025 as scheduled. We have engaged with numerous internal stakeholders to identify our Company's material sustainability IROs. 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 in 2024. 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 IROSs** 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 considering the specific characteristics of our value chain and 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 Report on Risks and Opportunities 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 with both internal experts across all important sustainability areas as well as 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 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, validation, and update

The results of both assessments were consolidated accordingly, jointly reviewed by Investor Relations, Corporate Sustainability, as well as 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.

In 2025, the **DMA was revisited** as scheduled. To ensure efficiency, the update was conducted centrally and focused on validating the ongoing relevance of the 2024 assessment. The process drew on peer benchmarking, financial assessment, and strategic evaluation, confirming the **continued validity** of our DMA, with only minor adjustments. One additional sub-topic, Management of Relationships with Suppliers (G1-2), including Payment Practices (G1-6), was identified as material, while other adjustments did not affect the overall results. HUGO BOSS plans to continue revisiting its DMA on an annual basis. As part of this, we are committed to continuously developing our DMA approach to ensure ongoing alignment with evolving best practices and legal requirements.

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 HGB topics

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.

This statement also contains selected **additional ESG data points** below the materiality thresholds identified through the DMA. These disclosures are provided to further enhance transparency on topics of interest to external stakeholders and are presented in the section "Additional Disclosures on the Combined Non-financial Statement." > Additional Disclosures on the Combined Non-financial Statement

Environment

The following tables provide an overview of HUGO BOSS' **main environmental targets** in the areas of climate change, pollution, and resource use and circular economy. For each target, the tables set out the target description, the respective target year, and the current progress. The targets provide a structured framework for translating our environmental ambitions into measurable objectives.

CLIMATE CHANGE

Target	Target year	2025	2024
Reduce Scope 1 and 2 emissions by 50% (base year: 2024)	2030	–19%	N/A
Reduce Scope 3 emissions by 50% (base year: 2024)	2030	–15%	N/A
Reduce total emissions by 50% (base year: 2024)	2030	–14%	N/A
Source 100% electricity used in own operations from renewable sources	2030	82%	73%
Reduce direct and indirect energy consumption per sq m by 20% (base year: 2019)	2030	–7%	N/A

POLLUTION

Target	Target year	2025	2024
Ensure that all Tier 1 and direct Tier 2 suppliers with wet processes comply with ZDHC MRSL (or comparable) standards	2030	50% (chemical inventory), 74% (wastewater tests)	42% (chemical inventory), 62% (wastewater tests)

RESOURCE USE AND CIRCULAR ECONOMY

Target	Target year	2025	2024
Source 100% of main natural materials from preferred sources[1]	2030	48%	32%[2]
Source 100% of polyester & polyamide from preferred sources[1]	2030	14%	N/A
Design 80% of apparel products for circularity	2030	41%	33%

1 As defined in the HUGO BOSS Material Strategy, materials from preferred sourced are either recycled, sourced from regenerative agriculture, or adhering to other recognized external standards.
2 Not subject to the voluntary review with limited assurance according to ISAE 3000 (Revised).

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 broader value chain, where transportation contributes to our carbon footprint. Consumer practices such as washing, drying, and disposing of textiles further add to the environmental impact. At HUGO BOSS, we recognize our **shared responsibility to protect the climate**, strengthening our efforts to implement process changes which reduce greenhouse gas emissions and energy consumption both within our operations and throughout our supply chain.

Transition plan for climate change

HUGO BOSS has set the goal of **reducing greenhouse gas (GHG) emissions by 50% by 2030** (compared to 2024 data) and targets **net zero emissions by 2050**, following the recommendations of the Science Based Target initiative (SBTi) and in line with the 1.5°C target of the Paris Agreement. Initially scheduled for publication in 2025, the Company continues to work on updating its existing Transition Plan to reflect evolving methodologies and international regulatory developments. > Targets related to Climate Change

Policies related to climate change

Our **Environmental and Forest Conservation Policy**, which is available on the Company's website, was updated in 2025 and underscores our commitment to environmental and future-oriented matters. It sets clear standards and requirements aimed at reducing the Company's contribution to climate change, conserving natural resources, promoting energy efficiency and renewable energy, limiting environmental pollution, and supporting the preservation of forests and biodiversity 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 increased use of renewable energy. Monitoring involves tracking energy use, pollution levels, and compliance with ISO 14001 (environmental management system) and ISO 50001 (energy management system) at our own sites.

Climate change mitigation measures are firmly embedded in our Environmental and Forest Conservation Policy, which establishes clear expectations for our supply chain partners. More information on the collaboration with our suppliers to decrease emissions in the supply chain can be found in the "Actions related to climate change" section of this chapter. > Actions related to Climate Change

To advance climate protection within our supply chain, the HUGO BOSS **Supplier Code of Conduct** sets out clear standards and expectations for suppliers across various operational aspects. The code provides guidance and sets out stringent environmental requirements for suppliers, including the identification and monitoring of energy sources and the tracking of GHG emissions. Suppliers are required to develop roadmaps and implement corresponding measures to reduce energy consumption and emissions while responsibly managing natural resources. More information on the Supplier Code of Conduct can be found in the "Governance" section. > Governance

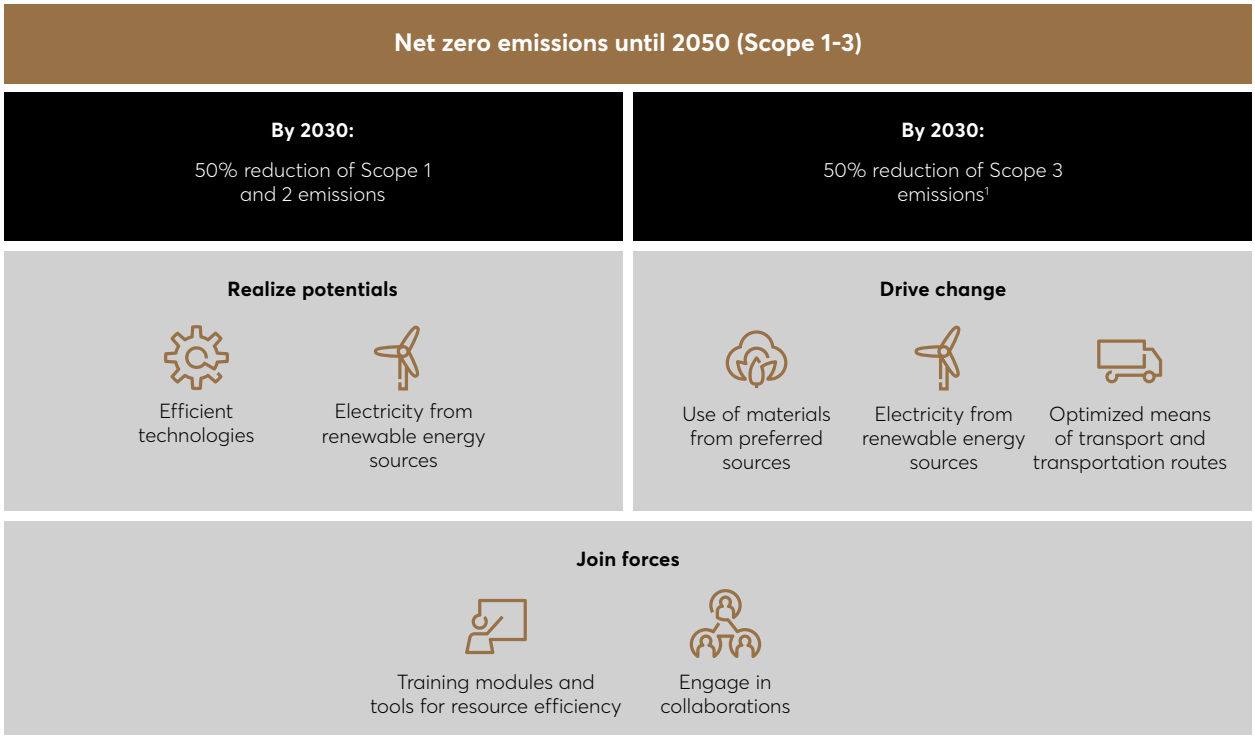
Targets related to climate change

To mitigate climate impact, we have set the long-term goal of achieving **net zero emissions by 2050**, based on Scope 1, 2 and Scope 3 emissions. As part of this, we aim to **reduce Scope 1–2 emissions by 50% by 2030**, based on a 2024 baseline (2024 adjusted: 25,520 t CO_2e). **Scope 3** emissions are also targeted for a **50% reduction** over the same period (2024 adjusted: 697,735 t CO_2e). The target calculation covers Scope 3 categories 3.1 (purchased goods and services) and 3.4 (upstream transportation and distribution) only, as these categories together account for more than 90% of total Scope 3 emissions and therefore represent the areas with the highest reduction potential. In 2025, our Scope 1 and 2 emissions decreased by 19%, and Scope 3 emissions (Scope 3.1 and Scope 3.4) also declined by 15% compared with 2024. These goals are approved by the Science Based Targets initiative (SBTi) and align with the requirements of the

Fashion Industry Charter for Climate Action (UNFCCC), supporting to limit global warming to a maximum of 1.5°C. In 2025, HUGO BOSS revised its 2030 climate targets and, in line with SBTi requirements, adjusted the base year for both Scope 1–2 and Scope 3 targets from 2019 to 2024.

Dedicated energy targets shall regarding our building-related consumption support achieving our emission reduction goals by reducing overall energy consumption and further enhancing efficiency across our operations. In line with the Fashion Industry Charter for Climate Action, we are committed to sourcing **100% electricity from renewable sources used in own operations by 2030**. In 2025, already 82% of electricity consumed (83,080 MWh) was sourced from renewable energies (2024: 73%; 73,794 MWh). HUGO BOSS also aims to **reduce direct and indirect energy consumption per square meter by 20% by 2030** compared to the 2019 base year. In 2025, direct and indirect energy consumption relative to gross floor area (kWh/sq m) decreased by 7% compared to 2019.

FOCUS OF CLIMATE ACTIONS AT HUGO BOSS



1 The Scope 3 reduction target only includes Scope 3.1 purchased goods and services and Scope 3.4 upstream transportation and distribution.

Actions related to climate change

Most of the Company's GHG emissions originate from upstream activities, including raw material cultivation, extraction, and processing. Emissions from HUGO BOSS' own operations (Scope 1 and 2) account for 3% of total GHG emissions. Consequently, 97% are generated across the broader value chain (Scope 3).

Own operations

While the climate impact of our own operations is relatively low compared to upstream and downstream activities, further **reducing energy consumption and CO_2 emissions at our own sites** remains important for achieving our overall climate targets.

To further **reduce CO_2 emissions**, we are investing in energy-efficient technologies and modernizing technical facilities. Since 2020, HUGO BOSS has been purchasing electricity exclusively from renewable energy sources at all own production sites. In 2025, we finalized the planning for the expansion of a photovoltaic system at one of our main logistics hubs near our headquarters in Metzingen (Germany), with implementation starting in 2026. Additionally, in 2025, we implemented further energy efficiency measures at our production site in Izmir (Turkey) – by far the largest of our own production sites globally. This includes the replacement of compressors with more efficient motors and the detection and repair of air leaks, resulting in energy savings of around 600 MWh in 2025. Our Izmir site was once again certified to both ISO 14001 and ISO 50001 in 2025, having maintained certification since 2014. We also expanded the procurement and use of renewable electricity on a Group-wide basis, including sourcing green electricity for all locations in Brazil, Greece, and Turkey, as well as for all remaining sites in the U.S. not yet supplied with renewable energy.

Supply chain

To advance towards our overall emission reduction targets, we are actively addressing **Scope 3 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 review suppliers' environmental management system as well as their energy consumption and CO_2 emissions. Based on prior assessments, these audits are conducted every one to three years. If any violations of environmental standards are identified, we work with the respective suppliers to develop and implement corrective action plans (CAPs), which are reviewed during follow-up audits. To support continuous improvement, we also provide regular **training** to keep suppliers informed about environmental and climate protection measures, aiming to establish standardized energy and environmental management systems. This also includes guidance on best practices for carbon accounting.

To further enhance transparency and the measurability of suppliers' environmental impacts, we co-developed the **"Climate Action Training for the Fashion Industry"** in 2021. This voluntary training, created by the Fashion Industry Charter for Climate Action and selected signatories, is publicly available online, 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, industry environmental impact, energy efficiency, renewable energy, and practical carbon accounting techniques.

HUGO BOSS is part of Cascale, a collaborative platform aimed at strengthening industry partnerships, enhancing supplier engagement, and improving data management. Building on this initiative, we have adopted 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 enables **accurate capture and management of Scope 3 emissions** (Scope 3.1 purchased goods and services) and provides a comprehensive view of environmental performance across the supply chain. In 2025, we expanded participation among our Tier 1 and Tier 2 suppliers. To ensure that internal stakeholders are well equipped, we conducted training sessions for key teams, including those within our brands' product divisions. The sessions focused on Higg FEM functionality, leveraging benchmarking opportunities to optimize order placements, and performing country-specific analyses. In the 2025 reporting year, the process requirements were established to integrate the Higg FEM into the environmental criteria of supplier evaluation.

HUGO BOSS aims for a gradual reduction of its **transport-related GHG emissions** (Scope 3.4 upstream transport and distribution) by consistently reducing air freight and increasing the share of shipping methods with lower GHG emissions per ton-kilometer, such as sea freight, and by improving transport planning. In addition, the Company is integrating minor amounts of biofuels to contribute to the reduction of GHG emissions along the supply chain and introducing new supply chain tracking systems to enhance transparency and increase transport efficiency. On top of that, we focus on nearshoring to position production closer to key sales markets.

Energy consumption and mix

In 2025, **total energy consumption** related to our own operations amounted to 142,734 MWh (2024 adjusted: 145,131 MWh). The slight decrease compared to the previous year was primarily driven by the implementation of additional energy efficiency measures across our own operations. In 2025, a total of 58%, corresponding to 83,080 MWh of our consumed energy was derived from renewable sources (2024 adjusted: 51%; 73,794 MWh), while 42% (59,654 MWh) was sourced from fossil fuels and is therefore non-renewable (2024 adjusted: 49%; 71,338 MWh).

ENERGY FROM FOSSIL AND RENEWABLE SOURCES (IN MWh)

	2025	2024
Fuel consumption from crude oil and petroleum products[1]	8,521	9,650
Fuel consumption from natural gas	30,359	32,128
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources[1]	20,774	29,560
Total fossil energy consumption[1]	**59,654**	**71,338**
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	78,185	68,865
Production and consumption of non-fuel renewable energy	4,895	4,929
Total energy consumption from renewable sources	**83,080**	**73,794**
Total energy consumption[1]	**142,734**	**145,131**

1 Prior-year figures have been adjusted retrospectively. The calculation of values is now closer aligned with the current ESRS methodology. In this context, the energy consumption of company-owned vehicles has also been incorporated into the calculation.

Energy intensity, measured as total energy consumption across all own production facilities, warehouses, offices, and brick-and-mortar retail stores and outlets, relative to revenue, amounted to 33 MWh/EUR million in 2025 (2024: 34 MWh/EUR million).

Greenhouse gas emissions

In 2025, our global business activities resulted in a total of 663,540 metric tons (tons, t) of GHG emissions across **Scope 1, 2, and 3** (2024 adjusted: 771,654 t), calculated in accordance with the Greenhouse Gas Protocol. Total emissions decreased by 14% compared to the base year 2024, resulting in an emission intensity – defined as total GHG emissions relative to Group revenue of EUR 4,270 million – of 155 t CO_2e/EUR million in 2025 (2024 adjusted: 179 t CO_2e/EUR million).

Scope 1 and 2 emissions amounted to 20,594 t in 2025, reflecting a reduction of 19% compared to the previous year (2024: 25,520 t). This mainly reflects an increased share of green electricity and the implementation of energy efficiency measures across our own operations.

In 2025, **Scope 3 emissions** totaled 642,946 t, marking a 14% decrease against the prior year (2024 adjusted: 746,134 t). This decrease, consistent with the overall reduction in total emissions, is primarily driven by lower production volumes. GHG emissions intensity per purchased piece decreased by 1% compared to 2024. The calculation is based on the sum of emissions from Scope 3.1 purchased goods and services (>99% of numerator) and direct emissions from own production sites (<1% of numerator), in relation to sourcing volume.

GREENHOUSE GAS EMISSIONS (IN T CO_2e)

	2025	2024
Total Scope 1 emissions[1]	**9,152**	**9,827**
Total Scope 2 emissions (market-based)[2]	**11,442**	**15,693**
Scope 3 emissions		
1 Purchased goods and services[3]	543,008	629,996
2 Capital goods[3]	4,158	7,612
3 Fuel- and energy related activities	6,082	6,239
4 Upstream transportation and distribution[3]	52,909	67,739
5 Waste generated in operations	1,858	2,101
6 Business travel	5,916	5,887
7 Employee commuting	6,228	6,347
8 Upstream leased assets	1,982	2,466
9 Downstream transportation	4,604	2,782
12 End-of-life treatment of sold products	10,245	9,718
14 Franchises[3]	5,956	5,248
Total Scope 3 emissions[4]	**642,946**	**746,134**
Total emissions	**663,540**	**771,654**

1 Scope 1 emissions include direct emissions from owned or controlled sources and emissions from own vehicles (excluding electric vehicles).
2 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 38,046 t in 2025 (2024: 39,146 t).
3 Due to improved data quality and the correction of previously identified data inconsistencies, prior-year figures for Scope 3.1 Purchased goods and services (+51% compared to the value previously reported), Scope 3.2 Capital goods (>100%), Scope 3.4 Upstream transportation and distribution (+1%), Scope 3.14 Franchises (<1%) as well as the related GHG emissions intensity, have been corrected retrospectively.
4 In 2025, 11% of the Scope 3 emissions (2024 adjusted: 25%) were calculated using primary data based on input factor levels, excluding emission factor data. Previous year's figures have been adjusted retrospectively following a change in the calculation methodology, thereby ensuring closer alignment with ESRS requirements.

Pollution

Pollution is a critical issue in the apparel and textile industry, particularly in upstream and downstream value chain stages. 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 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 aims to reduce pollution in key stages of its value chain, for example by improving chemical management in wet processes.

Policies related to pollution

To effectively address pollution prevention and control, we have implemented respective policies. Our **Environmental and Forest Conservation Policy** sets the framework for reducing environmental pollution and protecting natural resources, with more information to 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 reduce 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 already 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 substances that need to be reduced or eliminated. 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 own production facilities, to regularly verify their chemical inventories against the MRSL.

To minimize the presence of harmful substances in our products, we have established a **Restricted Substances List (RSL)** and **Product Compliance Guideline**, defining product safety and marketability requirements, thus 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 defined 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 these 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**. The scope includes all active suppliers with whom HUGO BOSS conducted business transactions during the reporting year and who either use chemicals (for chemical inventory testing) or use chemicals and water (for wastewater testing). In 2025, 50% of the production sites in scope met the chemical inventory requirements (2024: 42%). For wastewater tests, 74% of the production sites in scope complied with the specifications (2024: 62%). By 2025, interim targets were defined for strategic suppliers, requiring all strategic Tier 1 suppliers with wet processes to comply with the ZDHC MRSL requirements or an equivalent standard for both chemical inventory and wastewater testing. The targets were not fully achieved, as some suppliers use alternative certification schemes for chemical management and wastewater testing that are not currently recognized under the HUGO BOSS target definition. We remain committed to our 2030 target and will continue to evaluate additional certification schemes for potential inclusion in the target scope.

To enhance water and soil quality, we aim to **source 100% of our main natural materials from preferred sources by 2030** as outlined in our Material Strategy, covering all fabrics and linings (measured by sourcing volume, excluding license products). We define materials from preferred sources as either recycled, sourced from regenerative agriculture, or adhering to other recognized external standards. As of 2025, 48% of our main natural materials already met these criteria (2024: 32%; unaudited). 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 as well as on our Material Strategy can be found in the "Resource Use and Circular Economy" section. > Resource Use and Circular Economy

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. Through the ZDHC "Roadmap to Zero" concept, we have expanded opportunities to monitor and improve chemical management along the supply chain. Additionally, as a member of the AFIRM Group, we leverage their tools to foster chemical compliance and product safety at every stage of production.

Recognizing the environmental risks posed by chemicals in products, HUGO BOSS **prohibited the use of harmful per- and polyfluoroalkyl substances (PFAS)** in production processes already in 2018. This ban is an integral part of our RSL.

To ensure **our products are free from substances of very high concern (SVHC)**, we conduct regular monitoring through comprehensive 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 users and the environment.

Water resources

At HUGO BOSS, we are committed to **responsible water management and the overall careful use of water** at our sites as well as throughout the supply chain. We recognize the material impacts of our activities on water resources, particularly through the cultivation of water-intensive raw materials such as cotton and water use in upstream production processes. To address these impacts, we work to mitigate water scarcity risks and reduce our footprint on surrounding communities and ecosystems. By implementing targeted initiatives and collaborating closely with our supply chain partners, we aim to lower water withdrawal, enhance efficiency, and reduce environmental impacts.

Policies related to water resources

Water management is a key element of our **Environmental and Forest Conservation Policy**. We require suppliers to continuously monitor and optimize their water consumption. Suppliers engaged in water-intensive processes (processes which need more than 15 m^3/year industrial water usage) are encouraged to continuously optimize their water efficiency and implement responsible wastewater management practices. The policy also sets the framework for minimizing adverse impacts on water-related ecosystems. More information on our Environmental Policy can be found in the "Climate Change" section. > Climate Change

Actions related to water resources

Our actions to reduce freshwater intake primarily focus on supply chain partners with water-intensive production processes. Since 2024, we have been **partnering with Cascale** and **Worldly** to enhance, among other things, the tracking and transparency of water consumption at Tier 1 and Tier 2 supplier sites. This collaboration provides transparency into water usage, enabling us to design effective strategies for reducing water consumption going forward. In 2025, we prioritized assessing risks across all facilities within our direct supply chain that utilize water in their production processes. Our efforts focused on identifying facilities in regions facing high water stress, to effectively address material water-related risks and incorporate them into a roadmap going forward.

When implementing measures alongside the supply chain, we also draw on the expertise gained from several **water management initiatives** implemented at our own sites in recent years. At our largest production site in Izmir (Turkey), for example, groundwater collection systems continue to support green area irrigation and sanitary installations. Additionally, water-saving aerator fittings at multiple locations continue to reduce overall water consumption by mixing air into the water flow.

Biodiversity and ecosystems

Natural raw materials depend on **healthy ecosystems and thriving biodiversity**. As our products are predominantly crafted from cotton, wool, and other natural fibers, this underscores our deep reliance on the preservation of biodiversity. Cotton cultivation often involves excessive fertilizer and pesticide use, while agricultural expansion for cotton and leather production contributes to habitat loss and deforestation. Furthermore, land-use changes associated with raw material extraction and textile production intensify pressure on ecosystems, contribute to the degradation of natural habitats, and accelerate the loss of biodiversity. HUGO BOSS integrates biodiversity considerations into its broader sourcing activities, working to balance its dependence on natural resources with efforts to mitigate adverse impacts on ecosystems. The sourcing of natural materials from regenerative agricultural systems can also promote practices that improve soil quality, preserve or restore biodiversity, and contribute to the long-term stability of local ecosystems. At the same time, biodiversity loss and ecosystem degradation can impair essential ecosystem services.

In line with the **EU "quick-fix" relief** for fiscal year 2025, the Company applies reporting reliefs under ESRS E4. Accordingly, while E4 has been assessed as material, the chapter presents summarized disclosures focusing on key policies, actions, targets, and metrics.

Policies related to biodiversity and ecosystems

Biodiversity and ecosystem protection are embedded across several policy instruments. Our **Environmental and Forest Conservation Policy** underscores our commitment to conserving natural resources, improving energy efficiency, and managing environmental risks across our operations and supply chain. It also guides the use of alternative and resource-efficient materials to help reduce impacts on biodiversity and ecosystems. Our **Biodiversity Strategy Paper** outlines how we manage key dependencies on cotton, wool, and other nature-based inputs. Our approach prioritizes sourcing practices that take environmental and social aspects into account and excludes materials such as exotic leather. It also addresses the prevention of deforestation linked to cotton cultivation and wood-based inputs, as HUGO BOSS is committed to forest conservation by selecting materials for fabrics, paper, and packaging in a way that preserves ecosystems and supports social responsibility. Further details on our Environmental and Forest Conservation Policy are provided in the "Climate Change" section. > Climate Change

Targets related to biodiversity and ecosystems

To reduce the impact on natural resources, HUGO BOSS has set the goal of **sourcing 100% of main natural materials used in fabrics and linings from preferred sources by 2030** (measured by sourcing volume, excluding license products), as defined in the HUGO BOSS Material Strategy. In this regard, we focus on cotton, wool, leather, mohair, cashmere and down. In 2025, 48% of the main natural materials already met these criteria (2024: 32%; unaudited). While regenerative agriculture remains the first choice when sourcing cotton and wool, this target replaces a former target with a narrower focus solely on regenerative agriculture, thus reflecting a broader, more integrated sourcing approach. Regenerative agriculture is a holistic approach to restoring soil health, biodiversity, and ecosystem resilience through practices such as crop rotation, the reduced use of critical chemicals, and the protection of endangered species. Since 2025, all natural materials sourced according to regenerative principles rely on renowned external standards as outlined in our Material Strategy. Additional information on this target as well as on our Material Strategy can be found in the "Resource Use and Circular Economy" section. > Resource Use and Circular Economy

Actions related to biodiversity and ecosystems

Recognizing the importance of intact ecosystems and biodiversity, HUGO BOSS has taken concrete steps to identify, assess, and disclose nature-related risks and opportunities. In 2025, we published our first combined Task Force on Climate-related Financial Disclosures (TCFD) and **Taskforce on Nature-related Financial Disclosures (TNFD)** report, enhancing transparency and accountability. A key focus in 2025 has been the application of a comprehensive biodiversity impact assessment tool, extending its use to our own facilities, Tier 1 and direct Tier 2 suppliers, and regenerative Tier 4 farmers. The **HUGO BOSS Foundation** also supports non-profit initiatives aimed at restoring ecosystems and promoting biodiversity. In 2025, it continued its long-term partnership with Coral Gardeners to support coral reef restoration and biodiversity protection in marine environments.

Additional information on **animal welfare** is available in the Governance chapter. More details on our broader biodiversity and ecosystem approach can be found on our Group website. > Governance

Resource use and circular economy

As a global fashion company, HUGO BOSS recognizes its responsibility to **respect natural resources** and support the **transition towards a circular economy**. Circularity was identified as a strategic priority at an early stage and is embedded as a key pillar of our sustainability strategy. > Group Strategy, Sustainability Strategy

The fashion industry's production processes rely heavily on **natural materials** such as cotton, wool, **and synthetic fibers** like polyester, all of which necessitate ongoing resource extraction. This dependence drives environmental challenges, including deforestation, high water consumption, and pollution. Additionally, substantial waste is generated both during garment production and at the post-consumer stage, when clothing is discarded rather than being reused or resold. This exacerbates environmental burdens and depletes valuable raw materials. Packaging, particularly single-use plastics, further adds to the environmental impact, contributing to resource depletion and generating large volumes of non-biodegradable waste.

Policies related to resource use and circular economy

Our **Material Strategy** underscores our commitment to resource use that takes environmental and social aspects into account and to integrating circular design principles. Key elements include the classification of raw materials and information about our "WE CARE" initiative, including circular design principles and the **use of materials from "preferred sources."** For circular design, we closely follow the comprehensive framework developed by circular.fashion, which defines clear criteria for products designed for circularity. At HUGO BOSS, circular products must meet three requirements: the use of renewable or recycled raw materials, durability, and design that enables future recycling. Like all BOSS and HUGO products, our circular products undergo testing to meet high quality standards, ensuring durability and longevity. Additionally, our designers and product experts continuously seek innovative ways to extend lifespan and improve repairability.

Targets related to resource use and circular economy

We aim for **80% of our apparel products to be designed for circularity by 2030** (measured by production volume), applying the criteria outline above. In 2025, we increased this share to 41% (2024: 33%). The ultimate impact of this target also depends on the further development of textile collection and recycling infrastructure across relevant markets.

We aim to source **100% of our main natural materials from preferred sources by 2030**, covering all fabrics and linings, measured by sourcing volume. In 2025, this share reached 48% (2024: 32%; unaudited). Preferred sources are defined in our Material Strategy and include regenerative agriculture as our first choice for cotton and wool, closed-loop recycling, and other recognized standards. In 2025, we further refined the criteria underpinning this target. In addition to regenerative agriculture and closed-loop recycling, the definition of preferred sources now also includes further standards for sustainable materials, such as organic cotton and the Responsible Wool Standard (RWS).

For **polyester and polyamide**, we likewise target to procure **100% from preferred sources by 2030**, as defined in our Material Strategy, covering all fabrics and linings and measured by sourcing volume. In 2025, this share reached 14%. This target replaces a previous target that focused on the overall reduction of polyester and polyamide. The revised approach takes a broader perspective by focusing on improving the characteristics of these materials, acknowledging that the market does not yet provide sufficient alternatives to fully replace them. Our current focus for these fibers is on textile-to-textile recycled materials, while at the same time seeking to reduce overall reliance on polyester and polyamide wherever possible.

Actions related to resource use and circular economy

In 2025, we continued to drive circularity across our business, with a strong focus on **products designed for circularity**. We analyzed key product groups that are easier to transition, such as jersey-based essentials like T-shirts and polos, to identify how circular design principles can be effectively implemented and launched corresponding measures. These actions include modifying material compositions to improve recyclability and applying circular prints. To further build internal expertise, we continued to conduct online training courses for our design and development teams, strengthening their understanding of circular design principles and their practical application.

With respect to **materials from regenerative agriculture**, we placed particular emphasis on cotton in 2025. We list all accepted standards for regenerative agriculture within our Material Strategy, giving supply chain partners clear guidance in sourcing. In addition, we continued to strengthen existing partnerships, such as with Raddis in South India, which supports smallholder farmers in transitioning to regenerative practices. To ensure organizational alignment, relevant teams are required to complete an annual online training program covering our sustainability targets and material standards.

Resource inflows

For the production of our collections, HUGO BOSS requires a variety of materials, including both **biological and synthetic/technical materials**. 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. Technical materials, such as polyester and polyamide, also remain an integral part of our input materials. To reduce reliance on virgin resources, we increasingly focus on using recycled alternatives across our brands' collections.

BIOLOGICAL AND TECHNICAL MATERIALS USED[1]

	2025				2024			
	Metric tons	In % of total	Share of more sustainable materials (in %)[2]	Share of recycled materials (in %)[3]	Metric tons	In % of total	Share of more sustainable materials (in %)[2]	Share of recycled materials (in %)[3]
Cotton	15,472	56	86	1	13,761	57	100	0
Sheep wool	1,782	6	63	8	1,756	7	49	3
Leather	1,251	5	96	0	939	4	86	3
Cellulose-based materials	1,231	4	89	1	1,060	4	94	2
Other biological materials[4]	1,243	5	22	5	881	4	12	0
Total biological materials	**20,979**	**76**	**81**	**2**	**18,397**	**76**	**90**	**1**
Polyester	3,648	13	12	12	3,194	13	11	11
Polyamide	1,234	4	21	21	1,210	5	20	20
Elastane	504	2	0	0	408	2	4	4
Other technical materials	1,181	4	10	10	855	4	0	0
Total technical materials	**6,568**	**24**	**12**	**12**	**5,666**	**24**	**11**	**11**
Total materials	**27,546**	**100**	**64**	**4**	**24,063**	**100**	**71**	**3**

1 Previous year figures were retrospectively adjusted because small amounts of remaining materials were excluded from the scope as they are considered not material.
2 Materials classified as "more sustainable" by HUGO BOSS must be verified through third-party certifications or follow recognized standards. Further details are outlined in the HUGO BOSS Material Strategy. The "more sustainable" category is distinguished from "preferred," which applies higher standards and stricter requirements – for instance, only regenerative, organic, or recycled cotton is counted as "preferred," while "more sustainable" may include additional recognized standards.
3 Recycled materials which are used in our products are generally certified. Accordingly, the values presented here also contribute to the share of "more sustainable" materials.
4 This category includes biological materials such as natural rubber, linen, mohair, down, cashmere, silk, and hemp.

At the same time, we aim to further improve our use of packaging. This involves both decreasing reliance on single-use plastics and increasing the use of **packaging** made from certified and/or recycled materials. No detailed reporting on packaging is provided for the current reporting year.

Resource outflows

Currently, there are no industry-wide standards for durability, repairability, or recyclability. We therefore intend to align our practices with upcoming regulations and standards as soon as they are introduced. To support **repairability**, we provide care and repair guidance on our website and offer selected repair services as part of our customer loyalty program, HUGO BOSS XP, to help extend product lifespans. While current reporting guidelines do not yet define how to assess the **recyclable content** of fashion products, we apply circular.fashion's criteria to support the development of styles designed for circularity.

We also focus on **minimizing waste** across critical stages of the product life cycle by increasingly reusing surplus production materials and extending product life cycles. To further advance the **reuse and recycling of surplus materials**, we launched Eightyards in early 2025, a HUGO BOSS subsidiary dedicated to reselling, recycling, and reusing surplus fabrics and linings.

In 2025, we also partnered with Sellpy, a European re-commerce platform, to expand **resale opportunities**. The collaboration offers customers a convenient way to extend the life of pre-owned fashion items. Through our website, we provide Sellpy shipping bags free of charge, allowing customers to send in items – including BOSS, HUGO, or other brands – for resale and receive a credit once the items are sold. The offer is initially available in selected European markets and highlights our commitment to extending product lifespans and advancing the circular economy.

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

The European Green Deal aims to achieve net-zero greenhouse gas emissions in the European Union by 2050. A central element of this strategy is the EU Taxonomy, a **classification system that defines "environmentally sustainable" economic activities**. Its purpose is to steer capital flows toward sustainable investments by classifying economic activities based on their contribution to six environmental objectives.

For fiscal year 2025, HUGO BOSS conducted a thorough analysis and concluded, consistent with the prior year, that **no financially material taxonomy-aligned sales, CapEx, or OpEx** are to be reported, in particular as our primary economic activities are currently not covered by the EU Taxonomy. HUGO BOSS did not apply Delegated Regulation (EU) 2026/73, which aims to simplify the content and presentation of Taxonomy disclosures and entered into force on January 28, 2026, for fiscal year 2025. By exercising the available phase-in option, the Company ensured consistency with the Taxonomy requirements applicable at year-end 2025. The revised disclosure requirements will be applied from the reporting year 2026 onward. The following section presents the mandatory disclosures in accordance with the EU Taxonomy Regulation.

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 "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 2025 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 2025, as in the prior year 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 2026. 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 2025.

Consequently, the **taxonomy-eligible CapEx** for 2025 in relation to the total CapEx incurred of EUR 385 million ("denominator") amounts to 7% (2024: 2% with a denominator of EUR 645 million). The share of **taxonomy-aligned CapEx**, again in relation to the denominator, amounts to 0% (2024: 0%). In accordance with the taxonomy regulation, the CapEx to be used in determining the denominator 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

Operational expenses (OpEx)

In accordance with the EU Taxonomy, the OpEx used to calculate the denominator 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 selling and marketing, administration, and logistics expenses, do not fall under this definition. For fiscal year 2025, the OpEx denominator amounts to EUR 122 million (2024: EUR 128 million). In relation to the Company's total OpEx of EUR 2,236 million for 2025 (reconcilable to the operating expenses presented in the consolidated income statement; 2024: EUR 2,299 million), the 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 2025. Accordingly, both shares are reported as 0% (2024: 0%). > Earnings Development, Income Statement

Climate risk analysis

As in prior years, 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

Minimum safeguards

Compliance with the 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

The following tables provide an overview of HUGO BOSS' **main social targets** in the areas of own workforce, workers in the value chain, and consumers and end-users. For each target, the tables set out the target description, the respective target year, and the current progress. The targets provide a structured framework for translating our social ambitions into measurable objectives.

OWN WORKFORCE

Target	Target year	2025	2024
Sustain an employee satisfaction level of at least 75% across the Group in the annual employee survey	Ongoing	78%	69%
Reduce employee-related turnover to below 30% in retail and below 8% in corporate functions	2030	31% (retail), 12% (corporate)	32% (retail), 15% (corporate)
Achieve a share of at least 40% women in top management positions (first management level below the Managing Board), and at least 50% women in the second management level below the Managing Board	2030	24% (top management), 43% (second management)	27% (top management), 44% (second management)
Achieve an 85% agreement rate on the equity index and 79% agreement rate on the inclusion index in the annual employee survey	2030	87% (equity), 81% (inclusion)	80% (equity), 74% (inclusion)

WORKERS IN THE VALUE CHAIN

Target	Target year	2025	2024
Source at least 90% of business volume from Tier 1 suppliers (including own production) that achieve one of the two highest social-compliance performance levels ("good" or "satisfactory")[1] within the Company's five-level grading framework	Ongoing	94%	93%[2]

1 The rating "good" refers to suppliers that have established necessary activities for safe and fair working conditions within their management systems and take their own social responsibility very well. The rating "satisfactory" refers to suppliers recognizing the need for activities for safe and fair working conditions and have defined measures to support their implementation.
2 Not part of the voluntary limited assurance engagement in accordance with ISAE 3000 (Revised).

CONSUMERS AND END-USERS

Target	Target year	2025	2024
Rule out any contraventions of applicable data protection laws as far as possible	Ongoing	Conclusion of one data protection-related matter without further action	No violations

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 embedded in our Group strategy CLAIM 5 TOUCHDOWN, 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 collaboration. 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 directly contribute to the success of HUGO BOSS. By fostering a diverse, equitable and inclusive company culture, we seek to cultivate an environment that supports the success and development of our employees. At the same time, employee development and training are central to our strategy, providing our workforce with the tools and opportunities needed for continuous growth. Through these efforts, we seek to further strengthen **our attractiveness as an employer in the fashion industry**, where talent is nurtured and everyone is empowered to reach their full potential.

HUGO BOSS VALUES



With our global presence across numerous markets, production facilities, and consumer touchpoints, HUGO BOSS recognizes that people are the cornerstone of its success. Accordingly, the Company is committed to respecting human rights as fundamental principles for safeguarding human dignity. Our own workforce mainly consists of **corporate employees** at our headquarters and global subsidiaries, **commercial employees** within our own retail store network, as well as **operations employees** at our production facilities and logistics. Given the differing roles and working conditions, these employee groups have specific requirements regarding safe, inclusive, motivating, and respectful workplace environments. The material impacts related to workforce matters identified through our double materiality analysis apply to the entire HUGO BOSS workforce. As part of this, we differentiate between employees in own production facilities and those in non-production functions, enabling a more targeted approach to addressing workforce-related impacts.

Our commitment extends beyond our own workforce to the entire value chain, including **workers in our global supply chain**. Further information is provided in the "Workers in the Value Chain" section. > Workers in the Value Chain

As part of the partial application of ESRS Set 1 for fiscal year 2025 reporting, HUGO BOSS makes use of the applicable **phase-in provisions**. Consequently, selected minimum disclosure requirements (MDRs) and quantitative metrics are not disclosed for S1-7 Non-employees, S1-8 Collective bargaining coverage for non-EEA countries, S1-12 Persons with disabilities, S1-13 Training and skills development, and S1-15 Work-life balance.

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 employee well-being and rights across our operations. These commitments are reflected in our Group-wide policies, aligning 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)**. All Group-wide policies apply to the entire HUGO BOSS workforce, including headquarters, production facilities, logistics, and own retail points of sale. Input from both our own workforce and external stakeholders is considered in policy development and review, ensuring that updates reflect evolving expectations and significant feedback. All human rights-related policies are approved by the Managing Board of HUGO BOSS, made publicly available on our Group website, and available on the Company intranet, ensuring transparency and stakeholder access.

Our **Human Rights Statement** 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. The statement is reviewed on an annual basis. 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. HUGO BOSS explicitly rejects all forms of human trafficking, forced or compulsory labor, and child labor. 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 and equity. Employees must earn at least the statutory minimum wage. Where local standards are insufficient, a living wage benchmark is applied. The policy undergoes regular updates, with the most recent revision completed in 2025.

Complementing this, our **Health and Safety Commitment** and our **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)**, 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 programs, mirroring the mechanisms applied to external suppliers. This integrated approach reinforces a uniform standard of conduct across the entire operational footprint.

The HUGO BOSS **Code of Conduct** outlines Group-wide legal and ethical principles for employee conduct, establishing a foundation of compliance across areas such as fair competition, conflict 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 for corruption. We do not tolerate willful misconduct or violations of the Code. More information on the Code of Conduct can be found in the "Governance" section. > Governance

Our **Anti-Discrimination, Anti-Harassment and Gender Equality Commitment and Anti-Discrimination, Anti-Harassment and Gender Equality Policy** clearly articulate our zero-tolerance stance toward any form of discrimination or harassment. HUGO BOSS promotes respect for diversity in all its dimensions, including race, gender, sexual orientation, age, disability, and other characteristics. Employment decisions regarding hiring, development, promotion, compensation, and termination are to be based solely on merit. To embed these principles into daily practice, HUGO BOSS has established internal confidential reporting channels, defined remediation processes, and launched targeted awareness campaigns. Through this systematic approach – combining prevention, detection, and remediation – HUGO BOSS actively addresses discrimination and harassment risks across its operations.

Diversity, Equity, and Inclusion (DE&I) form a cornerstone of our company culture. Embedded within the global Human Resources (HR) department, DE&I initiatives are aligned with our Company's broader HR strategy. In 2025, HUGO BOSS introduced a dedicated **DE&I Policy**, with a summarized version also made available to external stakeholders. The policy applies globally and outlines key impacts and actions. It was developed with input from employees, internal HR experts, and management representatives.

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 and discrimination.

The international subsidiaries of HUGO BOSS structure their HR management by means of **additional, decentralized policies**. This enables them to adapt to local needs, while complying with national law. Unless stated otherwise, Group-wide policies are reviewed annually 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, enabling employees to voice concerns, share ideas, and actively participate in decision-making. 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 supporting workforce engagement 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. It provides critical insights into how our employees experience HUGO BOSS, including collaboration, leadership, and overall engagement. In fiscal year 2025, the Group achieved an **overall satisfaction level** of 78% (2024: 69%), reflecting a significant year-on-year improvement, with a participation rate of 71% (2024: 70%). The positive development reflects the impact of targeted engagement measures implemented at selected locations in response to site-specific challenges identified in the prior year, most notably in Izmir (Turkey), alongside generally stable satisfaction levels across the Group. Looking ahead, we remain committed to sustaining an employee satisfaction level of at least 75% across the Group. At HUGO BOSS AG in Germany, overall satisfaction amounted to 83% in 2025 (2024: 86%). The moderate decline year-over-year reflects the broader macroeconomic environment, while overall satisfaction levels remain high. Employees continue to report strong trust in core aspects of our company culture, particularly in areas of camaraderie and pride in working for HUGO BOSS. The survey results provide us with **valuable input** for operational and strategic decision-making, with the aim of further strengthening employee engagement across the Group. Key indicators, including the "Trust Index," are integrated into the long-term incentive (LTI) program for the Managing Board and eligible senior management, underscoring the strategic relevance of employee engagement. To ensure that insights translate into specific action, survey findings are reported to the Managing Board, which defines key strategic priorities together with Global HR.

Beyond the annual survey, HUGO BOSS fosters 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 interaction through internal events, provide structured platforms for employee engagement. In light of the volatile macroeconomic environment, we consider a high degree of transparency and open dialog with employees particularly important. Therefore, in 2025, we continued our live, quarterly hybrid **"How is Business?"** sessions. During these sessions, the Managing Board and senior management share business updates and respond directly to questions from employees. To further broaden perspectives, HUGO BOSS has established the **NextGen Board** as a generational sounding board, ensuring that the views and perspectives of younger employees are actively represented.

Employee representatives are integral to employee engagement. Through local and national works councils, HUGO BOSS ensures regular dialog on key matters such as employee well-being, health and safety, and workplace development. In Germany, our workforce at HUGO BOSS AG is represented by the works council, in accordance with the German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG). The **annual works meeting**, jointly held by the Managing Board and the Works Council, provides employees in Germany with updates on economic performance and strategic priorities, as well as workforce-related topics, including social matters, thereby strengthening transparency and the connection between leadership and employees. The **works council**, led by its Chairman, regularly engages in open dialog with the Managing Board and our central HR division, addressing both strategic and individual matters. Dedicated **HR managers** support employees with inquiries or concerns, while feedback is also gathered through surveys, town halls, and other interactive channels. We also foster inclusion for vulnerable groups through locally tailored initiatives. Furthermore, HUGO BOSS respects the formation of employee organizations and the right to unionize, maintaining regular dialog with **union representatives** and associations such as the Southwest German Textile and Clothing Industry.

To further strengthen engagement and transparency, 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. Both platforms facilitate engagement, interaction, and 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 identify and manage human rights impacts across its operations with the aim of safeguarding employees and preventing or minimizing any potential adverse impacts. To facilitate reporting, we provide three independent whistleblowing channels: our **Speak Up Channel**, an external **Ombudsperson** service, and our **Compliance department**, complemented by additional local internal channels. These mechanisms allow all employees to report concerns confidentially, anonymously, and free of charge. 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. Awareness is embedded into various aspects of our company culture through a mandatory **compliance training**, where all permanent employees are informed about the availability of our grievance processes, and through **internal information campaigns** aimed at preventing potential negative impacts. Additionally, the Company promotes awareness across its local subsidiaries, own production facilities, and own retail stores by providing 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 overseen by the central Compliance department, ensuring that issues are addressed in line with the Company's commitment to upholding human rights and ethical standards.

Our 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 support continuous improvement. Anonymous feedback on the reporting experience is also encouraged. The grievance mechanisms and remediation processes, including whistleblowing protection against retaliation, are further detailed in the "Governance" section. > Governance

Characteristics of our workforce

As of December 31, 2025, HUGO BOSS employed a total of 20,020 employees worldwide on a **headcount basis** (2024: 21,286). This reflects all active employees, including corporate staff, commercial employees, operations workers, learners (working students, apprentices, interns), and temporary support staff (employees with a fixed employment duration of less than one year to cover short-term resource requirements). The decrease of 1,266 headcounts compared to the prior year is mainly reflected across own production, own retail, and corporate functions. On a **full-time equivalent (FTE)** basis, excluding learners and temporary support staff, this corresponds to 17,527 employees as of December 31, 2025 (December 31, 2024: 18,623). The following metrics represent employee data calculated on a headcount basis, as of year-end, unless otherwise stated.

In 2025, HUGO BOSS hired 4,826 **new employees** worldwide (2024: 6,259), while total **employee departures ("leavers")** amounted to 6,127 (2024: 6,667), including inactive employment relationships and excluding learners and temporary support staff. 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, instead of new hires.

HUGO BOSS reports both the total employee turnover rate, which includes all departures regardless of reason, and the employee-related turnover rate, reflecting only voluntary resignations initiated by employees. This distinction allows for a more accurate understanding of overall workforce dynamics as well as employee satisfaction and retention. The resulting **total turnover rate** – total leavers divided by total workforce at year-end – amounted to 32% in 2025, in line with the prior-year level (2024: 32%). At a level of 21%, the **employee-related turnover** decreased slightly year over year (2024: 22%). To gain deeper insights into employee retention, we separately track the employee-related turnover for our global retail operations and corporate functions. In retail, the rate was 31% in 2025 (2024: 32%), while in corporate functions it amounted to 12% (2024: 15%). Our objective remains to further reduce employee-related turnover to below 30% in retail, and below 8% in the corporate functions, both by 2030. **Exit interviews** are conducted to better understand the reasons for departure and inform measures aimed at retention and reducing employee-related turnover.

The following tables provide further characteristics of our workforce in alignment with ESRS S1-6. Metrics are calculated on a headcount basis unless otherwise specified.

EMPLOYEES BY GENDER (HEADCOUNT)

	2025	2024
Female	11,788	12,638
Male	8,231	8,645
Diverse	1	1
Not reported	0	2
Total employees	**20,020**	**21,286**

EMPLOYEES BY COUNTRY[1] (HEADCOUNT)

	2025	2024
Germany	4,459	4,581
Turkey	4,458	5,221
Other	11,103	11,484
Total employees	**20,020**	**21,286**

1 This table is oriented towards the ESRS requirements, providing information on countries representing at least 10% of our global workforce. Countries below 10% are classified under the category "Other."

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

	2025				2024			
	Permanent	Temporary[1]	**Total**	Thereof non-guaranteed hours	Permanent	Temporary[1]	**Total**	Thereof non-guaranteed hours
Female	10,476	1,312	11,788	1,034	10,989	1,649	12,638	1,044
Male	7,498	733	8,231	1,091	7,782	863	8,645	1,094
Diverse	0	1	1	0	0	1	1	0
Not reported	0	0	0	0	1	1	2	2

1 Temporary employees including temporary support staff with a fixed employment duration of less than one year to cover short-term resource requirements.

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

	2025				2024			
	Permanent	Temporary[1]	**Total**	Thereof non-guaranteed hours	Permanent	Temporary[1]	**Total**	Thereof non-guaranteed hours
EMEA	13,160	1,182	14,342	6	14,056	1,298	15,354	6
Americas	3,010	222	3,232	1,989	3,012	282	3,294	2,019
Asia/Pacific	1,804	642	2,446	130	1,704	934	2,638	115

1 Temporary employees including temporary support staff with a fixed employment duration of less than one year to cover short-term resource requirements.

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. Within our industry, employees may face longer working hours and heightened pressure, especially during peak seasons, which can affect 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. In addition, 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 maintain an 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, working time management is essential to **ensuring fair working conditions and promoting employee well-being**. HUGO BOSS is committed to upholding legal working hour limits and fostering flexibility through internal policies that support work-life balance.

Actions

We offer our employees a wide range of options to strengthen work-life balance, including **flexible working models** such as individual part-time arrangements, trust-based working hours, and remote work. Most of our employees – both in administrative functions and in production – already benefit from flexible working hours. For example, employees in our own production facility in Izmir (Turkey) are able to reduce accrued overtime or make use 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. In addition, job sharing opportunities, co-leadership roles, and sabbaticals further contribute to a dynamic and efficient, yet flexible work culture.

As we are also committed to strengthening **family friendliness**, HUGO BOSS participates in the Germany-wide cooperation "Success Factor Family." In this context, we are offering a broad variety of family-friendly options, including access to day care. In the U.S. and Canada, employees have free of charge 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

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

Targets

HUGO BOSS is committed to ensuring that **all employees are remunerated at least in line with adequate wage benchmarks** as defined by the ESRS. This ongoing, outcome-oriented target is monitored globally on a semi-annual basis. Adequate wage levels are determined using external pay data and a comprehensive global pay survey that reflects local cost-of-living factors. Where inconsistencies or gaps are identified, HUGO BOSS promptly adjusts compensation to maintain alignment with adequate wage benchmarks.

In fiscal year 2025, **100% of employees within the scope earned in line with the adequate wage benchmark or above** as set forth in the ESRS. Learners and temporary support staff, as well as employees of our Digital Campus in Porto (Portugal) are not included in the scope of this target or its monitoring. This target is embedded in the Company's Fair Pay Commitment and its overarching human rights and fair labor frameworks.

Actions

HUGO BOSS ensures fair and competitive remuneration through a structured, Group-wide compensation system, as set out in our fair pay commitment. Based on regular assessments of all jobs in Germany as well as key international positions, the majority of our employees are remunerated based on job-specific salary bands. In addition to meeting local minimum 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, thereby further improving transparency. This framework is based on 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, including bonuses above the collective bargaining scale, non-cash compensation, and other benefits. It aligns with industry standards and collective bargaining agreements, while incorporating national and regional benchmarks. In Germany, works agreements govern specific 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.

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. Additional **retirement models**, such as partial retirement, enable employees to maintain access to benefits like the company fitness studio and restaurants at our Group headquarters.

To foster long-term employee engagement and enable employees to participate in the Company's success, HUGO BOSS offers an **employee share investment program (SHIP)**, allowing employees to acquire HUGO BOSS shares at regular intervals under favorable conditions.

Freedom of association and collective bargaining

Freedom of association and the right to collective bargaining are **fundamental labor rights** and anchored in HUGO BOSS' employment practices. These rights enable employees to express their views, engage in dialog with management, and negotiate working conditions collectively. Upholding these principles strengthens mutual trust, fosters a constructive workplace culture, and supports long-term employee engagement across our global operations.

Targets
HUGO BOSS is firmly committed to respecting and upholding employees' rights to freedom of association and 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 the European Economic Area (EEA), Germany is currently the only country where HUGO BOSS meets the ESRS reporting threshold of 50 or more employees representing at least 10% of the total workforce. For this reason, and in line with the transitional provisions under the ESRS, reporting for 2025 focuses on **Germany**. In Germany, **all employees are covered by collective bargaining agreements** and represented by workers' representatives. Therefore, the percentage of HUGO BOSS employees covered by collective bargaining agreements is at 22%.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS (IN %)

Coverage rate	Collective bargaining coverage in EEA
0–19%	
20–39%	
40–59%	
60–79%	
80–100%	Germany

1 Data on collective bargaining coverage is collected globally through an annual survey as of December 31 and calculated in line with the ESRS methodology (share of employees covered relative to total employees, based on year-end headcount).

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. As a global company, HUGO BOSS has trade unions and employee representation bodies in different countries, complying with statutory regulations.

In **Germany**, social dialog is facilitated by a close collaboration between the elected works council of HUGO BOSS AG and the Managing Board. This collaboration facilitates constructive negotiations on a wide range of workforce-related topics and has resulted in a variety of works agreements, covering areas such as health protection, flexible working models, childcare support, family assistance programs, and anniversary bonuses. Also in **Turkey**, elected employee representatives provide structured channels for employees to raise concerns and engage in dialog on working conditions. In **Mexico**, specialized worker-management committees focus on health, safety, and workplace conditions, while in **France**, the Social and Economic Committee (Comité Social et Économique, CSE) represents various employee categories and holds regular meetings with local management to discuss workplace issues.

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, where every individual feels valued, respected, and empowered to thrive and contribute their unique perspectives.

HUGO BOSS is committed to **tackling gender pay disparities**, ensuring that promotions and compensation decisions are transparent and merit-based, and removing barriers to career advancement based on gender. Increasing transparency in our career development and compensation frameworks is a key driver for fostering a more equitable workplace. At the same time, we maintain a **zero-tolerance policy against discrimination, harassment, and violence** in the workplace. Our policies and preventive measures are designed to safeguard our inclusive culture and 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 **training and development**, enabling employees – regardless of their background or role – to continuously enhance their skills, grow within the Company, and contribute to our

shared success. By driving these initiatives, we are not only fostering an inclusive culture but also empowering our employees to reach their full potential, supporting continued growth and success of both our people and the Company.

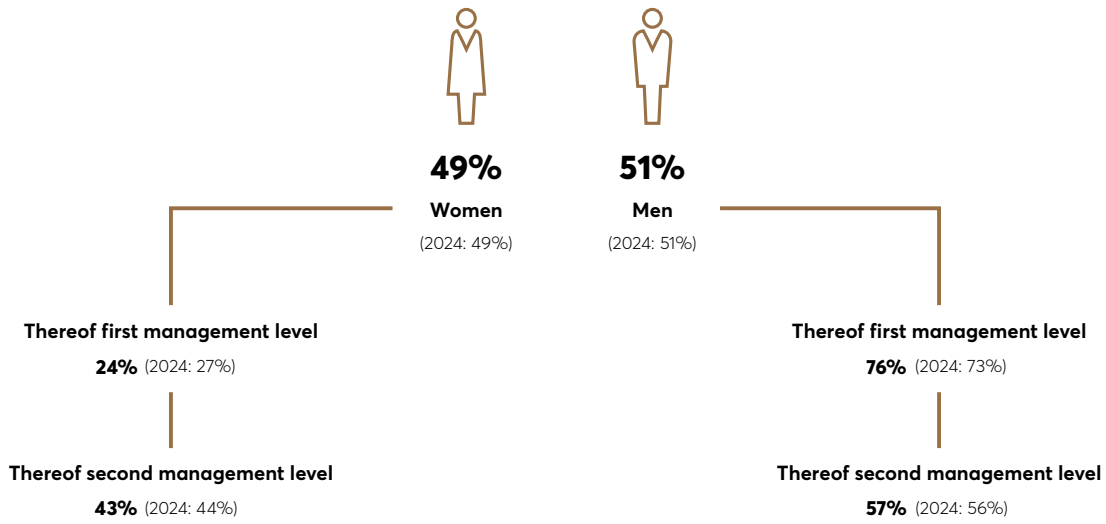
Diversity, equity, and inclusion (DE&I)

At HUGO BOSS, DE&I are central to our journey of **reshaping fashion**, forming a core part of our company culture. We are committed to fostering an inclusive and equitable environment where diverse perspectives drive creativity and innovation.

Targets

HUGO BOSS is committed to promoting **gender equality across all organizational levels**. As of December 31, 2025, women represented 59% of our workforce, continuing to form the majority (2024: 59%). Across all management levels, 49% of positions were held by women, unchanged from the prior year (2024: 49%).

EMPLOYEES IN TOP MANAGEMENT AND SECOND MANAGEMENT LEVELS



HUGO BOSS has defined targets to increase the representation of women in management positions. The Company aims to achieve a share of **at least 40% women in top management positions** (first management level below the Managing Board) and **at least 50% women in the second management level** by 2030. As of December 31, 2025, women accounted for 24% of top management positions and 43% of second management positions (December 31, 2024: 27% and 44%, respectively). These targets replace former time-bound targets with a target year of 2025, which were not fully achieved. Based on the progress made to date and the remaining gap to the defined thresholds, the Managing Board approved the continuation of the targets with an extended target year of 2030. HUGO BOSS remains committed to increasing the representation of women in leadership positions and will continue to implement measures to support progress toward these targets, with specific initiatives described in the Actions section below.

EMPLOYEES BY AGE GROUP (HEADCOUNT AND SHARE)

	2025		2024	
	Headcount	Share (%)	Headcount	Share (%)
<30 years	5,699	29	6,581	31
30 to 50 years	11,710	58	12,205	57
>50 years	2,611	13	2,500	12
Total employees	**20,020**	**100**	**21,286**	**100**

In addition to gender representation, we closely monitor the **age structure** of our workforce to ensure a balanced mix across generations. This balanced age distribution reflects the dynamic blend of emerging talent and experienced professionals that drives HUGO BOSS forward.

HUGO BOSS also measures equity and inclusion through its annual employee survey. For **equity**, HUGO BOSS has set a target of achieving an 85% agreement rate on the equity index by 2030. This index reflects employees' perceptions of fair treatment through several survey statements, including "People here are treated fairly regardless of their race, age, gender, and sexual orientation." In 2025, 87% of employees viewed HUGO BOSS as an equitable workplace (2024: 80%). Respectively, **inclusion** is measured via the survey question "I can be myself here," with a goal of 79% agreement by 2030. In 2025, already 81% of employees agreed they feel included within the Company (2024: 74%).

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 embed 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 workstreams 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 provide our employees with regular **DE&I trainings**, including programs designed to address unconscious biases and foster inclusive, effective decision-making. In 2025, HUGO BOSS ensured that all employees received mandatory DE&I and unconscious bias training, conducted on an 18-month cycle. Recognizing the importance of inclusive leadership in shaping company culture, HUGO BOSS provides dedicated unconscious bias training within its leadership development programs. Targeted awareness training on non-discrimination policies and practices is provided to middle and upper management, particularly during promotion and performance calibration rounds.

Gender equality remains a priority, supported by ongoing initiatives to strengthen representation of women 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 to support the development of high-potential female leaders with active management support. Initially focused at a select group of high-potential female employees, the program's strong positive reception has led to plans for a broader roll-out across the Group, scheduled for 2026. DE&I principles are also embedded into daily operations and **recruitment**, with inclusive job descriptions, postings, and hiring practices designed to attract diverse talent and minimize unconscious bias.

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. Our overarching goal is to embed gender equality into our company culture, ensuring balanced representation in leadership and across all functions.

Gender equality and equal pay for work of equal value

At HUGO BOSS, we recognize that gender equality encompasses **fair compensation, equitable career advancement, and balanced leadership opportunities**. HUGO BOSS strives to ensure that all employees, regardless of gender, are entitled to the same rights, opportunities, and access to resources.

Targets

HUGO BOSS is committed to upholding its **Fair Pay Commitment** and works to ensure that compensation is free from discrimination based on gender and any other characteristic. Our objective is to ensure equal pay for equal work across all roles and levels within the Company.

For fiscal year 2025, HUGO BOSS reports an **adjusted gender pay gap** of 2.2%, as a key indicator of compensation equity within the Group. This metric follows a HUGO BOSS-specific methodology and measures the difference between the average total annual compensation of male and female employees, relative to the average total annual compensation of male employees. It accounts for type of employee (hierarchy) and location (city) to reflect pay differences among comparable roles and is based on total direct compensation data as of October 31, 2025. The dataset covers all employees except learners, temporary support staff, and employees at the HUGO BOSS Digital Campus in Porto (Portugal). The total direct compensation consists of the base salary incl. cash allowances, as well as target values defined by variable compensation consisting of short-term incentive (STI), long-term incentive (LTI), and employee profit-sharing (EPS). Variable, non-contractually fixed compensation components as well as benefits of kind, overtime and overtime compensations are excluded. For employees in retail functions, commissions are included based on actual earnings rather than target values, reflecting the performance-driven nature of retail roles. For these functions, commission earned in October is annualized to twelve months.

Actions

Creating a workplace environment that promotes gender equality and prevents discrimination begins with **raising awareness**. HUGO BOSS has implemented dedicated training programs to educate employees on issues of bias, discrimination, and gender equality. The Company's broader commitment to gender equality is reinforced by signing the **UN Women's Empowerment Principles**, which provide guidance on promoting gender equality in business. These initiatives are closely linked to our broader HR strategies, including career development, promotions, and performance management, ensuring training insights and analyses inform our workforce planning and talent development.

All employees are entitled to **fair compensation in line with market conditions**, also benefitting from a range of additional support, including health insurance, maternity and parental leave, and financial support for external training, in accordance with HUGO BOSS' fair pay commitment. **Gender-specific analyses of compensation differences** among employees in comparable positions are conducted on a regular basis, leveraging our standardized grading system. 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, particularly when re-entering the workforce after parental leave, through initiatives like our **"Open Doors for Women"** program in Izmir (Turkey). The program provides mentorship, career development opportunities, and support networks, helping to break down barriers and equip women with the tools for success.

Measures against violence and harassment in the workplace

At HUGO BOSS, we are dedicated to fostering a working environment where every employee is valued for their individuality and can freely express themselves without fear of discrimination, violence, or harassment. All employees are expected to treat each other with **respect and dignity**, regardless of age, gender, race, sexual orientation, disability, nationality, faith, political opinion, or any other personal characteristic. 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 **safe and respectful workplace** is supported by respective policies and a zero-tolerance approach towards violence and harassment.

Targets

HUGO BOSS is committed to a **zero-tolerance approach to 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. It is our objective to ensure that these standards are consistently upheld across our operations.

In fiscal year 2025, a total of **159 potential incidents** were reported **through the Company's whistleblowing channels**. Of these, **20 incidents related to discrimination**, including harassment, were reported across the Group's workforce (2024: 12 incidents). Both figures include all complaints filed through our whistleblowing channel, ombudsperson, and confirmations from our central and regional HR functions. As in the prior year, no complaints were filed with National Contact Points (NCPs) for OECD Multinational Enterprises through the available confidential internal channels.

In fiscal year 2025, as in the prior year, HUGO BOSS was **not aware of any severe human rights violations** within its own workforce, including child labor, forced labor, human trafficking, or breaches of the UN Guiding Principles or 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 through targeted prevention measures. To address discrimination, violence, and harassment, we conduct regular compliance training that includes a dedicated **anti-discrimination e-learning module**. The course educates employees on recognizing, preventing, and addressing violence and harassment in the workplace, while reinforcing our zero-tolerance stance. It is reviewed annually and updated as needed to reflect evolving business needs and regulatory requirements.

Training and skills development

Our employees' expertise and commitment are vital for achieving our strategic and financial objectives. As global competition and business complexity intensify, the demand for skilled and adaptable employees continues to grow. To meet this challenge, HUGO BOSS places strong emphasis on **targeted training and individual development opportunities** that enhance both our employer attractiveness and employee retention. Through a variety of training formats, we empower employees to grow personally and professionally, fostering engagement, strengthening skills, and empowering them to actively contribute to the Company's long-term success.

Actions

HUGO BOSS is committed to fostering a robust leadership culture and to providing comprehensive development opportunities for its global workforce. Structured HR development programs, such as the **Employee Development Program (EDP)** for professionals and managers, are designed to promote employees based on their competencies, broaden 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**, supporting 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. In 2025, we continued offering formats such as **"Tiny Training,"** a one-hour training session on relevant topics, and **Global Learning Week**, which promotes knowledge-sharing and collaboration led by internal experts worldwide. At our production and logistics sites, **face-to-face training** and **workplace briefings** remain 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 impact on both our Company's performance and employee engagement. Regular workshops anchor this mindset within our organization, fostering a common understanding of leadership. 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 expected to act as enablers, create strong team connections, and ensure equal opportunities for all.

HUGO BOSS also supports students and apprentices by partnering with universities and vocational institutions globally. These collaborations enable us to offer **work-study programs** and **apprenticeships** in industrial, technical, and commercial fields, addressing the growing demand for skilled professionals.

Internal mobility is another key factor in talent retention. Our internal career platform **"GLOBAL JOBS"** and the employee referral program **"HUGO BOSS Spotted"** provide transparency and growth opportunities across departments and divisions. At the same time, the annual **Performance & Development Dialog (PDD)** provides structured feedback and individualized development planning. Supported by an online tool, data is collected on employee performance, potential, and development needs, enabling objective evaluations, mid-year reviews, and peer feedback. This process helps employees realize their potential while promoting long-term retention.

Workers in the Value Chain

HUGO BOSS recognizes that its operations and sourcing activities may be linked to potential impacts on **workers in the upstream value chain**. These risks may arise at Tier 1 and also further upstream in labor-intensive regions, where systemic challenges such as job insecurity, low wages, excessive working hours, restricted freedom of association and social dialog, gender disparities, human rights risks, particularly with regard to child and forced labor as well as health and safety hazards persist in parts of the industry.

In accordance with the **EU "quick-fix" relief** applicable for fiscal year 2025, HUGO BOSS applies selected reporting reliefs under ESRS S2. While S2 has been assessed as material, the disclosures presented in this chapter focus on the Group's key policies, actions, targets and metrics relating to Tier 1. Suppliers classified in Tier 2 and beyond are not covered in this chapter, even though these tiers include direct suppliers.

Policies related to workers in the value chain

HUGO BOSS has embedded its human-rights and labor-standards commitments within a comprehensive policy framework. This mainly includes the **Supplier Code of Conduct (SCoC)**, the **Human Rights Statement** and **Policy**, and the **Child Labor and Forced Labor Policy**. Together, these policies define expectations toward all business partners and production sites, covering aspects such as working hours, fair wages, freedom of association, health and safety, and access to grievance mechanisms. The SCoC, related policies, or equivalent standards form part of the contractual framework with all our direct suppliers. Further details on the Human Rights Policy are provided in the Own Workforce chapter, and on the SCoC in the Governance chapter. > Own Workforce, > Governance

Targets and metrics related to workers in the value chain

HUGO BOSS has established an ongoing target to ensure that at least **90% of business volume is sourced** from **Tier 1 suppliers (including own production) that achieve one of the two highest social-compliance performance levels ("good" or "satisfactory")** within the Company's five-level grading framework. The rating "good" refers to suppliers that have established necessary activities for safe and fair working conditions within their management systems and take their own social responsibility very well. The rating "satisfactory" refers to suppliers recognizing the need for activities for safe and fair working conditions and have defined measures to support their implementation. Compliance performance is verified on a regular basis through audits, self-assessments, or recognized external social-compliance standards. In fiscal year 2025, the Company already achieved a share of 94% (2024: 93%), reflecting continued progress in strengthening social and labor standards across its Tier 1 supply base. This ongoing target replaces two former time-bound targets ahead of schedule, which would have expired in 2025. While substantial progress was made, the defined thresholds of 100% sourcing from Tier 1 suppliers achieving one of the two highest performance levels and 80% sourcing from suppliers achieving the highest performance level were not fully achieved.

Actions related to workers in the value chain

We take a **risk-based approach** to auditing Tier 1 suppliers (including own production) and implement Corrective Action Plans where non-compliances arise. Through our Sustainable Supply Chain (SSC) program, we systematically monitor supplier adherence to the SCoC's principles as part of our broader **Human Rights Due Diligence process**. This process also covers the identification and assessment of salient labor risks beyond Tier 1 in the wider upstream value chain.

We foster **long-term partnerships** with our suppliers to support continuous improvement in working conditions and social compliance. To strengthen capabilities on the ground, we also engage suppliers through training, worker-voice channels, and access to grievance mechanisms. In addition, we actively collaborate with **external stakeholders** – including NGOs, trade unions, and multi-stakeholder initiatives such as the Fair Labor Association (FLA) and the International Accord for Health and Safety in the Textile and Garment Industry as well as the Bangladesh Accord on Fire and Building Safety – to drive systemic improvements in labor standards across the apparel industry.

Further information on our **management of relationships with suppliers**, our **whistleblowing policy**, **grievance mechanisms**, and **payment practices** is provided in the Governance chapter. Additional details on our approach towards suppliers and workers in the value chain can also be found on our Group website.
> Governance

Consumers and end-users

In an increasingly digital environment, safeguarding **consumer privacy** and ensuring the **ethical use of data** are critical to maintaining trust and long-term customer relationships. **Data protection** upholds the individual's right to their personal information and is therefore a central requirement for our digital business model, especially as costumer data grows in importance. Any breach of data protection laws or data privacy violations can directly affect the data subjects, and may pose significant compliance, financial, and reputational risks for HUGO BOSS.

In line with the **EU "quick-fix" relief** for fiscal year 2025, the Company applies selected reporting reliefs under ESRS S4. Accordingly, although S4 has been assessed as material, this chapter presents summarized disclosures focusing on key policies, actions, targets and metrics.

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 through dedicated privacy policies, including the group-wide **Data Protection Policy** and the **Data Breach Compliant Policy**. These policies inform consumers and end-users about the collection and processing of personal data via our own online store hugoboss.com, our customer loyalty program, mobile applications, and our Group website, and outline GDPR rights such as access, rectification, erasure, restriction of processing, data portability, and the right to object. The policies, accessible in our online store and on the Group website, apply to all personal data processed across our Company. Consumers and end-users can report potential data breaches through secure channels, including contacting our Data Protection Officer directly, submitting concerns via email, or contacting an external ombudsperson, with the option of anonymous reporting. Our **Data Protection Officer** reports to the Chief Compliance Officer, who reports directly to the CFO/COO. He monitors compliance with these policies and serves as the primary contact for all related matters.

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 2025, one data protection-related matter in Germany was confirmed by the competent authorities or courts, without resulting in any sanctions. This review was initiated by the responsible German supervisory authority in 2024 following a customer complaint relating to the receipt of marketing content and was concluded in 2025 without further action. No other data protection-related matters were identified by courts or authorities.

Actions related to consumers and end-users

To strengthen information security, HUGO BOSS uses an **information security and analysis system** that enables real-time monitoring of potential incidents and data breaches. The Company maintains an ISO/IEC 27001 certified information security management system and operates a **Security Operation Center (SOC)** to ensure continuous monitoring of its IT-landscape. HUGO BOSS also regularly reviews applicable data protection laws across all relevant jurisdictions. A tailored risk assessment matrix, aligned with the Company's business structures in each country, shall support a targeted and efficient approach to managing regulatory risks.

Internal processes and systems for handling personal data are **continuously monitored and refined** to ensure compliance with legal data protection requirements. These ongoing improvements aim to prevent data misuse and theft. **Contingency plans** are in place to enable the prompt implementation of technical and organizational countermeasures in the event of legal violations. Employees handling personal data receive **regular training**, including a mandatory GDPR e-learning program for those processing the personal data of EU data subjects, ensuring continued awareness of data protection responsibilities.

Governance

The following tables provide an overview of HUGO BOSS' **main targets in the area of governance**. For each target, the tables set out the target description, the respective target year, and the current progress. The targets provide a structured framework for translating our business conduct impacts into measurable objectives.

ANIMAL WELFARE

Target	Target year	2025	2024
Source 100% of main natural materials from preferred sources[1]	2030	48%	32%[2]
Source 100% mulesing-free wool	2030	68%	53%

1 As defined in the HUGO BOSS Material Strategy, materials from preferred sourced are either recycled, sourced from regenerative agriculture, or adhering to other recognized external standards.
2 Not part of the voluntary limited assurance engagement in accordance with ISAE 3000 (Revised).

ANTI-CORRUPTION

Target	Target year	2025	2024
Prevent any violations related to corruption and bribery	Ongoing	No violations	No violations

Business conduct

Good corporate governance is an integral part of HUGO BOSS and a guiding principle encompassing all areas of the Company. It is a key factor for long-term business success and sustainable value creation. The Managing Board and Supervisory Board are committed to ensuring the Company's continuity while promoting responsible, transparent, and forward-looking corporate governance. In doing so, 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. The following section outlines information partially applying the ESRS G1 disclosure requirements and addresses the business conduct topics identified as material as part of the double materiality assessment. Further details 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 legal and ethical standards while minimizing workplace conflicts. Effective **whistleblowing mechanisms** further strengthen our governance framework, providing secure channels for employees and external 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**. Although only a small share of our brands' collections contains

animal-derived materials such as leather, wool, and down, we are dedicated to maintaining transparency and implementing robust control mechanisms to uphold high welfare standards throughout our supply chain. Additionally, HUGO BOSS prioritizes the prevention and detection of **corruption and bribery**, embedding dedicated 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. Inadequate supplier relationship management and irresponsible **payment practices** may place financial and operational pressure on suppliers, potentially affecting cash-flow stability and undermining trust across the value chain. HUGO BOSS therefore seeks to support fair, transparent, and resilient supplier partnerships, including through dedicated programs designed to strengthen suppliers' financial stability and long-term collaboration.

Corporate culture

At HUGO BOSS, our **value-based corporate culture** (company culture) is the foundation of employee engagement, driving innovation, and achieving long-term 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 strengthening the Company's reputation and long-term performance. Embedded in the execution of our Group strategy CLAIM 5 TOUCHDOWN, 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. To ensure these principles are consistently upheld, HUGO BOSS implements targeted engagement initiatives. This also includes a mandatory **e-learning module**, to be completed every 18 months, educating employees on ethical conduct and reinforcing our core values. Leadership also plays a pivotal role in fostering our company culture, with leaders at HUGO BOSS acting as role models, empowering their teams, while embodying these values.

HUGO BOSS regularly evaluates its company culture through an **annual employee survey** to assess how our core values are actively lived and to identify key drivers of our Company's work ethic. Results are shared with the Managing Board, senior management, and the wider organization to inform strategic planning and further embed our values into daily operations. > Own Workforce

Policies related to business conduct

HUGO BOSS has established Group-wide principles of conduct in its Code of Conduct and related Group policies, forming the basis for ensuring the legality of employee activities. The **Code of Conduct** serves as the foundation of our compliance framework, reflecting our Company's core values and behaviors. It provides clear guidance on interactions amongst colleagues, external stakeholders, including customers, suppliers, and other business partners, setting a binding framework for ethical business conduct, covering a wide range of topics.

TOPICS COVERED BY THE HUGO BOSS CODE OF CONDUCT



A key tenet of the Code is the **respect for internationally recognized human rights** and the **commitment to ensuring decent working conditions**, that safeguard 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 multiple languages, the Code was last updated in 2025, aimed for publication in 2026. Oversight of compliance with the Code is the responsibility of the Managing Board. > Own Workforce

HUGO BOSS extends its ethical, environmental, and labor standards across its value chain through its **Supplier Code of Conduct (SCoC)**, which defines binding minimum standards for all suppliers (incl. own production) and their further upstream suppliers. Contractual compliance or an equivalent standard is a prerequisite for collaboration. The Code covers key areas such as human rights, labor standards, environmental protection, and anti-corruption. It prohibits child and forced labor, mandates fair wages and decent working conditions, limits working hours where national laws are absent, and safeguards freedom of association and collective bargaining. Available in over 30 languages, a one-page version is displayed at production sites and includes QR-code access to our grievance mechanisms. This shall ensure that business practices meet our expectations, particularly in regions where national legislation or its enforcement may be insufficient. To ensure awareness and compliance, 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. We continuously monitor compliance through annual self-assessments, social audits, and recognized third-party certifications, supported by supplier training on relevant ESG topics.

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 cases related to human rights, corruption and bribery, fraud, or theft. The policy outlines the available grievance channels and the procedural steps for handling reported incidents. It is reviewed annually, with the latest update in 2025 clarifying incident categories, specifying roles and responsibilities within the Compliance department, and strengthening Managing Board oversight through a formalized reporting process for high-risk incidents. The policy applies to all employees and extends protection to external stakeholders, including business partners, workers in the value chain, and customers. It shall guarantee confidentiality and protection for whistleblowers, affected individuals, and employees involved in investigations.

HUGO BOSS provides its employees and external stakeholders with independent internal and external channels to confidentially and, if needed, anonymously report potential misconduct or legal violations. These include our **Speak Up Channel**, an external **Ombudsperson**, and the central **Compliance department**. The Speak Up Channel is accessible worldwide through online access and a toll-free hotline in over 50 languages. Detailed information on all reporting mechanisms is available on the Company's intranet and corporate website, ensuring transparency and accessibility for all stakeholders. As an additional safeguard, the Speak Up Channel includes follow-up prompts asking whether individuals have experienced any form of retaliation after submitting a report. This allows the Compliance department to monitor and address potential concerns promptly. Employees may also report concerns directly to their supervisors or compliance officers at the subsidiary or Group level. Overall, this setup shall help mitigating risks related to unethical behavior, legal non-compliance, and potential reputational harm.

HUGO BOSS regularly trains employees to strengthen ethical awareness and compliance culture. A Group-wide **online compliance training**, mandatory for defined target groups and available to all employees, is conducted at least every 18 months. The training covers key topics such as our company values, the Code of Conduct, anti-corruption, anti-money laundering, data protection, information security, antitrust, conflict of interest, animal welfare, and whistleblowing. Employees managing compliance cases receive specialized training, including internal investigation workshops. In 2025, HUGO BOSS launched the in-person training initiative **"How to Act Like a BOSS,"** developed in response to specific cases identified through the whistleblowing process. The initiative reinforces ethical conduct and awareness of the Code of Conduct and will be gradually rolled out across departments.

The Compliance department maintains comprehensive documentation of all investigations and evaluates the **effectiveness of whistleblowing channels** at least annually. In 2025, a structured root-cause analysis was introduced to identify recurring patterns and derive targeted improvements. Feedback from internal and external stakeholders is incorporated to ensure the system remains effective and aligned with its purpose.

Animal welfare

HUGO BOSS is committed to upholding high standards of animal welfare and species protection throughout its operations. Our **Animal Welfare Policy**, last updated in 2025 and publicly available, 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, setting minimum requirements to safeguard both the physical and mental well-being of animals involved in the supply chain. We maintain ongoing dialog with leading animal welfare NGOs, including FOUR PAWS and PETA, to ensure continuous improvement and alignment with evolving best practices. HUGO BOSS rejects **animal testing** for all products, including licensed goods and extends this commitment to new material and product development. Our Animal Welfare Policy applies to all Group companies, with deviations only permitted where national regulations conflict, provided that the essential principles and purpose are maintained. Non-compliance may result in legal or labor-related consequences. To translate these commitments into practice, our Group-wide **Material Strategy** specifies preferred sources for animal-derived materials and defines related targets. It guides both employees and suppliers in the consistent selection of materials either verified through third-party certifications or following recognized standards across the supply chain.

Targets related to animal welfare

HUGO BOSS has established clear standards and targets for sourcing animal-derived materials, reflecting its commitment to sustainability and animal welfare across fabrics and linings. **Leather** shall be sourced exclusively as a by-product, in particular of the food industry, including sheep, goat, cow, and buffalo. **Exotic leathers and farmed fur** have been banned since 2016, and we also refrain from using **angora**. For **wool**, our Animal Welfare Policy emphasizes species-appropriate husbandry, gentle shearing, and the avoidance of harmful practices such as live lamb cutting (mulesing). HUGO BOSS is committed to sourcing 100% mulesing-free wool (including recycled wool) by 2030, having already reached a share of 68% in 2025 (2024: 53%). This goal aligns with our overarching target of sourcing 100% of main natural materials from preferred sources as defined in our Material Strategy by 2030. Regenerative agriculture is our first choice for wool, combining mulesing prohibition with additional welfare aspects such as grass feeding and minimized animal transport, verified by standards such as AuthenticoR or ZQ Regenerative Index (ZQRX). The overarching target also covers cashmere, mohair, and down, which must be sourced from certified or recycled sources. **Mohair** is exclusively certified under the Responsible Mohair Standard (RMS), while **down** is sourced from DOWNPASS-certified or recycled material, precluding no live plucking or forced feeding. In addition, to further reduce reliance on animal-derived materials, HUGO BOSS develops and tests **vegan alternatives** where they maintain environmental and functional standards. For further information on our material use, please refer to the "Resource Use and Circular Economy" section. > 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.

Management of relationships with suppliers

HUGO BOSS is committed to fostering accountable business conduct across its value chain. Certain purchasing practices, such as short-term planning, last-minute changes in order specifications, or late payments, may impact suppliers' working conditions and financial stability. To mitigate these risks and align sourcing practices with our human rights commitments, HUGO BOSS introduced a **Guideline on Responsible Purchasing Practices (RPP)** in 2025, approved by the Managing Board. This internal guideline applies to all employees involved in product development and ordering, including sourcing, design and creative, planning, procurement, and pricing functions, and is binding as a self-commitment. It is limited to production-related activities, while non-production materials and services are governed by a separate, dedicated guideline.

Aligned with **internationally recognized frameworks**, including the Common Framework for Responsible Purchasing Practices (CFRPP) and the OECD Guidelines on Due Diligence Guidance for Responsible Business Conduct, our RPP outlines five core principles centered on internal integration and reporting, equal partnership, collaborative production planning and orders, fair payment terms, and costing. It applies to all our Tier 1 and direct Tier 2 suppliers, regardless of size – including small and medium-sized enterprises (SMEs) – and aims to strengthen their capacity for efficient production planning, stable employment, and compliance with social and environmental standards.

To further embed responsible purchasing practices, HUGO BOSS conducted targeted **training and awareness programs** for sourcing and operations teams as part of the onboarding process. The Company also participates in the multi-stakeholder Learning and Implementation Community (LIC) on responsible purchasing practices, which provides a platform for companies, NGOs, and other stakeholders to share insights and best practices for improving purchasing behavior and mitigating risks in global supply chains.

Supplier relationships are governed by our **Supplier Code of Conduct (SCoC)**, described in detail above. The SCoC defines minimum standards on human rights, labor conditions, and environmental protection. Compliance with the SCoC or an equivalent standard is a prerequisite for collaboration and forms the foundation of our approach to responsible sourcing. Additional information on supplier-related environmental policies can be found in the "Climate Change" section. > Climate Change

Prevention and detection of corruption and bribery

HUGO BOSS expects all employees to act lawfully in day-to-day business operations. At 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.

Policies related to the prevention and detection of corruption and bribery
All employees are required to comply with the Group-wide **Code of Conduct** and supplementary specific compliance rules, such as our **Anti-Corruption Policy**. Last revised in fiscal year 2025, the policy regulates, among other aspects, the acceptance and granting of gifts and invitations and addresses key corruption-related risk areas. It also defines clear procedures for reporting suspected violations. Both the publicly accessible Code of Conduct and the internal policies are subject to regular review and are updated as needed, particularly in response to changes in legal and regulatory 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 system. 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 and bribery, which may result not only in reputational and financial risk but may also lead to personal consequences under criminal and labor law. In fiscal year 2025, **no violations** related to corruption and bribery were identified by authorities or courts (2024: no violations).

Actions related to the prevention and detection of corruption and bribery
In 2025, the **Compliance Management System** was further enhanced using a risk-based approach, with a focus on updating policies, advancing the whistleblowing system and case management, and reviewing the compliance risk assessment approach in the area of anti-corruption by an external auditor.

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 anti-corruption.

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 measures in place to protect whistleblowers from retaliation. This system underscores the Company's commitment to fostering a transparent and accountable corporate culture.

Payment practices

HUGO BOSS strives for **transparent and responsible payment practices** toward all suppliers to support stable business relationships and financial resilience across the value chain. The metrics provided in this section cover Tier 1 and direct Tier 2 suppliers for the Group's product-related sourcing, while indirect procurement is out of scope.

The Group's **standard payment term** is 90–100 days from invoice receipt date for Tier 1 suppliers and 100–120 days for direct Tier 2 suppliers. In 2025, 84% of invoices measured by sourcing volume were aligned with these standard terms (+/– 3 working days), while the average time to pay invoices was 97 days from the contractual due date for Tier 1 suppliers and 115 days for direct Tier 2 suppliers. Payments are processed centrally through standardized systems designed to ensure accuracy, timeliness, and traceability. In 2025, there were no legal proceedings related to late payments to suppliers.

To further strengthen suppliers' liquidity and financial stability, HUGO BOSS operates a voluntary **Supplier Financing Program**. The program is operated in collaboration with selected financial partners and enables eligible suppliers to receive early payment of approved invoices at favorable financing conditions, providing faster access to receivables and ensuring solvency during challenging periods. In 2025, measured by sourcing volume, 65% of direct suppliers, including Tier 1 and direct Tier 2 suppliers, participated in the program, with payments received on average within 21 days of invoice submission – significantly shorter than the standard payment term. This initiative contributes to strengthening suppliers' resilience and supports their ability to meet key obligations, such as paying wages on time and investing in compliance measures, thereby promoting responsible business conduct across the value chain.

GENERAL ECONOMIC SITUATION AND INDUSTRY DEVELOPMENT

2025 marked by elevated macroeconomic and geopolitical volatility

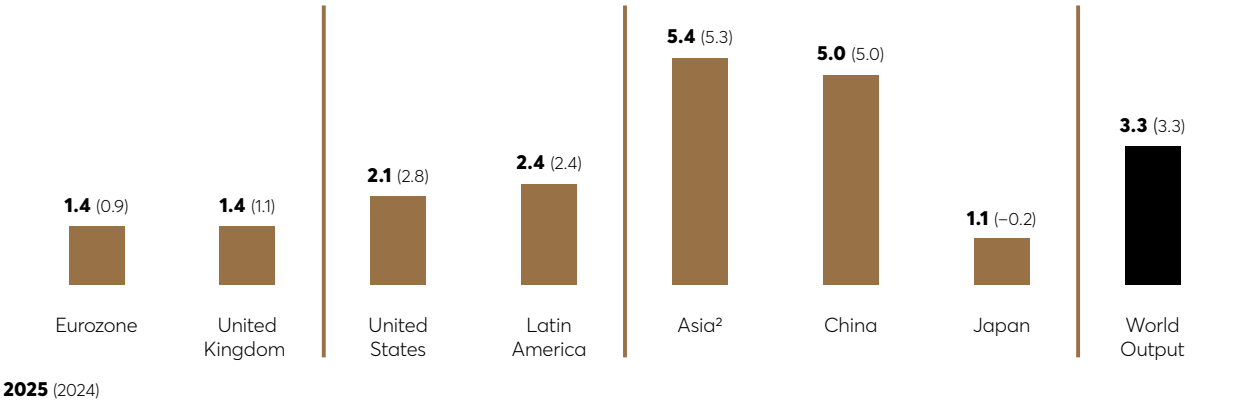
Subdued consumer demand weighs on global apparel industry in 2025

Muted industry growth particularly visible in Europe and the U.S.

General economic situation

Fiscal year 2025 was marked by **challenging global economic conditions**, characterized by **elevated uncertainty and volatility**. Although inflation eased in most regions, supported by monetary policy decisions from the U.S. Federal Reserve (Fed) and the European Central Bank (ECB), global trade remained constrained. Economic momentum was uneven over the course of the year: growth proved relatively robust in the first half, supported in part by front-loaded consumption as businesses and consumers anticipated higher tariffs, while the second half of the year saw a noticeable slowdown. Investment flows remained subdued despite a more stimulative fiscal stance in several major economies, continuing to weigh on economic growth. Geopolitical tensions, including the conflicts in Ukraine and the Middle East, as well as higher tariffs, further heightened volatility and spilled over into financial markets. While subsequent agreements and policy adjustments moderated some extremes, economies and markets continued to adapt to a more protectionist and increasingly fragmented environment. In its latest forecast, published in January 2026, the International Monetary Fund (IMF) estimates **global economic growth** for 2025 at 3.3%, on par with the previous year (2024: 3.3%).

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



1 Estimates IMF.
2 Without Japan.

According to IMF estimates, economic growth in the **eurozone** continued to recover, improving to 1.4% in 2025 (2024: 0.9%). While most major European economies recorded weaker outputs compared to 2024, including France at 0.8% (2024: 1.1%), Germany managed to reverse a negative trend and return to modest growth of 0.2% (2024: minus 0.5%). Although the ECB's restrictive monetary policies helped ease inflation pressures, uncertainty and volatility persisted. In the **United Kingdom**, economic growth increased slightly to 1.4% in 2025 (2024: 1.1%), while inflation remained sticky amid continued uncertainty.

The **U.S. economy** was shaped by several developments over the course of the year, including the change in administration, the introduction of new policies, and newly imposed tariffs. Despite a challenging environment marked by elevated inflation and subdued consumer demand, the U.S. continued to outperform other major economies, supported by several Fed rate cuts and robust stock market performance. Nevertheless, economic growth slowed to 2.1% in 2025 (2024: 2.8%). Despite global uncertainties and higher trade barriers, **Latin America** demonstrated a degree of resilience, recording growth of 2.4% in 2025, in line with the prior-year level (2024: 2.4%).

China recorded stable economic growth of 5.0% in 2025 (2024: 5.0%), supported in part by a front-loaded increase in exports. The economy faced several headwinds, including ongoing challenges in the property market and subdued consumer confidence, while government stimulus measures provided only limited support. Trade tensions, including tariffs, continued to influence trade dynamics, but overall growth remained resilient. The broader **Asia region (excluding Japan)** grew 5.4% in 2025 (2024: 5.3%), driven by stronger output in India. In **Japan**, the economy rebounded strongly, recording growth of 1.1% in 2025 (2024: minus 0.2%), primarily fueled by robust exports.

Industry development

For the **global apparel industry**, fiscal year 2025 was shaped by persistent macroeconomic and geopolitical uncertainty, elevated inflation, and increased tariffs that disrupted global supply chains. These factors reshaped global trade flows and forced brands and suppliers to adapt through price adjustments, shifts in sourcing, and efficiency gains, while consumer sentiment remained muted and demand for discretionary spending subdued. According to a joint study by The Business of Fashion and McKinsey & Company, published in November 2025, **growth for the global apparel industry** (excluding the luxury segment) is estimated at 1.5% to 2.5% for fiscal year 2025, and thus slightly below the prior-year level (2024: 2% to 3%).

In **Europe**, the apparel industry (excluding the luxury segment) continued to face weak consumer demand in 2025, leading to a further slowdown in revenue growth to a range of 1% to 2% (2024: 2%). Although inflationary pressures eased modestly, persistent economic uncertainty and geopolitical tensions kept personal savings rates elevated, constraining retail spending. In the **U.S.**, consumer sentiment was particularly challenging in 2025, with the U.S. Consumer Confidence Index (CCI) falling to its lowest level since 2020 following announcements of new tariffs. Monetary policy decisions, combined with heightened geopolitical uncertainty, added further volatility, while a robust stock market performance, spurred by AI, provided some support. Against this backdrop, the apparel industry (excluding the luxury segment) recorded revenue growth of 2% to 3%, slightly below the prior-year level (2024: 3%), while the U.S. luxury market faced particular pressure. **China** also faced economic headwinds driven by the ongoing property market downturn and elevated youth unemployment, which contributed to higher household savings and restrained consumption. Conditions improved only gradually, and targeted government stimulus measures provided limited support to consumer sentiment. As a result, industry growth (excluding the luxury segment) increased only slightly to 2% to 3% (2024: 2%), remaining modest compared to historical levels.

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

2025 marked by volatile industry backdrop and muted consumer sentiment

Successful execution of strategic initiatives supports business performance

Sales and earnings for fiscal year 2025 within guidance ranges

Fiscal year 2025 was characterized by persistent **macroeconomic and geopolitical uncertainty**, which noticeably dampened consumer sentiment and industry development globally. Muted consumer confidence and softer store traffic weighed on several key markets, with demand in China remaining particularly subdued. Against this backdrop, HUGO BOSS remained focused on **advancing key brand, product, and sales initiatives** to further strengthen the long-term positioning of its brands. Particular highlights included the successful launch of several BOSS and HUGO brand campaigns, the drop of the first two Beckham x BOSS collections, as well as the BOSS Spring/Summer 2026 Fashion Show in Milan. Together, these initiatives further elevated global brand relevance and supported top-line development throughout the year. At the same time, the Company maintained a strong focus on driving efficiency gains through **disciplined and sustainable cost management**. As a result, HUGO BOSS **achieved its full-year sales and earnings guidance**, recording Group sales of EUR 4.3 billion and operating profit of EUR 391 million in 2025. Beyond delivering on its financial targets, the Company laid the groundwork for long-term business success. In December, HUGO BOSS launched CLAIM 5 TOUCHDOWN, providing a clear strategic framework until 2028, designed to strengthen brand equity and drive sustainable, profitable growth as well as long-term shareholder value.

> Group Strategy, > Earnings Development

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

	Results 2024	Forecast 2025	**Results 2025**
Group sales (reported)	EUR 4,307 million	Between EUR 4.2 billion and EUR 4.4 billion (–2% to +2%)	Decrease by 1% to EUR 4,270 million
Sales development by segment (reported)			
EMEA	EUR 2,625 million	Remain around the prior-year level	Increase by 2% to EUR 2,664 million
Americas	EUR 1,020 million	Remain around the prior-year level[1]	Decrease by 3% to EUR 993 million
Asia/Pacific	EUR 553 million	Moderate decrease	Decrease by 8% to EUR 509 million
Operating result (EBIT)	EUR 361 million	Between EUR 380 million and EUR 440 million (+5% to +22%)	Increase by 8% to EUR 391 million
Group's net income	EUR 224 million	Increase in line with EBIT	Increase by 16% to EUR 259 million
Trade net working capital (TNWC) as a percentage of sales	19.6%	Between 19% and 20%	Increase by 40 basis points to 20.0%
Capital expenditure	EUR 286 million	Between EUR 200 million and EUR 250 million	Decrease by 32% to EUR 195 million

1 Adjusted with the publication of the first half-year results in August 2025. Initial outlook as published in March: increase in the low single-digit percentage range.

HUGO BOSS capitalized on key growth opportunities in 2025, while persistent macroeconomic headwinds and subdued consumer sentiment weighed on global industry development. Currency-adjusted **Group sales** in fiscal year 2025 increased 2% compared to the prior year. In Group currency, revenues slightly decreased by 1% to EUR 4,270 million (2024: EUR 4,307 million), reflecting adverse currency effects in the reporting period. Revenues were thus in line with the guidance range, which projected sales in reported terms to develop between minus 2% and plus 2%. > Earnings Development, Sales Performance

Driven by the Company's rigorous focus on operational excellence and cost efficiency, **operating profit (EBIT)** was up 8%, amounting to EUR 391 million in fiscal year 2025 (2024: EUR 361 million). Consequently, EBIT was in line with the guidance range of between EUR 380 million and EUR 440 million. As a result, the Group's EBIT margin increased by 80 basis points to a level of 9.2% (2024: 8.4%). The **Group's net income** increased by 16% to EUR 259 million in fiscal year 2025 (2024: EUR 224 million), supported by reduced net financial expenses and a lower tax rate. > Earnings Development, Income Statement

Trade net working capital (TNWC) as a percentage of sales increased by 40 basis points to a level of 20.0% (2024: 19.6%), thus at the upper end of the guided range of 19% to 20%. While our inventory-to-sales ratio improved notably compared to the prior year, this development mainly reflects higher trade receivables as well as lower trade payables. > Net Assets

In 2025, **capital expenditure** decreased by 32% to EUR 195 million, thus at around the lower end of the Company's guidance range of EUR 200 million to EUR 250 million (2024: EUR 286 million). This mainly reflects the Company's strategic focus on driving CapEx efficiency, following substantial investments in prior years, in particular in retail and logistics. > Financial Position, Capital Expenditure

In fiscal year 2025, **free cash flow** amounted to EUR 499 million, slightly above the prior-year level (2024: EUR 497 million) and thus underlining the cash-generative nature of our business model. This development was primarily driven by a reduction in cash outflows from investing activities, reflecting an increased focus on capital expenditure efficiency, which more than offset lower cash inflows from operating activities.

> Financial Position, Statement of Cash Flows and Free Cash Flow

FIVE-YEAR OVERVIEW OF KEY PERFORMANCE INDICATORS (IN EUR MILLION)

	2025	2024	2023	2022	2021
Group sales	4,270	4,307	4,197	3,651	2,786
Operating result (EBIT)	391	361	410	335	228
TNWC as a percentage of sales	20.0%	19.6%	20.8%	15.0%	17.2%
Capital expenditure	195	286	298	192	104

EARNINGS DEVELOPMENT

Currency-adjusted sales growth supported by brand-building initiatives

Strong focus on driving cost efficiency results in lower operating expenses

Increase in operating result (EBIT) supported by disciplined cost management

Fiscal year 2025 was characterized by persistent macroeconomic and geopolitical uncertainty, which noticeably dampened consumer sentiment and industry development globally. Against this backdrop, HUGO BOSS remained focused on advancing key brand, product, and sales initiatives, while driving efficiency gains through disciplined and sustainable cost management. As a result, HUGO BOSS **achieved its full-year sales and earnings guidance**, recording Group sales of EUR 4.3 billion and operating profit of EUR 391 million in 2025. Acquisitions or divestments had no material impact on the Group's financial performance in the reporting period.

Sales performance

Despite persistent macroeconomic headwinds and subdued consumer sentiment weighing on global industry development, HUGO BOSS successfully capitalized on key growth opportunities. Consequently, currency-adjusted **Group sales** in fiscal year 2025 increased 2% compared to the prior year. In Group currency, revenues slightly decreased by 1% to EUR 4,270 million (2024: EUR 4,307 million), mainly reflecting the devaluation of the U.S. dollar against the euro in the reporting period.

Sales by brand

SALES BY BRAND (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
BOSS Menswear	3,346	78	3,329	77	1	3
BOSS Womenswear	280	7	297	7	(6)	(5)
HUGO	644	15	682	16	(6)	(4)
Total	**4,270**	**100**	**4,307**	**100**	**(1)**	**2**

Performance across brands varied in 2025. HUGO BOSS continued to leverage the strong positioning of its BOSS Menswear business. Highlights included the successful launch of 360-degree brand campaigns, the Beckham x BOSS collections introduced during the course of the year, as well as the BOSS Spring/Summer 2026 Fashion Show in Milan. These initiatives resulted in strong global engagement, particularly across social media channels, and further strengthened brand relevance. Consequently, currency-adjusted revenues for **BOSS Menswear** came in 3% above the prior-year level, demonstrating the brand's resilience

and appeal even in a volatile environment. In contrast, and in line with its long-term strategic ambition, HUGO BOSS took proactive steps during the course of the year to sharpen the positioning and improve the long-term performance of BOSS Womenswear and HUGO. Strategic initiatives, such as streamlining the product assortments and refining distribution activities, are designed to enhance efficiency and drive profitable growth over time. Reflecting the deliberate nature of these measures, currency-adjusted sales for **BOSS Womenswear** and **HUGO** declined 5% and 4%, respectively, in fiscal year 2025. > Group Strategy, Brand Excellence

Sales by region

SALES BY REGION (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
EMEA	2,664	62	2,625	61	2	2
Americas	993	23	1,020	24	(3)	3
Asia/Pacific	509	12	553	13	(8)	(5)
Licenses	104	2	109	3	(5)	(5)
Total	**4,270**	**100**	**4,307**	**100**	**(1)**	**2**

From a geographical perspective, growth in EMEA and the Americas compensated for a decline in Asia/Pacific in 2025. In **EMEA**, currency-adjusted revenues increased by 2%, mainly driven by revenue gains in key European markets such as Germany and France. In the **Americas**, currency-adjusted revenues grew by 3%, reflecting a slight increase in the U.S. market as well as double-digit growth in Latin America. In **Asia/Pacific**, sales decreased 5% currency-adjusted, mainly reflecting subdued local demand in China. > Earnings Development, Sales and Earnings Development of the Business Segments

Sales by distribution channel

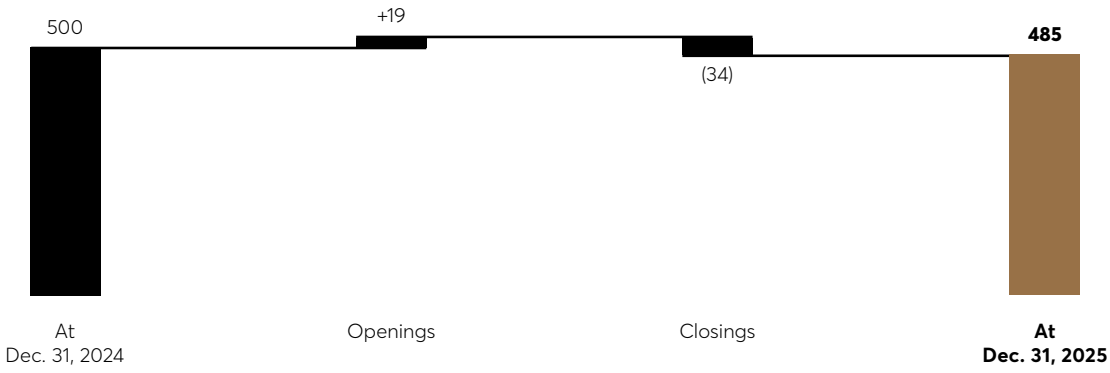
SALES BY DISTRIBUTION CHANNEL (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	2,167	51	2,241	52	(3)	0
Brick-and-mortar wholesale	1,108	26	1,111	26	0	2
Digital	891	21	846	20	5	7
Licenses	104	2	109	3	(5)	(5)
Total	**4,270**	**100**	**4,307**	**100**	**(1)**	**2**

From a channel perspective, performance varied across touchpoints. In the Group's **brick-and-mortar retail** business, including freestanding stores, shop-in-shops, and outlets, currency-adjusted revenues remained on the prior-year level. This reflects the overall muted consumer sentiment throughout the year, which dampened store and mall traffic in several key markets, including the U.S. and China. On the other hand, currency-adjusted sales in **brick-and-mortar wholesale** increased 2% compared to the prior year, supported by the successful delivery of collections to wholesale partners. In addition, the ongoing expansion of the Company's global franchise business contributed positively to this development. Also our **digital business** successfully continued its growth trajectory in 2025, with sales up 7% currency-adjusted. Growth was primarily driven by a robust increase in digital sales generated with partners – comprising both wholesale and concession revenues, – which rose by 13% currency-adjusted to EUR 659 million (2024: EUR 588 million). In contrast, sales via hugoboss.com declined by 9% currency-adjusted to EUR 232 million (2024: EUR 258 million), reflecting the challenging market environment and our deliberate focus on driving full-price sales, which both weighed on conversion rates. Currency-adjusted sales in the **license business** remained 5% below the prior-year level. This development primarily reflects a tough prior-year comparison, as fiscal year 2024 had benefited from several contract renewals, and was further compounded by the overall challenging market environment in 2025. > Consumer Touchpoints

Network of own retail stores

NUMBER OF OWN FREESTANDING RETAIL STORES



At the end of fiscal year 2025, the number of **own freestanding retail stores** amounted to 485 (2024: 500), representing a slight decline compared to December 31, 2024. This development reflects the ongoing optimization of the Group's global store network in line with its strategic direction. A total of 34 stores with expiring leases, mainly across EMEA and Asia/Pacific, were **closed** during the year, while 19 stores were newly **opened**. > Consumer Touchpoints

NUMBER OF OWN RETAIL POINTS OF SALES

2025	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	540	558	364	**1,462**
Thereof freestanding retail stores	185	148	152	**485**
2024				
Number of own retail points of sale	572	579	381	**1,532**
Thereof freestanding retail stores	199	139	162	**500**

Including shop-in-shops and outlets, the **total number of own retail points of sale** amounted to 1,462 as of December 31, 2025 (2024: 1,532). Besides the slight reduction in freestanding retail stores, this development also reflects the closure of several shop-in-shops in Canada, following the exit of a local partner from the market. The **total selling space** in own retail declined 2% to around 191,000 sq m at year-end (December 31, 2024: around 195,000 sq m). At the same time, **sales productivity in brick-and-mortar retail** amounted to around EUR 11,200 per sq m in fiscal year 2025, thus broadly on the prior-year level (2024: around EUR 11,400 per sq m).

Income statement

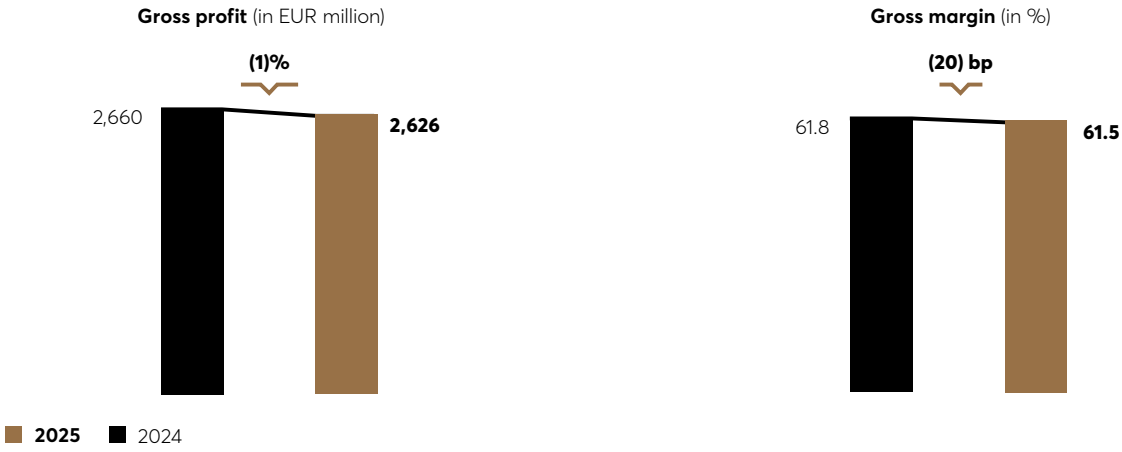
INCOME STATEMENT (IN EUR MILLION)

	Jan.–Dec. 2025	Jan.–Dec. 2024	Change in %
Sales	**4,270**	**4,307**	**(1)**
Cost of sales	(1,643)	(1,648)	0
Gross profit	**2,626**	**2,660**	**(1)**
In % of sales	61.5	61.8	(20) bp
Operating expenses	**(2,236)**	**(2,299)**	**3**
In % of sales	(52.4)	(53.4)	100 bp
Thereof selling and marketing expenses	(1,805)	(1,868)	3
Thereof administration expenses	(431)	(431)	0
Operating result (EBIT)	**391**	**361**	**8**
In % of sales	9.2	8.4	80 bp
Financial result	(46)	(59)	23
Earnings before taxes	**345**	**302**	**14**
Income taxes	(86)	(78)	(10)
Net income	**259**	**224**	**16**
Attributable to:			
Equity holders of the parent company	249	213	17
Non-controlling interests	10	10	(3)
Earnings per share (in EUR)[1]	**3.61**	**3.09**	**17**
Income tax rate in %	**25**	**26**	

1 Basic and diluted earnings per share.

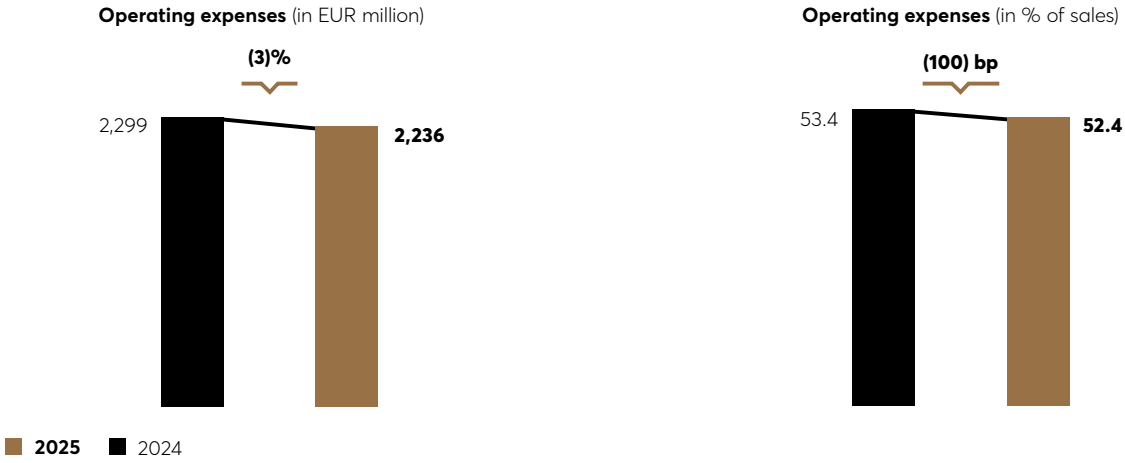
At 61.5%, **gross margin** in fiscal year 2025 remained 20 basis points below the prior-year level. This development primarily reflects various external market headwinds, including unfavorable currency effects and an overall promotional market environment. In addition, adverse channel mix effects weighed on the gross margin development. These factors more than offset continued efficiency gains in sourcing and lower global freight rates, which provided meaningful tailwinds to gross margin development in fiscal year 2025. > Business Operations

DEVELOPMENT OF GROSS PROFIT AND GROSS MARGIN



In fiscal year 2025, HUGO BOSS continued to successfully execute various cost-efficiency measures, thereby streamlining and optimizing key business areas such as sales, marketing, and administration. As a result, **operating expenses** declined 3%, improving by 100 basis points to 52.4% of Group sales. This development particularly reflects lower selling and marketing expenses, while administration expenses remained broadly on the prior-year level. > Notes to the Consolidated Financial Statements, Notes 2, 3, and 9

DEVELOPMENT OF OPERATING EXPENSES



Selling and marketing expenses were down 3% compared to the prior year. As a percentage of sales, selling and marketing expenses improved by 110 basis points to a level of 42.3% (2024: 43.4%), reflecting ongoing cost discipline and efficiency gains. As part of that, selling expenses for the Group's **brick-and-mortar retail business** decreased by 5% to EUR 943 million, representing 22.1% of Group sales (2024: EUR 989 million; 23.0%). This development mainly reflects improved cost structures in line with overall traffic trends as well as lower non-cash impairment charges. At the same time, **marketing investments** declined 2% to a level of EUR 303 million, representing 7.1% of Group sales (2024: EUR 309 million; 7.2%). This primarily reflects the Company's increased focus on marketing efficiency by prioritizing brand initiatives with the highest return.
> Notes to the Consolidated Financial Statements, Note 2, > Group Strategy, Brand Excellence

Administration expenses remained on the prior-year level, supported by efficient overhead cost management. As a percentage of sales, administration expenses increased slightly, up by 10 basis points to a level of 10.1% (2024: 10.0%). As part of that, EUR 344 million, **general administration** expenses were up slightly compared to the prior year (2024: EUR 341 million), reflecting higher payroll cost and overall cost inflation, while **research and development** expenses incurring in the collection development remained 4% below 2024 levels, amounting to EUR 87 million (2024: EUR 90 million). > Notes to the Consolidated Financial Statements, Note 3, > Product Development and Innovation

Driven by the Company's rigorous focus on fostering cost efficiency, **operating profit (EBIT)** was up 8%, amounting to EUR 391 million in fiscal year 2025. Accordingly, the Group's **EBIT margin** increased by 80 basis points to a level of 9.2%, reflecting the cost leverage in selling and marketing expenses. Currency effects had a notably negative impact on EBIT in fiscal year 2025.

DEVELOPMENT OF EBIT AND EBIT MARGIN

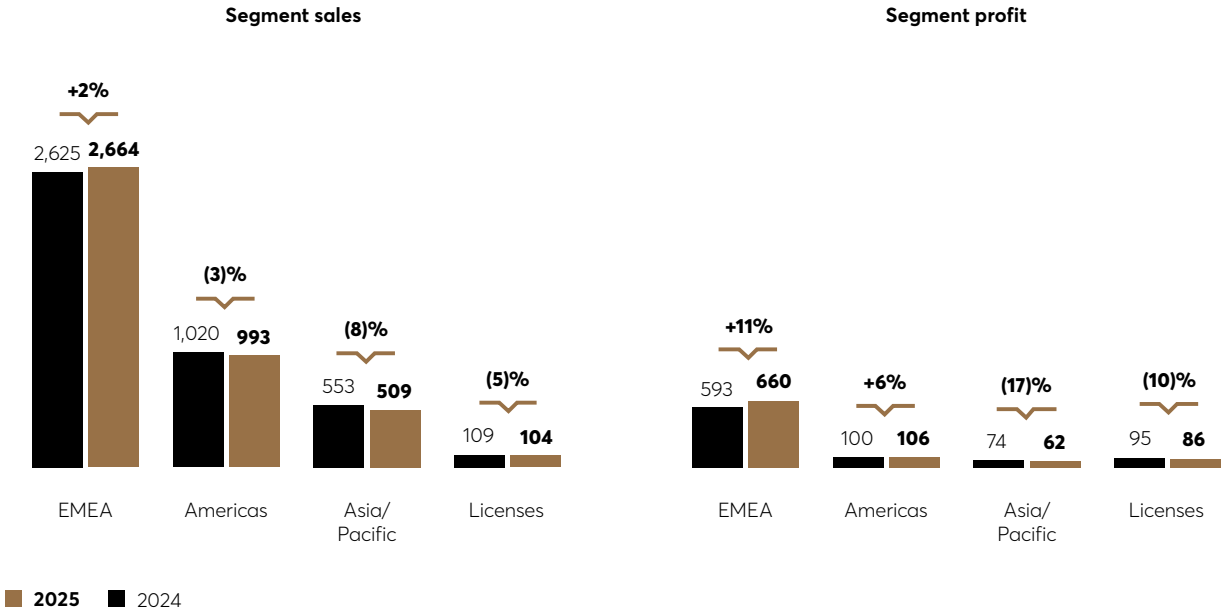


Depreciation and amortization came in 6% below the prior-year level, amounting to EUR 391 million (2024: EUR 414 million). This development is driven by lower **non-cash impairment charges**, totaling EUR 29 million (2024: EUR 47 million), and related to impairments of fixed store assets and right-of-use assets. > Notes to the Consolidated Financial Statements, Note 7

At EUR 46 million, **net financial expenses (financial result)** in fiscal year 2025 were 23% below the prior year (2024: EUR 59 million), reflecting both favorable currency effects as well as lower interest expenses. At a level of 25%, the **Group tax rate** was slightly below the prior year (2024: 26%). Accordingly, the **Group's net income** for fiscal year 2025 amounted to EUR 259 million, 16% above the prior-year level (2024: EUR 224 million). As part of this, net income attributable to shareholders increased by 17% to EUR 249 million (2024: EUR 213 million), resulting in **earnings per share** of EUR 3.61 (2024: EUR 3.09). Overall, currency effects had a modestly negative impact on the Group's net income in fiscal year 2025. > 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 2% currency-adjusted in fiscal year 2025. This performance was primarily driven by revenue gains in **Germany** and **France**, which more than offset slightly lower sales in the **UK**.

SALES DEVELOPMENT EMEA (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	1,093	41	1,108	42	(1)	0
Brick-and-mortar wholesale	859	32	860	33	0	1
Digital	712	27	657	25	8	9
Total	**2,664**	**100**	**2,625**	**100**	**2**	**2**

From a **channel** perspective, growth in EMEA was driven by currency-adjusted sales increases in the Group's digital and brick-and-mortar wholesale businesses. At the same time, revenues in brick-and-mortar retail remained at the prior-year level, reflecting muted store traffic in key markets.

At EUR 660 million, **segment earnings** in EMEA came in 11% above the prior-year level (2024: EUR 593 million). Accordingly, the EBIT margin increased 220 basis points to a level of 24.8% (2024: 22.6%), mainly reflecting operating expense leverage driven by lower own retail expenses and disciplined administrative cost management. > Notes to the Consolidated Financial Statements, Note 24

Americas

In the **Americas**, HUGO BOSS recorded currency-adjusted revenue growth of 3% in 2025. This performance mainly reflects a slight increase in the **United States**, despite subdued demand from both domestic consumers and international tourists, particularly at the beginning of the year, which resulted in softer mall and store traffic. At the same time, **Latin America** delivered double-digit growth in 2025, while sales in **Canada** remained moderately below the prior-year level, impacted by the exit of a local partner from the market.

SALES DEVELOPMENT AMERICAS (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	650	65	676	66	(4)	2
Brick-and-mortar wholesale	210	21	207	20	2	7
Digital	133	13	137	13	(3)	2
Total	**993**	**100**	**1,020**	**100**	**(3)**	**3**

From a **channel** perspective, currency-adjusted growth in the Americas was broad-based in 2025, with all touchpoints – brick-and-mortar retail, brick-and-mortar wholesale, and the digital business – contributing to this development.

Segment earnings in the Americas increased by 6% to EUR 106 million (2024: EUR 100 million), corresponding to an EBIT margin of 10.7%, up 90 basis points year over year (2024: 9.8%). This development mainly reflects strict cost management across key business functions, more than offsetting the decline in reported sales.
> Notes to the Consolidated Financial Statements, Note 24

Asia/Pacific

In the **Asia/Pacific** region, currency-adjusted revenues remained 5% below the prior year, reflecting persistently subdued demand in **China**. On the other hand, revenues in **Southeast Asia & Pacific** increased slightly compared to the prior-year level, supported by a robust performance in **Japan**.

SALES DEVELOPMENT ASIA/PACIFIC (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	424	83	457	83	(7)	(4)
Brick-and-mortar wholesale	39	8	44	8	(11)	(7)
Digital	45	9	52	9	(13)	(10)
Total	**509**	**100**	**553**	**100**	**(8)**	**(5)**

The challenging market environment in China impacted the sales performance across all **channels** in Asia/Pacific, with brick-and-mortar retail proving slightly more resilient.

Segment earnings in the Asia/Pacific region amounted to EUR 62 million, 17% below the prior-year level (2024: EUR 74 million), translating into an EBIT margin decline of 140 basis points to 12.1% (2024: 13.5%). This development mainly reflects the softer sales development, which was only partly offset by lower operating expenses. > Notes to the Consolidated Financial Statements, Note 24

Licenses

Sales in our **license business** decreased 5% currency-adjusted to EUR 104 million in fiscal year 2025 (2024: EUR 109 million). This development primarily reflects a tough prior-year comparison, as fiscal year 2024 had benefited from several contract renewals, and was further compounded by the overall challenging market environment in 2025. > Earnings Development, Sales by Distribution Channel

Consequently, the **license segment earnings** decreased by 10% to EUR 86 million (2024: EUR 95 million).
> Notes to the Consolidated Financial Statements, Note 24

Five-year overview of business segments

DEVELOPMENT OF SEGMENT SALES (IN EUR MILLION)

	2025	2024	2023	2022	2021
EMEA	2,664	2,625	2,562	2,303	1,742
Americas	993	1,020	955	789	543
Asia/Pacific	509	553	576	467	423
Licenses	104	109	104	92	77

DEVELOPMENT OF SEGMENT PROFIT (IN EUR MILLION)

	2025	2024	2023	2022	2021
EMEA	660	593	586	548	347
Americas	106	100	157	123	61
Asia/Pacific	62	74	124	74	74
Licenses	86	95	88	77	63

NET ASSETS

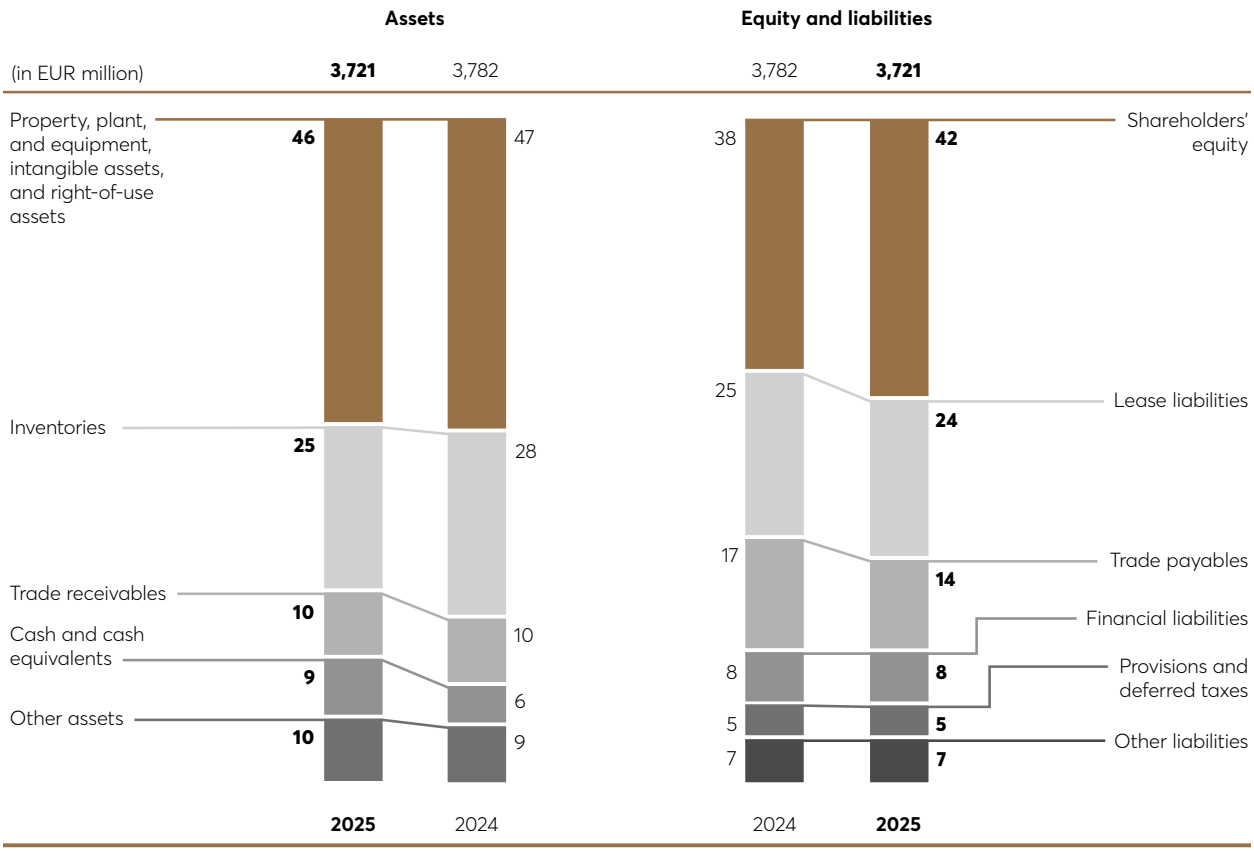
Decrease of totals assets reflects lower inventory position and CapEx efficiency

Trade net working capital as a percentage of sales amounts to 20.0%

Equity ratio increases to a level of 42%

Total assets decreased by 2% to EUR 3,721 million at the end of fiscal year 2025 (December 31, 2024: EUR 3,782 million). This development is mainly attributable to a lower inventory position as well as a decline in property, plant, and equipment and right-of-use assets, which more than offset an increase in cash and cash equivalents.

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



The **share of current assets** slightly increased to 50% as of December 31, 2025 (December 31, 2024: 49%), mainly reflecting an increase in cash and cash equivalents. Accordingly, the **share of non-current assets** also amounted to 50% at the end of fiscal year 2025 (December 31, 2024: 51%). The **equity ratio** amounted to 42%, thus above the prior-year level (December 31, 2024: 38%). > Consolidated Financial Statements, Consolidated Statement of Financial Position

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

	2025	2024	Change in %	Currency-adjusted change in %
Inventories	918	1,072	(14)	(10)
Trade receivables	386	362	7	10
Trade payables	529	643	(18)	(17)
Trade net working capital	**775**	**791**	**(2)**	**5**

Trade net working capital (TNWC) increased by 5% currency-adjusted, mainly due to lower trade payables. **Inventories** were down 10% currency-adjusted year-over-year, reflecting disciplined inventory management alongside robust top-line momentum in the fourth quarter of 2025. As a percentage of Group sales, inventories stood at 21.5%, and thus well below the level at the end of fiscal year 2024 (December 31, 2024: 24.9%). At the same time, **trade receivables** were up 10%, mainly reflecting our robust performance in both brick-and-mortar and digital wholesale in the final quarter of 2025. **Trade payables**, on the other hand, came in well below the prior-year level. This development primarily reflects lower order volumes as part of our measures to reduce core merchandise inflow going forward. The moving average of **TNWC as a percentage of sales** based on the last four quarters amounted to 20.0%, thus 40 basis points above the level recorded in the prior year (December 31, 2024: 19.6%). > Notes to the Consolidated Financial Statements, Notes 12 and 13

Property, plant, and equipment, intangible assets, and right-of-use assets declined by 4% compared to the prior-year level, totaling EUR 1,700 million at year-end (December 31, 2024: EUR 1,775 million). This development primarily reflects the Company's focus on capital expenditure efficiency, resulting in lower investment levels in fiscal year 2025, as well as a reduction in right-of-use assets following selective store closures, which more than offset new store openings. **Cash and cash equivalents** amounted to EUR 343 million at the end of fiscal year 2025, well above the prior-year level (December 31, 2024: EUR 211 million), reflecting the particularly strong cash flow generation in the fourth quarter. > 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, decreased by 8% to EUR 887 million as of the reporting date (December 31, 2024: EUR 959 million). This development was mainly driven by a moderate reduction of our global store footprint, primarily through the utilization of expiring lease contracts. **Current and non-current financial liabilities**, at EUR 296 million, remained largely on the prior-year level (December 31, 2024: EUR 297 million). **Provisions and deferred tax liabilities** increased 8% to EUR 202 million (December 31, 2024: EUR 187 million), mainly reflecting higher deferred taxes. > Notes to the Consolidated Financial Statements, Notes 9, 17, 19, and 20, > Financial Position, Capital Structure and Financing

FINANCIAL POSITION

Flexible and diversified financing structure supports strategy execution

New ESG-linked revolving syndicated loan provides strong financial flexibility

Strong free cash flow generation supported by CapEx efficiency

Principles and goals of financial management

Group-wide financial management is centrally coordinated by the Group Treasury department, with the primary objectives of securing financial stability and flexibility, ensuring liquidity at all times, and managing financial risks. The scope covers Group financing, cash and liquidity management, market price risk management, and counterparty risk management. Group-wide **treasury principles** govern matters such as banking relationships, financing agreements, liquidity and asset management, as well as the management of currency and interest rate risks.

Within **Group financing**, factors such as market capacity, financing costs, covenants, and maturities are considered when selecting instruments. External loans are raised centrally, primarily in euros, and allocated to Group companies through intercompany loans in local currencies. This **"inhouse bank"** approach increases economies of scale and reduces capital costs. Where legally or operationally necessary, subsidiaries may also arrange local credit lines. Group financial liabilities are generally unsecured and may be subject to customary market obligations, reviewed on a quarterly basis.

Operating cash flow remains the Group's primary source of liquidity. Treasury centrally monitors and optimizes payment flows through its **cash and liquidity management**, with excess liquidity of individual companies used to meet the needs of others via cash-pooling and intercompany financing, reducing external funding requirements and overall interest costs.

To mitigate **market price risks**, HUGO BOSS uses hedging instruments such as foreign exchange forwards, swaps, plain-vanilla options, and interest rate swaps to limit the impact of currency and interest rate fluctuations. **Counterparty risk** is managed by diversifying exposures and conducting transactions only with highly rated counterparties, in line with internal Treasury guidelines. > Report on Risks and Opportunities, Currency Risks

Capital structure and financing

HUGO BOSS maintains **investment-grade ratings** from the leading rating agencies Standard & Poor's (S&P) and Moody's, underscoring its strong financial position and the cash-generative nature of its business model. Moody's assigns HUGO BOSS a credit rating of "Baa2," which was reaffirmed in 2025. S&P currently rates the Company "BBB–," following a one-notch adjustment in December 2025, against the backdrop of a less supportive financial policy including a leverage target of 1.0–2.0x. Overall, these ratings continue to position HUGO BOSS among the highest-rated companies in the global premium apparel industry, reflecting the Company's strong brand perception, sound financial profile, and financing flexibility.

The cornerstone of HUGO BOSS' financing structure is a EUR 600 million **ESG-linked revolving syndicated loan**, providing strong financial flexibility to support the execution of the Company's strategic initiatives. The facility, concluded in December 2025, replaces the previous syndicated loan from November 2021 and is available for general corporate purposes. It has a five-year term and includes two one-year extension options, as well as an option to increase the credit volume by up to EUR 300 million. Compared to the prior facility, the new loan no longer includes financial covenants. It is based on variable interest rates, with applicable credit margins linked to the external credit rating and the achievement of predefined ESG criteria. At the end of fiscal year 2025, utilization amounted to EUR 8 million, used exclusively for bank guarantees (December 31, 2024: EUR 11 million).

In May 2025, HUGO BOSS successfully established a **commercial paper (CP) program**, enabling the issuance of short-term, unsecured notes with an aggregate volume of up to EUR 500 million. The program further enhances the Company's financial flexibility and expands access to capital markets beyond traditional bank financing. Commercial papers can be issued in various currencies and are intended for general corporate purposes. As of December 31, 2025, no commercial papers were outstanding.

In addition, HUGO BOSS 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 used for general corporate purposes, primarily supporting strategic investments, including the expansion of the Group's global logistics network. Furthermore, HUGO BOSS secured **real estate financing** of EUR 43 million in 2024 to support the expansion of its headquarters in Metzingen (Germany). This financing comprises two amortizing loans with fixed interest rates in the amount of EUR 10 million and EUR 33 million, each with a maturity of ten years. As of December 31, 2025, EUR 1 million of the total amount was utilized (December 31, 2024: EUR 0 million). > Financial Position, Capital Expenditure

Since 2020, HUGO BOSS operates a **supplier financing program** to support the financial stability of its suppliers. To meet the ongoing strong demand for its supplier financing program, HUGO BOSS operates a comprehensive solution comprising a single-bank program and a bank-independent platform. The aggregated credit limit of both programs amounts to EUR 255 million, with EUR 110 million utilized at the end of 2025 (December 31, 2024: aggregated credit limit of EUR 268 million, with EUR 148 million utilized).
> Combined Non-financial Statement, Business Conduct

To further secure liquidity, HUGO BOSS maintains committed and uncommitted **bilateral credit lines** totaling EUR 258 million (December 31, 2024: EUR 208 million), of which EUR 118 million was utilized at the end of fiscal year 2025 (December 31, 2024: EUR 108 million). In addition, **cash and cash equivalents** amounted to EUR 343 million at year end (December 31, 2024: EUR 211 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 2,163 million at the end of fiscal year 2025 (December 31, 2024: EUR 2,332 million), representing 58% of total assets (December 31, 2024: 62%). Of this amount, EUR 887 million related to **current and non-current lease liabilities** (December 31, 2024: EUR 959 million), primarily attributable to rental agreements of retail store locations as well as logistics and administrative properties. **Current and non-current financial liabilities** totaled EUR 296 million at the end of fiscal year 2025 (December 31, 2024: EUR 297 million). > Net Assets, > Notes to the Consolidated Financial Statements, Notes 9 and 20

Statement of cash flows and free cash flow

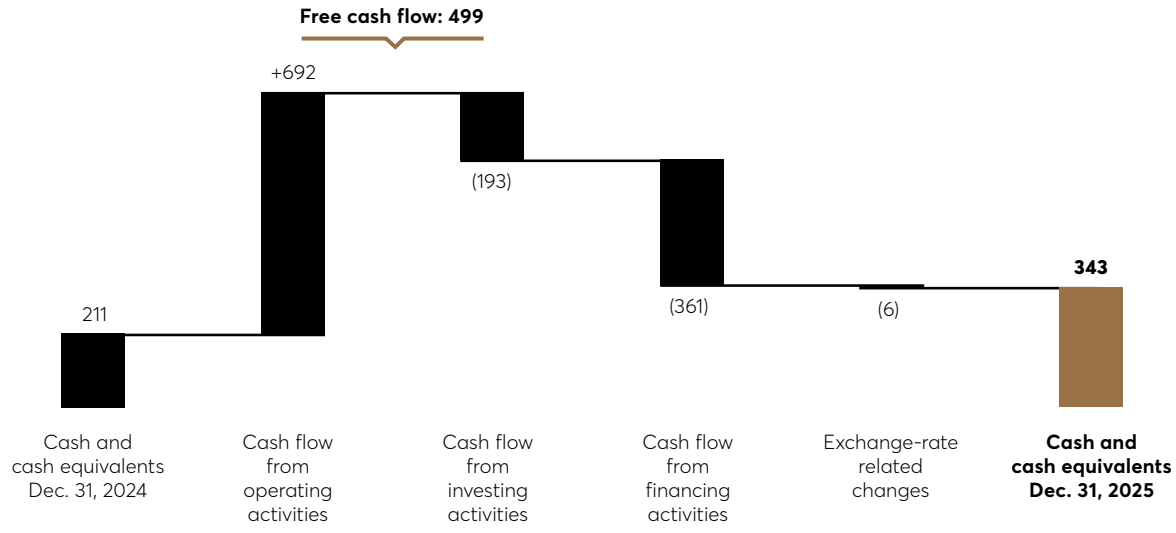
STATEMENT OF CASH FLOWS[1] (IN EUR MILLION)

	2025	2024
Cash flow from operating activities	692	786
Cash flow from investing activities	(193)	(289)
Cash flow from financing activities	(361)	(405)
Change in cash and cash equivalents	**133**	**92**
Cash and cash equivalents at the beginning of the period	211	118
Cash and cash equivalents at the end of the period	343	211

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 499 million in fiscal year 2025, slightly above the prior-year level (2024: EUR 497 million) and thus underlining the cash-generative nature of our business model. This development was primarily driven by reduced cash outflows from investing activities, reflecting an increased focus on capital expenditure efficiency, which more than offset lower cash inflows from operating activities. Free cash flow is defined 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 declined 12% compared to the prior year, amounting to EUR 692 million (2024: EUR 786 million). The increase in EBIT and improvements in inventory were more than offset by lower trade payables. **Cash flow from investing activities** remained 33% below the prior year, amounting to EUR 193 million (2024: EUR 289 million). This development predominantly reflects the reduced capital expenditure. > Net Assets, > Financial Position, Capital Expenditure

At EUR 361 million, **cash flow from financing activities** decreased 11% year over year (2024: EUR 405 million), mainly reflecting lower debt repayments in 2025 compared to the prior year. > Financial Position, Capital Structure and Financing

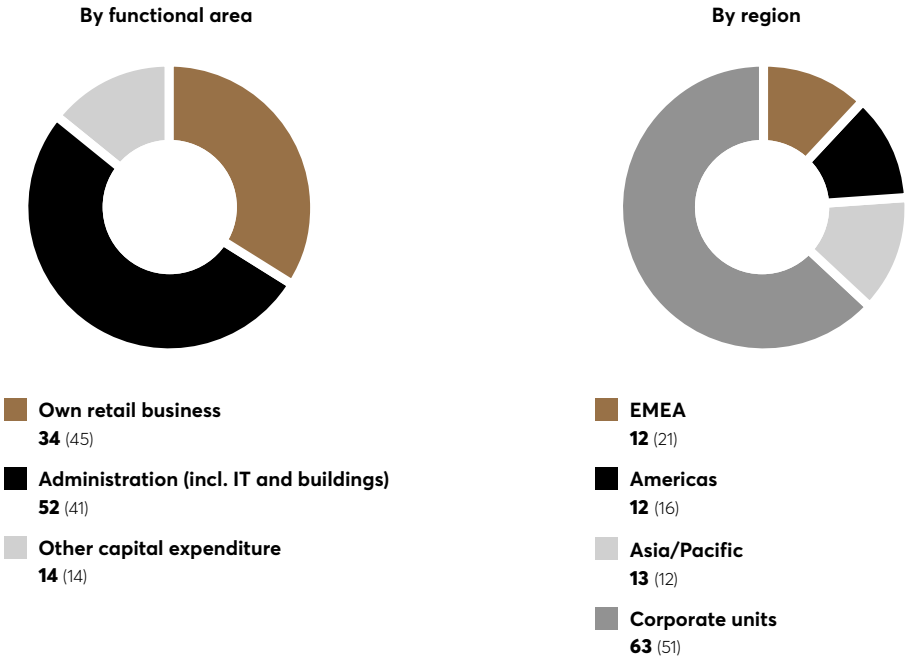
Net financial position

The **net financial position** is measured as the total of all financial and lease liabilities less cash and cash equivalents. **Including lease liabilities under IFRS 16**, the net financial position of HUGO BOSS totaled minus EUR 839 million (December 31, 2024: minus EUR 1,038 million). **Excluding lease liabilities under IFRS 16**, this corresponds to a total of plus EUR 48 million at the end of fiscal year 2025 (December 31, 2024: minus EUR 78 million), reflecting the strong free cash flow generation as well as the related lower utilization of the Company's credit facilities. > Financial Position, Capital Structure and Financing, > Notes to the Consolidated Financial Statements, Note 9

Capital expenditure

In fiscal year 2025, HUGO BOSS invested EUR 195 million in **property, plant, and equipment, and intangible assets**, representing a decrease of 32% as compared to the prior year (2024: EUR 286 million). This development reflects the Company's increased focus on CapEx efficiency, following several years of elevated investments, while still supporting the Group's strategic priorities. In 2025, we continued to invest in our global store network, the further digitalization of our business model, and the expansion of our logistics capacities and headquarters.

CAPITAL EXPENDITURE (IN %)



2025 (2024)

HUGO BOSS is committed to delivering a premium shopping experience and a best-in-class omnichannel journey to consumers worldwide, with our own retail business remaining a key pillar of this ambition. Consequently, also in 2025 we put strong emphasis on the targeted **optimization and modernization** of our global store network, including the implementation of **innovative store concepts**. As the majority of our freestanding BOSS and HUGO stores have already been comprehensively refreshed in recent years, investments increasingly reflect a disciplined and selective approach, with a clear focus on prime retail destinations. As a result, capital expenditure in own retail amounted to EUR 67 million in fiscal year 2025, significantly below the prior-year level (2024: EUR 129 million). As part of this, investments in the continuous **optimization and modernization of existing locations** totaled EUR 46 million (2024: EUR 82 million), while EUR 22 million related to the selective **opening of new retail points of sale** (2024: EUR 47 million), including new BOSS stores in Barcelona, Bangkok, and Macao. > Consumer Touchpoints

Capital expenditure on **administration** amounted to EUR 101 million in the past fiscal year (2024: EUR 117 million). This includes investments of EUR 59 million in our global **IT infrastructure** (2024: EUR 62 million), primarily supporting the further digitalization of our business model, including the Company-wide rollout of our next-generation ERP system as part of a multiyear project. At the same time, EUR 42 million was allocated to capital expenditure on **buildings** (2024: EUR 54 million), including investments into the further expansion of our headquarters in Metzingen (Germany) and our central distribution center for flat-packed goods in Filderstadt (Germany). **Other capital expenditure** on production, distribution, and research and development amounted to EUR 27 million in 2025 and was thus also below the prior-year level (2024: EUR 40 million). > Group Strategy, Operational Excellence, > Business Operations

Accumulated depreciation and amortization on property, plant, and equipment, and intangible assets, including own capitalized cost, totaled EUR 1,349 million in fiscal year 2025 (2024: EUR 1,321 million). Existing **obligations from investment projects** amounted to EUR 5 million as of December 31, 2025 (December 31, 2024: EUR 18 million). > 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 provision

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)

	2025	In % of sales	2024	In % of sales	Change in %
Sales	**2,273**	**100.0**	**2,264**	**100.0**	**0**
Cost of sales	(1,475)	(64.9)	(1,469)	(64.9)	0
Gross profit	**798**	**35.1**	**795**	**35.1**	**0**
Distribution expenses	(487)	(21.4)	(480)	(21.2)	1
General administrative expenses	(169)	(7.4)	(155)	(6.8)	9
Other operating income	56	2.5	52	2.3	8
Other operating expenses	(103)	(4.5)	(89)	(3.9)	15
Operating result	**96**	**4.2**	**123**	**5.4**	**(22)**
Income from investments	22	1.0	0	0.0	>100
Net interest income/expenses	(10)	(0.5)	(11)	(0.5)	(9)
Income from profit and loss transfer agreements	79	3.5	94	4.1	(16)
Taxes on income and other taxes	(32)	(1.4)	(35)	(1.6)	(9)
Net income	**154**	**6.8**	**170**	**7.5**	**(9)**
Transfer to (–)/from (+) other revenue reserves	(77)	(3.4)	(85)	(3.8)	9
Accumulated income previous year	34	1.5	46	2.0	(25)
Unappropriated income	**111**	**4.9**	**131**	**5.8**	**(14)**

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

SALES BY REGION (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %
EMEA	1,869	82	1,860	82	0
Americas	278	12	264	12	5
Asia/Pacific	126	6	140	6	(10)
Total	**2,273**	**100**	**2,264**	**100**	**0**

In fiscal year 2025, revenues of HUGO BOSS AG remained broadly at the prior-year level. Revenues in **EMEA** remained largely on par with 2024 levels, supported by slight sales growth in Germany. The **Americas**, on the other hand, recorded robust top-line improvements in fiscal year 2025, which compensated for a decline in revenues with subsidiaries in **Asia/Pacific**. The latter is also related to an adjustment in intercompany pricing, reflecting current external market factors.

SALES BY BRAND (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %
BOSS	1,600	70	1,566	69	2
HUGO	401	18	413	18	(3)
Other services	272	12	285	13	(4)
Total	**2,273**	**100**	**2,264**	**100**	**0**

Performance across brands varied in 2025. **BOSS** recorded moderate top-line improvements, primarily driven by the strong positioning of its Menswear business. On the other hand, revenues at **HUGO** remained below the prior-year level, reflecting proactive measures taken to sharpen the brand's positioning and enhance its long-term performance. **Sales from other services** also declined moderately compared to 2024, mainly due to lower intercompany charges to subsidiaries, particularly related to service and IT.

At 35.1%, the **gross margin** of HUGO BOSS AG remained on the prior-year level (2024: 35.1%). **Distribution expenses** also remained broadly on 2024 levels, while **general administration expenses** increased 9% year over year, mainly reflecting higher payroll cost and overall cost inflation. **Other operating income** and **other operating expenses** increased by 8% and 15%, respectively, mainly due to unfavorable currency effects. The **income from investments** of EUR 22 million is mainly attributable to an intragroup dividend income from an affiliated company in Turkey (2024: EUR 0 million). The **income from profit and loss transfer agreements** of EUR 79 million is attributable to HUGO BOSS Internationale Beteiligungs-GmbH (2024: EUR 94 million).

Net assets and financial position

Property, plant, and equipment, and intangible assets of HUGO BOSS AG increased by 7% year over year, totaling EUR 1,188 million (December 31, 2024: EUR 1,115 million). This development mainly reflects investments in the expansion of the Company's headquarters in Metzingen (Germany), its distribution center for flat-packed goods in Filderstadt (Germany), and the Group-wide rollout of a next-generation ERP system. To a minor extent, the increase also reflects the merger of ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG into HUGO BOSS AG, effective September 1, 2025.

TRADE NET WORKING CAPITAL (IN EUR MILLION)

	2025	2024	Change in %
Inventories	206	288	(28)
Trade receivables	111	91	22
Trade payables	227	284	(20)
Trade net working capital	**90**	**95**	**(5)**

The decrease in **inventories** mainly reflects disciplined inventory management alongside robust top-line momentum in the fourth quarter of 2025. HUGO BOSS AG is the main supplier for the Group's global distribution companies. **Trade receivables** of HUGO BOSS AG came in above the prior-year level, mainly reflecting a strong performance in both brick-and-mortar and digital wholesale in the final quarter of 2025. At the same time, the Company recorded a decrease in **trade payables**, primarily reflecting lower order volumes as part of the Company's measures to reduce core merchandise inflow going forward. Consequently, **trade net working capital (TNWC)** of HUGO BOSS AG ended fiscal year 2025 slightly below the prior-year level.

At EUR 105 million, **receivables from affiliated companies** at the end of fiscal year 2025 were 7% above the prior-year level (December 31, 2024: EUR 98 million). **Liabilities to affiliated companies** increased 11% to EUR 104 million, mainly driven by transfer pricing adjustments resulting in higher intercompany balances (December 31, 2024: EUR 94 million). **Provisions** remained broadly on the prior-year level, amounting to EUR 164 million at the end of the year (December 31, 2024: EUR 163 million). At EUR 218 million, **liabilities to credit institutions** were also broadly on the prior-year level (December 31, 2024: EUR 219 million).

As of December 31, 2025, **cash and cash equivalents**, defined as the total of cash on hand and bank balances, amounted to EUR 8 million (December 31, 2024: EUR 7 million), with the slight increase mainly reflecting a higher **cash flow from operating activities**.

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 decrease moderately in fiscal year 2026. 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 opportunitie**s 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

2026 as year of realignment to pave way for long-term profitable growth

Currency-adjusted Group sales expected to decline mid- to high-single digits in 2026

EBIT expected between EUR 300 million and EUR 350 million in 2026

Subsequent events

At the time this report was prepared on March 3, 2026, the impact of a potential further escalation of the **Iran conflict** on the global economy and industry growth in 2026 could not be determined with sufficient certainty. While HUGO BOSS' global business had not been materially affected at that date, such an escalation could have a material adverse effect on the Company's net assets, financial position, and results of operations in fiscal year 2026.

Between the end of fiscal year 2025 and the preparation of this report on March 3, 2026, there were no further 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 2026. 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 2026, global growth is expected to remain subdued as the **world economy continues to face several macroeconomic and geopolitical challenges**. In particular, intensified economic policy uncertainties, ongoing geopolitical tensions, and the persistent drag from tariffs are expected to weigh on overall economic activity. At the same time, economies are expected to increasingly adapt to managing these conditions, while fiscal policies are intended to support economic momentum and global headline inflation is projected to continue its downward trajectory. Consequently, according to the International Monetary Fund (IMF), **global growth** is projected to remain steady at 3.3% in 2026 (2025: 3.3%), thus remaining below the historical average of 3.7% recorded between 2000 and 2019.

Regional growth expectations vary significantly. In the **eurozone**, growth is projected to ease slightly to 1.3% in 2026 (2025: 1.4%), amid ongoing and diverse global tensions affecting Europe. The **U.S.** economy is projected to expand by 2.4% (2025: 2.1%), supported by fiscal policy measures and lower interest rates, while the impact of higher trade barriers is expected to gradually wane. In **China**, persistent challenges, most notably the property sector downturn and elevated trade barriers, are expected to continue weighing on domestic consumption, with the IMF forecasting growth to slow to 4.5% (2025: 5.0%).

Risks and uncertainties associated with these assumptions remain elevated in 2026. Geopolitical tensions persist, including the conflicts in Ukraine and the Middle East, which continue to pose risks to trade routes, energy markets, and commodity supplies. In addition, elevated trade policy uncertainty, notably related to tariffs, alongside politically sensitive strategic decisions, such as renewed debates over control of critical territories, could further weigh on global trade, investment, and market confidence. At the same time, consumer sentiment in many key markets remains fragile, as households continue to face elevated uncertainty and remain cautious in their discretionary spending.

Industry outlook

The **global apparel industry** is expected to face another challenging year, as consumer sentiment remains subdued amid ongoing macroeconomic and geopolitical volatility, as well as region-specific challenges. According to a joint study by The Business of Fashion and McKinsey & Company, published in November 2025, revenue growth for the global apparel industry (excluding the luxury segment) is projected to remain at comparatively low levels, ranging between 1% and 3% (2025: 1.5% to 2.5%), reflecting a largely sideways development.

In **Europe**, industry growth (excluding the luxury segment) is forecast to range between 1% and 2% in 2026 (2025: 1% to 2%). Despite easing inflation, ongoing economic uncertainty and geopolitical risks are expected to weigh on consumer confidence. In the **U.S.**, consumption is expected to remain constrained by moderate GDP growth and uncertainty surrounding further Federal Reserve rate cuts. Rising prices remain a key concern among U.S. consumers, with pressure likely to intensify in 2026, reflecting the first full year of tariff implications. As a result, industry growth (excluding the luxury segment) is expected to remain subdued, ranging between 1% and 3% (2025: 2% to 3%). In **China**, the property market crisis is expected to continue weighing on economic development, with disposable income growth falling below prior-year levels. Consequently, consumer confidence remains subdued and saving rates elevated. Industry growth (excluding the luxury segment) is therefore expected to decelerate further, ranging between 1% and 3% in 2026 (2025: 2% to 3%).

Outlook for HUGO BOSS

For HUGO BOSS, fiscal year **2026 will play a crucial role in its journey toward long-term profitable growth**. As part of CLAIM 5 TOUCHDOWN, 2026 will serve as a year of deliberate brand and channel realignment, designed to elevate BOSS and HUGO and strengthen their long-term positioning. This will include a more selective distribution approach – including targeted store closures – aimed at enhancing the productivity and quality of the Company's global distribution footprint, as well as more focused and elevated product assortments across brands, with a particular emphasis on BOSS Womenswear and HUGO. At the same time, HUGO BOSS aims to continue generating robust free cash flows, thereby forming the basis for future shareholder returns. To deliver against this ambition, execution between 2026 and 2028 will center on three key fields of excellence: brand, distribution, and operations. Initiatives across these priorities are designed to drive further efficiency and cost discipline, while setting the stage for **renewed top- and bottom-line growth from 2027 onward**.

Over the **medium to long term**, HUGO BOSS aims to outgrow the market and achieve an EBIT margin of around 12%. Complementing this ambition, the Company targets an average annual free cash flow of around EUR 300 million between 2026 and 2028 (excluding the impact of IFRS 16), supported by disciplined management of trade net working capital (TNWC) and lower capital expenditure. While free cash flow generation in 2026 is expected to be below this average, reflecting a pull-forward of cash generation into fiscal year 2025, the targeted average remains broadly unchanged over the three-year period. Including IFRS 16, this corresponds to a targeted annual average of around EUR 500 million (2025: EUR 499 million). Overall, these measures are intended to underpin the Company's financial framework and provide the basis for sustainable, profitable growth and attractive shareholder returns over the medium to long term.

> Group Strategy

OUTLOOK FOR FISCAL YEAR 2026

	Results 2025	Outlook 2026
Group sales	Decrease by 1% (reported) to EUR 4,270 million	Decrease in the mid- to high-single-digit range (currency-adjusted)[1]
Sales by region		
EMEA	Increase by 2% (reported) to EUR 2,664 million	Decrease in the mid- to high-single-digit range (currency-adjusted)[1]
Americas	Decrease by 3% (reported) to EUR 993 million	Decrease in the mid- to high-single-digit range (currency-adjusted)[1]
Asia/Pacific	Decrease by 8% (reported) to EUR 509 million	Decrease in the mid- to high-single-digit range (currency-adjusted)[1]
Operating result (EBIT)	Increase by 8% to EUR 391 million	Decrease to a level of EUR 300 million to EUR 350 million
Group's net income	Increase by 16% to EUR 259 million	Decrease broadly in line with EBIT
Trade net working capital as a percentage of sales	Increase of 40 basis points to 20.0%	Around 20% of Group sales
Capital expenditure	Decrease by 32% to EUR 195 million (4.6% of Group sales)	Around 4% of Group sales

1 The sales forecast for fiscal year 2026 is currency-adjusted, i.e., based on the assumption of constant exchange rates.

In light of the targeted brand and channel realignment, currency-adjusted **Group sales** are expected to decline mid- to high-single digits in 2026 (2025: EUR 4,270 million), before returning to growth from 2027 onwards. This deliberate realignment reflects a more selective distribution approach, including targeted store closures resulting in a moderate net reduction of brick-and-mortar retail space, alongside targeted enhancements to distribution quality in brick-and-mortar wholesale and digital. In parallel, product assortments will be further streamlined across brands, particularly at BOSS Womenswear and HUGO, to sharpen brand positioning and strengthen brand relevance.

Against this backdrop, currency-adjusted revenues in **EMEA** are expected to decline in the mid- to high-single-digit range in 2026, driven by targeted enhancements to distribution quality, primarily across physical and digital wholesale. Also in the **Americas**, HUGO BOSS anticipates a mid- to high-single-digit decline in currency-adjusted sales, mainly reflecting productivity and quality enhancements across touchpoints. In **Asia/Pacific**, currency-adjusted sales are also expected to decline in the mid- to high-single-digit range, reflecting brand and channel elevation measures in retail, including selected store closures, alongside a continued cautious assessment of the recovery trajectory of Chinese consumer demand.

Reflecting the anticipated decrease in top-line development, **EBIT** is anticipated to amount to between EUR 300 million and EUR 350 million in 2026 (2025: EUR 391 million). While targeted gross margin improvements and continued cost discipline are expected to support the bottom-line development, operating expenses are anticipated to de-leverage in 2026 in light of lower revenues. In this context, gross margin is expected to benefit from additional sourcing efficiencies, selective price adjustments, and stronger full-price sell-through. **Net income** is expected to develop broadly in line with EBIT in 2026 (2025: EUR 259 million).

In fiscal year 2026, **TNWC** is anticipated to trend around the upper end of the Company's mid-term target range of between 18% to 20% of Group sales, as outlined in CLAIM 5 TOUCHDOWN (2025: 20.0%). In this context, the Company will continue to place strong emphasis on disciplined TNWC management, broadly mitigating the impact of anticipated lower sales. Following substantial infrastructure and retail investments made in recent years, **capital expenditure** is expected to further normalize in the coming years, with investment intensity in 2026 anticipated to be around the upper end of the mid-term target range of 3% to 4% of Group sales (2025: 4.6%). Investment activity will focus primarily on maintenance and strategic priorities, particularly in IT and retail, with the majority of investments allocated to corporate units and the EMEA segment.

Supported by the Company's robust fundamentals, including strong free cash flow generation and a solid balance sheet, and reflecting Management's confidence in the future development of HUGO BOSS, the Managing Board has decided to launch a **share buyback program**, further strengthening shareholder value creation. Until December 31, 2027, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million. The share buyback shall be financed through the Company's continued free cash flow generation, with HUGO BOSS intending to cancel the repurchased shares. At the same time, HUGO BOSS remains fully committed to preserving the financial flexibility required to consistently execute its strategy, invest in future growth, and further strengthen its balance sheet amid an ongoing volatile environment. In this context, and reflecting a disciplined capital allocation approach, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 21, 2026, to only pay the legal minimum **dividend** of EUR 0.04 per share for fiscal year 2025 (2024: EUR 1.40).

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 is 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 Group's business 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.

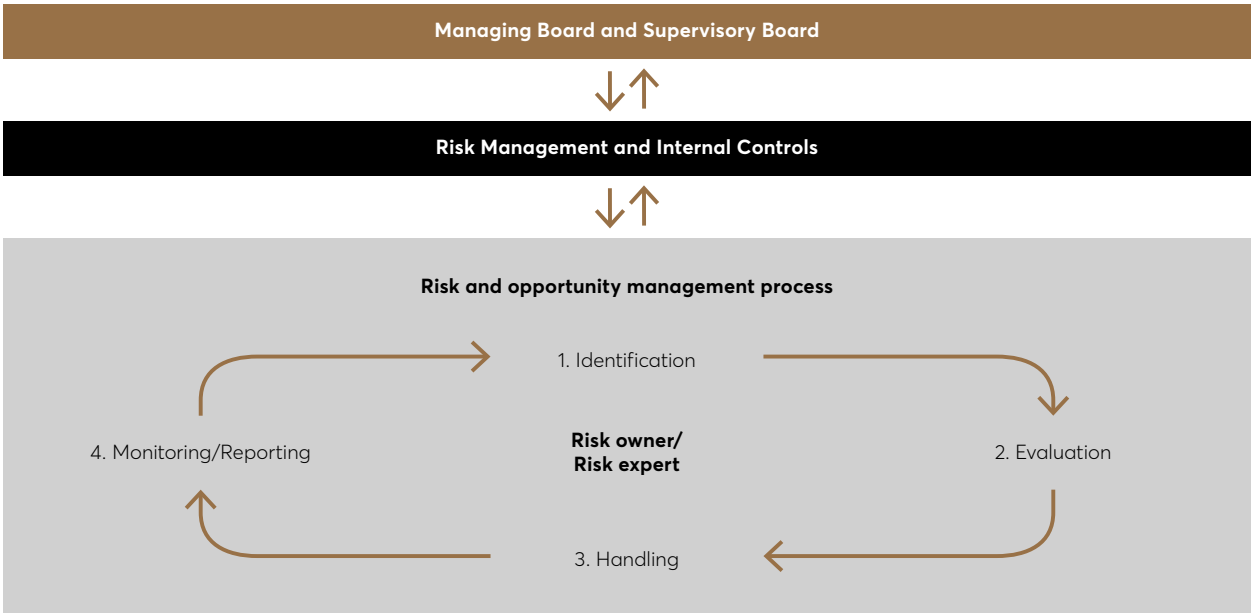
Risk and opportunity management system

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, which is conducted at least every five years, with the most recent audit carried out in 2025. 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. 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 are available on 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 **potential financial impact and likelihood of occurrence**. 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 ad-hoc reports.

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 2025 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. Unless otherwise stated, the risks and opportunities presented below relate to all segments of the Group. In fiscal year 2025, the assessment of individual risks and opportunities changed reflecting developments in external conditions, the effects of implemented countermeasures, and the introduction of our CLAIM 5 TOUCHDOWN strategy, with its focus in 2026 on realigning, simplifying, and strengthening the business for future growth. As a result, the overall risk situation for HUGO BOSS decreased moderately compared to the prior year. In particular, at the time this report was prepared, the Managing Board did not identify any individual or aggregate risks that could jeopardize the **continuation of the Company as a going concern**.

Illustration of risks

Risks identified in the risk management process with 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, including risks related to changes in interest rates, competition, counterparties, facilities, financing and liquidity, 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.

RISK OVERVIEW

Categories	Potential financial impact (in % of planned EBIT)	Change[1] (2024 assessment)	Likelihood (within one year)	Change[1] (2024 assessment)
Suppliers and sourcing	very high		>10%–25%	
Sales and distribution	very high		>10%–25%	
Logistics	very high	↑ (high)	≤10%	
Governance and compliance	very high	↑ (high)	>25%–50%	↑ (>10%–25%)
IT	very high	↑ (high)	>25%–50%	↑ (>10%–25%)
Taxes[2]	high		>25%–50%	
Collection	high		≤10%	
Politics and society	high	↓ (very high)	>10%–25%	
Environment and health	high	↑ (essential)	≤10%	
Global economy	high		>10%–25%	
Quality	essential		>10%–25%	
Personnel	essential		>10%–25%	
Brand and corporate image	essential	↑ (moderate)	≤10%	
Investment	essential	↑ (moderate)	>10%–25%	
Currencies	essential		>50%–90%	

1 The change in risk assessment compared with the previous year is primarily attributable to the developments in external conditions, the effects of implemented countermeasures, the introduction of our CLAIM 5 TOUCHDOWN strategy and the related outlook for EBIT in 2026. At the individual risk level, this also includes the increasing risk associated with the growing global number of cyberattacks (IT), the ongoing risk of further pandemics (environment and health), and heightened sensitivity surrounding brand communication on social media (brand and corporate image).
2 Tax risks are assessed based on their potential financial impact on cash flow.

Risks associated with suppliers and sourcing markets

Risks associated with **suppliers and sourcing markets** 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 2025, the largest external supplier accounted for 5% of the total sourcing volume (2024: 5%), with the largest single external production site also accounting for 5% (2024: 4%).

Within the framework of **nearshoring**, HUGO BOSS is pursuing the strategic ambition of establishing a balanced sourcing footprint that is closely aligned with its largest sales markets EMEA and the Americas, thereby also aiming to reduce negative environmental impacts associated with long-distance transport. In 2025, 49% of the Company's merchandise was sourced in EMEA (2024: 53%), with our own production in Izmir (Turkey) accounting for 15% of the global sourcing and production volume (2024: 17%). This approach is intended not only to bring HUGO BOSS closer to its most important sales markets and enable 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 gross margin and 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.

Ongoing **geopolitical tensions** and the risk of **new or increased trade barriers**, particularly between major economic regions such as the U.S., China, and Europe, may adversely affect sourcing and manufacturing costs. In particular, tariffs and other trade restrictions represent a major concern, as they can directly increase duties, disrupt supply chains, and put significant pressure on margins. Cost increases passed on to consumers may also dampen demand, especially in price-sensitive markets. To mitigate these risks, HUGO BOSS closely monitors global trade and geopolitical developments and integrates potential impacts into its sourcing, production, and pricing strategies. As part of our broader risk-mitigation efforts, in 2025, we have increased our inventory coverage in the U.S, successfully rerouted product flows from China to other regions, and further optimized our global vendor base. > 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 2025, 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 leveraging the power of 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

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 may weigh on the gross margin and ultimately on the Group's profitability and is 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, to account for changes in demand and marketability throughout the year. > 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, delivery quotas, and sell-through 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

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 2025, 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 2025, particularly on major East–West trade lanes such as Asia–Europe. Continued security risks in the Red Sea led many shipping lines to reroute vessels, resulting in longer transit times and elevated logistics costs. While the overall situation in the Red Sea showed signs of partial stabilization, shipping patterns have not yet fully normalized and freight rates remain volatile, influenced by geopolitical developments, capacity dynamics and higher security-related costs. Looking ahead to 2026, renewed escalation of geopolitical conflicts in the Middle East could again disrupt key maritime trade routes, further straining global logistics capacity and increasing transportation costs. HUGO BOSS will continue to closely monitor developments and implement appropriate measures where necessary. While no material impact on product availability is currently expected, potential supply chain disruptions and related risks, including lost sales opportunities, cannot be entirely 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 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 with completion expected in 2026 and intended to increase the delivery and storage capacity of this warehouse location by around 75%. 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

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. > Combined Non-financial Statement, 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.

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**

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 **artificial intelligence** 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. As part of our CLAIM 5 TOUCHDOWN strategy, we aim to reduce product complexity and streamline our product variety, thereby reducing the risk from individual collections. **> Product Development and Innovation, > Consumer Touchpoints**

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 continue to represent a significant risk factor also in 2026. Geopolitical tensions, including those related to the conflicts in Ukraine and the Middle East, the potential escalation of trade conflicts, policy shifts and regulatory changes, and the broader security environment pose significant risks for the global apparel industry and thus also for the Group's business development. Such developments may disrupt key trade routes, result in higher transportation costs and longer lead times. Furthermore, an escalation or expansion of geopolitical conflicts could negatively impact the global economic environment, weaken consumer sentiment, and adversely affect 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.

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.

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 2026, 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 uncertainty around global policy settings, ongoing political instability in certain regions, and persistent geopolitical tensions. Further details on the global economic outlook for fiscal year 2026, including 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

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 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 Germany. In this context, in 2025, the overall satisfaction increased to 78% (2024: 69%). The positive development reflects the impact of targeted engagement measures implemented at selected locations following site-specific challenges identified in the prior year, alongside generally stable satisfaction levels across the Group. 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

Risks associated with brand and corporate image

The occurrence of **risks related to brand and corporate image** may have adverse effects on the financial and operational performance of HUGO BOSS. Such risks may arise, for example, from insufficient product or service quality in the Group's own retail business, inadequate pricing and markdown management, the use of distribution channels that are not aligned with brand positioning, ineffective marketing activities or brand partnerships, negative public discourse on social media, or non-compliance with applicable laws, standards, or social requirements.

Against this backdrop, **protecting and strengthening brand and corporate image** remains a key priority at HUGO BOSS. In recent years, the Company has comprehensively renewed the brand images of BOSS and HUGO as part of its former CLAIM 5 strategy, resulting in a more emotional, and more contemporary appearance. In parallel, both brands were further developed into 24/7 lifestyle brands through the introduction of new brand lines, supporting a more consistent and differentiated brand positioning across occasions and touchpoints. These strategic initiatives are complemented by a globally consistent brand and shopping experience, strict quality controls, centrally managed pricing policies, a robust compliance management system, targeted employee training for customer-facing functions, and defined occupational and social standards. Legal trademark protection and the active prosecution of product piracy further contribute to safeguarding brand integrity.

Looking ahead, HUGO BOSS is committed to further advancing **Brand Excellence** as part of CLAIM 5 TOUCHDOWN by elevating BOSS and HUGO across brand dimensions. A new organizational setup with dedicated menswear and womenswear powerhouses is intended to strengthen brand-specific expertise, unlock synergies, and ensure a more consistent implementation of the respective brand identities across regions and channels. These powerhouses will work closely with marketing, sales, and retail functions to deliver globally coherent brand storytelling, and a seamless brand experience along the entire customer journey. By tightening end-to-end brand governance, HUGO BOSS aims to further reduce brand dilution risks, strengthen long-term brand desirability, and support sustainable value creation. > Group Strategy, Brand Excellence

At the same time, **external communication and stakeholder engagement** continue to be centrally coordinated by Corporate Communications and Investor Relations, ensuring a consistent dialog with key stakeholders. Compliance with relevant laws, standards, and internal guidelines is regularly reviewed across the Group and its partners, supporting a credible and resilient corporate image over the long term.

Investment risks

The Group's own retail activities are exposed to **investment risks**, particularly in connection with the optimization and modernization of its store network, selective new openings, as well as the cross-channel integration and digitalization of its own retail activities. The risk of misinvestments relates in particular to investments in stores for which long-term lease agreements are concluded but which subsequently do not meet the Group's expected returns. In addition, misinvestments may arise in the development and implementation of new store concepts or digital elements that may not lead to operational investments.

The risk associated with potential **impairment** of property, plant and equipment, intangible assets, right-of-use assets at the level of the Group's own retail stores, as well as goodwill, represents the most significant risk within the category of investment risks. In principle, a deterioration in the business outlook or changes in market rental conditions may result in impairment losses on the Group's assets. Any such impairments would be non-cash in nature. > Notes to the Consolidated Financial Statements, Note 10

At HUGO BOSS, major investment projects are subject to a defined **approval process**. In addition to qualitative assessments, such as evaluations of potential store locations, this process includes a detailed analysis of each project's net present value. The central Business Planning & Analysis department regularly evaluates planned investment projects with regard to the Group's profitability targets. In addition, subsequent analyses are conducted at regular intervals to assess the performance of implemented projects. Appropriate countermeasures are initiated in the event of any negative deviations from the initial profitability targets. > Group Management

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 provide the framework for managing currency risks. They define the strategic selection and scope of hedging and ensure strict functional separation between the trading, settlement, and control of all financial market transactions. The primary objective is to mitigate currency exposure through **natural hedges**. By doing so, foreign currency exposures from business operations across the Group are offset as far as possible, thereby reducing the complexity of the exposure, the scope of hedging measures, and the associated costs. **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, 2025, 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, 2025. 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 plus EUR 6 million at the end of fiscal year 2025 (2024: minus EUR 6 million). Hedging costs and returns for concluding forward exchange transactions are not included. The risk value reduced slightly compared to the previous year due to changes in the underlying exposure. The largest foreign currency exposure results from the balance sheet exposure towards the U.S. dollar, Japanese yen, and Chinese renminbi.

Illustration of opportunities

HUGO BOSS remains fully committed to leveraging its **business opportunities** across brands, channels, and regions. For fiscal year 2026, the Company 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 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.

OPPORTUNITY OVERVIEW

Categories	Potential financial impact (in % of planned EBIT)	Change[1] (2024 assessment)	Likelihood (within one year)	Change[1] (2024 assessment)
Suppliers and sourcing	high		>50%–90%	↑ (>25%–50%)
Sales and distribution	essential		>10%–25%	↓ (>25%–50%)
Personnel	essential		>10%–25%	
Brand heat and product offering	essential		>10%–25%	
Global economy and currencies	essential	↓ (high)	>10%–25%	
Digitalization and artificial intelligence	essential	↑ (low)	>25%–50%	

1 The change in opportunity assessment compared with the previous year is primarily attributable to the developments in external conditions and the outlook for EBIT in 2026. At the individual opportunity level, this also includes increasing opportunities associated with the broader use of artificial intelligence (digitalization and artificial intelligence) and reduced global economic opportunities due to the ongoing economic slowdown (global economy and currencies).

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 its long-term growth ambitions. As part of CLAIM 5 TOUCHDOWN, we aim at further **increasing the resilience, efficiency, and flexibility** of our global sourcing and production networks. 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 seeks to realize even **greater economies of scale** via a further optimization of vendor allocation and strategic price negotiations, supported by increased order volumes. The Company may also benefit from a short-term **decrease in commodity prices** for raw materials such as cotton, wool, and leather. To actively drive additional 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 its **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

Opportunities related to sales and distribution

As a global fashion and lifestyle company, and in line with its omnichannel approach, HUGO BOSS has built a strong physical and digital distribution footprint in recent years. By ensuring a **seamless brand experience across all consumer touchpoints**, we aim to further advance our omnichannel activities in the coming years. Under CLAIM 5 TOUCHDOWN, HUGO BOSS will leverage the successful transformation of its own retail business as part of CLAIM 5, with the store network largely refreshed and new BOSS and HUGO store concepts implemented across key markets. To exploit the full potential of its **brick-and-mortar retail** business, HUGO BOSS will continue to elevate its own store portfolio to enhance the customer experience. At the same time, we aim to optimize our store network to improve both sales productivity and retail efficiency. Key measures include the renegotiation of expiring rental contracts and the selective closure of underperforming stores. At the same time, we will continue to foster strategic partnerships in **brick-and-mortar wholesale**, while adopting a more selective distribution approach. This includes focusing on the most relevant partners and further sharpening product assortments to strengthen brand equity. In line with CLAIM 5 TOUCHDOWN, the Company will also further expand its global franchise business, particularly in emerging markets, to capitalize on regional growth opportunities. With regards to our **digital business**, we aim to unlock additional opportunities by advancing seamless brand and customer experiences across platforms, supported by captivating content and consistent brand storytelling. At the same time, we will further amplify our two-brand strategy on hugoboss.com to enhance the customer experience and reinforce clear assortment guidelines across all touchpoints. Greater-than-expected success in the execution of these initiatives could have a direct positive impact on the business performance of HUGO BOSS.

In addition, HUGO BOSS will continue to put strong emphasis on retaining and engaging its most valuable customers. Already in 2024, we launched our **loyalty program HUGO BOSS XP**, a hyper-personalized omnichannel member experience. The program is designed to build brand loyalty, boost member sales, and drive customer lifetime value. HUGO BOSS XP was first rolled out in the UK, Germany, and France, and was expanded to the U.S. and China in 2025. Supported by this broader rollout and increasing customer engagement, we successfully expanded our member base by around 20% in 2025, reaching more than 13 million members at the end of fiscal year 2025 (2024: more than 10 million). To further deepen and expand our existing customer relationships, but also attract new BOSS and HUGO customers, we will further expand the program in the coming years. Effectively leveraging these opportunities can directly enhance HUGO BOSS' business performance. > Consumer Touchpoints

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, while putting a strong emphasis on further enhancing our attractiveness as an employer. Maintaining competitive compensation, additional benefits, and an attractive working environment is intended to further strengthen our position in international competition, enabling the Company to efficiently fill vacant positions with qualified candidates and fostering motivation, commitment, and employee loyalty. Greater-than-expected success in these areas could enhance workforce stability and productivity, thereby supporting operational efficiency and having a positive impact on the sales and earnings performance of the Company.

As an international company, **diversity, equity, and inclusion (DE&I)** form a cornerstone of our corporate culture. We are convinced that diverse and inclusive teams are better positioned to develop creative and effective solutions to complex challenges and to support 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. Greater-than-expected progress in advancing DE&I may further increase employee satisfaction and engagement, strengthen the Company's employer brand, and enhance its ability to attract talent, which could, in turn, positively influence business performance. > Combined Non-financial Statement, Own Workforce

Opportunities related to brand heat and product offering

In fiscal year 2026, the successful execution of our strategy CLAIM 5 TOUCHDOWN will be key. In this context, we are fully committed to **driving brand excellence** by further elevating BOSS and HUGO and by deepening customer engagement. As part of our marketing activities, we will continue to put strong emphasis on strategic partnerships like Beckham x BOSS as well as impactful, product-led campaigns to strengthen the position of BOSS and HUGO as truly desired global brands. Further strengthening brand equity and deepening consumer connections can have a positive impact on demand and thus drive sales as well as **full-price sell-through**, potentially resulting in higher-than-expected revenue and earnings development. > Group Strategy, Brand Excellence

At the same time, we will keep optimizing our product assortment in the coming years. The introduction of a **new organizational setup** with two dedicated powerhouses for menswear and womenswear is expected to unlock meaningful synergies across BOSS and HUGO, improve speed-to-market, and strengthen gender-specific expertise, thereby enhancing the overall effectiveness of brand and product management. BOSS Menswear will continue to capitalize on its strong **24/7 lifestyle positioning** across a clearly differentiated portfolio. In this context, we see particular growth opportunities across our BOSS Green and BOSS Camel brand lines, while we also remain committed to further capitalizing on product categories such as shoes, accessories, and bodywear. Fully leveraging our 24/7 lifestyle is expected to support the reinforcement of our leading position in the upper premium apparel market. At the same time, the new organizational structure creates a strong foundation to sustainably improve the **long-term performance of BOSS Womenswear and HUGO**. By sharpening its brand identity and focusing on a curated assortment of essential products, BOSS Womenswear aims to increase relevance among female consumers. The refined positioning of HUGO,

combined with a stronger emphasis on contemporary tailoring, is expected to enhance commercial relevance and broaden its consumer base over time. Faster-than-expected progress in executing these initiatives could positively support the sales and earnings development. > Group Strategy, Brand Excellence

On top of that, HUGO BOSS will continue to leverage the potential of further **digitalizing its product development**, including the use of AI-powered trend detection and virtual try-ons with avatars. In addition, 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. Further improvements in product quality, for example, may reduce return rates and thus directly support sales development. > Business Operations

Global economic and currency opportunities

HUGO BOSS may benefit 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, a stronger than expected rebound in global trade and investment flows, or the reduction of trade barriers, such as tariffs, as well as the successful conclusion of free trade agreements, could lead to higher economic growth and thus to a noticeable **uplift in global consumer sentiment**. This, in turn, could have a 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 broader consumer sentiment trends. At the same time, **regulatory and legal developments** may also present opportunities, including a more consistent prosecution and enforcement of trademark rights. On top of that, favorable **exchange rate developments** can have a positive impact on earnings development. In this context, the Group Treasury department continuously monitors the market environment and identifies relevant opportunities within the Company's financial management principles. > Financial Position

Opportunities related to digitalization and artificial intelligence (AI)

Digitalization and the systematic application of artificial intelligence (AI) represent a significant strategic opportunity for HUGO BOSS across the entire value chain. The Company already applies AI in several key areas and continuously tests new solutions to **unlock efficiency gains and improve decision-making** for both customers and employees. AI-enabled technologies are being integrated end-to-end, from product design and development to merchandising and inventory management. Applications such as AI-driven 3D prototyping, replenishment recommendations, and dynamic pricing models are expected to accelerate processes, improve planning accuracy, and optimize resource utilization. In **omnichannel and customer-facing activities**, AI-supported content creation, chatbots, and sales training tools contribute to an enhanced and more personalized shopping experience. In this context, more effective AI-supported interactions can further improve customer service, enable more meaningful engagement, and foster long-term customer loyalty. Beyond that, AI tools **support backend processes** across the organization, increasing speed and efficiency in a wide range of business tasks. Overall, faster-than-expected progress in the adoption and scaling of AI applications could positively impact operational efficiency, innovation capability, and ultimately the sales and earnings performance of HUGO BOSS.

Key aspects of the internal control and risk management system

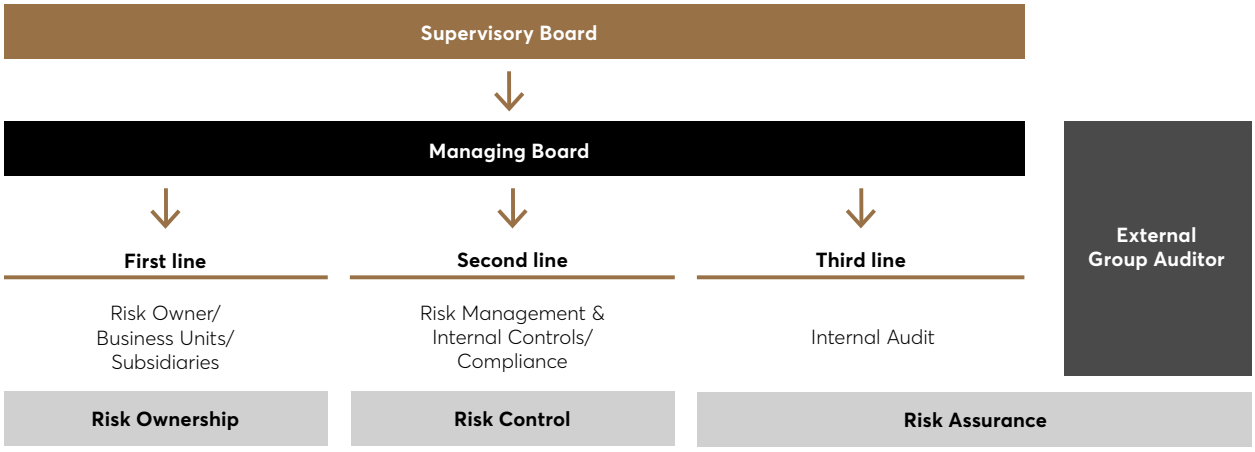
The information provided in this section is extraneous to the management report and therefore not part of the external audit.

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. > 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 Audi**t, 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 internal control and risk management system 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. Group Finance & Tax, in close coordination with Investor Relations, is 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 "Financing 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 "Global Finance Exchange" in current developments, international financial reporting, and any topics relevant for preparing the annual financial statements such as automation or artificial intelligence.

OVERALL STATEMENT ON THE BUSINESS PERFORMANCE AND SITUATION OF THE GROUP

Fiscal year 2025 was characterized by persistent **macroeconomic and geopolitical uncertainty**, which noticeably dampened consumer sentiment and industry development globally. Muted consumer confidence and softer store traffic weighed on several key markets, with demand in China remaining particularly subdued. Against this backdrop, HUGO BOSS remained focused on **advancing key brand, product, and sales initiatives**, to further strengthen the long-term positioning of its brands. Particular highlights included the successful launch of several BOSS and HUGO brand campaigns, the drop of the first two Beckham x BOSS collections, as well as the BOSS Spring/Summer 2026 Fashion Show in Milan. Together, these initiatives further elevated global brand relevance and supported top-line development throughout the year. At the same time, the Company maintained a strong focus on driving efficiency gains through **disciplined and sustainable cost management**. > Earnings Development, > Comparison of Actual and Forecast Business Performance

As a result, HUGO BOSS **achieved its full-year sales and earnings guidance** in fiscal year 2025. Currency-adjusted **Group sales** increased 2% compared to the prior year. In Group currency, revenues slightly decreased by 1% to EUR 4,270 million (2024: EUR 4,307 million), reflecting adverse currency effects in the reporting period. Driven by the Company's rigorous focus on operational excellence and cost efficiency, **operating profit (EBIT)** was up 8%, amounting to EUR 391 million in fiscal year 2025 (2024: EUR 361 million). Accordingly, the Group's EBIT margin increased by 80 basis points to a level of 9.2% (2024: 8.4%). At the same time, HUGO BOSS generated strong **free cash flow** of EUR 499 million in 2025, slightly above the prior-year level (2024: EUR 497 million) and thus underlining the cash-generative nature of our business model.

Beyond delivering on its financial targets, HUGO BOSS laid a solid foundation for long-term business success. With the launch of **CLAIM 5 TOUCHDOWN** in December, the Company has established a clear strategic framework until 2028, designed to strengthen brand equity and drive sustainable, profitable growth. Building on the achievements of the Company's CLAIM 5 strategy, initially launched in 2021, HUGO BOSS will increasingly rebalance growth towards stronger profitability and cash generation, forming the basis for long-term value creation and future shareholder returns. To deliver against this ambition, execution will center on **three key fields of excellence: brand, distribution, and operations**. Over the medium to long term, HUGO BOSS aims to outgrow the market and achieve an EBIT margin of around 12%. In line with this ambition, the next years will mark a phase of further strengthening the Company's operational and financial base. > Group Strategy

For HUGO BOSS, fiscal year **2026 will play a crucial role in this journey. Serving as a year of targeted brand and channel realignment**, 2026 is designed to elevate BOSS and HUGO and strengthen their long-term positioning. This deliberate realignment reflecting a more selective distribution approach, including targeted store closures, to enhance the productivity and quality of the global distribution footprint, as well as more focused and elevated product assortments across brands, with a particular emphasis on BOSS Womenswear and HUGO. Against this backdrop, currency-adjusted **Group sales** are expected to decline mid- to high-single digits in 2026, before returning to growth in 2027. Reflecting the anticipated decrease in top-line development, **EBIT** is expected to amount to between EUR 300 million and EUR 350 million in 2026, while targeted gross margin improvements alongside ongoing cost discipline are expected to support EBIT development. > 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. In this context, to further strengthen shareholder value creation, HUGO BOSS plans to **buy back shares in an amount of up to EUR 200 million** until December 31, 2027. At the same time, HUGO BOSS remains fully committed to preserving the financial flexibility required to consistently execute its strategy, invest in future growth, and further strengthen its balance sheet amid an ongoing volatile environment. Consequently, and reflecting a disciplined capital allocation approach, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 21, 2026, to only pay the legal minimum dividend of EUR 0.04 per share for fiscal year 2025 (2024: EUR 1.40). 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 3, 2026

HUGO BOSS AG
The Managing Board

Daniel Grieder
Oliver Timm
Yves Müller

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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

Good corporate governance is an integral part of HUGO BOSS and a guiding principle encompassing all areas of our business. It is a key factor for long-term success and sustainable value creation. The Managing Board and Supervisory Board are committed to ensuring the Company's continuity while promoting responsible, transparent, and forward-looking corporate governance. In doing so, 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 2025, 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 2025. It is included at the end of this chapter and, like previous declarations of compliance, published on the corporate website. HUGO BOSS complies with all 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 product quality, but also integrates environmental and social considerations across its value chain. With sustainability being an integral part of its business activities, the Company's **Sustainability Strategy** is built on five pillars that aim to drive change within the fashion industry, underpinned by a strong environmental, social, and governance (ESG) foundation. 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, Sustainability Strategy, > 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, who holds the role of 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 defines Group-wide principles of conduct in a **Code of Conduct** and related Group policies, providing a clear framework to ensure the legality of employee conduct. The focus is placed on regulations governing compliant conduct, including 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 requirements of the Code of Conduct and the Group policies through regular **e-learning programs** for all employees with computer access, as well as topic-specific **face-to-face training sessions**. HUGO BOSS does not tolerate any form of deliberate misconduct or persistent violations of the Code of Conduct and the Group policies.

Employees may seek support and advice on matters concerning legal conduct from their supervisors or the Compliance department. As an additional reporting channel, HUGO BOSS has established a Group-wide **ombudsperson system**. Employees, suppliers, and trading partners may contact an external ombudsperson confidentially, and if needed, anonymously in the event of indications of fraud, infringements of antitrust law, or breaches of compliance guidelines. The ombudsperson's contact details are available to all employees via the Company's intranet and on the corporate website. The same applies to the **HUGO BOSS Speak Up Channel**, which likewise enables confidential and anonymous reporting of misconduct and criminal offenses. Further details on whistleblower protection and the handling of reports are set out in the **Whistleblowing Policy** on the corporate website and intranet. > Combined Non-financial Statement, Governance

Capital market communication

HUGO BOSS reports regularly, comprehensively, and in a timely manner on its business development, operational and financial performance, as well as material changes within the Group. **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 provide detailed insights into the Group's operational and financial performance. The Group's strategy and key strategic developments are also presented and discussed in detail at a **Capital Markets Day** on a regular basis. In addition to dedicated events for private investors, the **Annual General Meeting** provides 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 in the best interest 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, of all matters of relevance to the Group, including strategy, planning, business development, risk position, changes in the risk situation, and compliance. Deviations from targets and budgets are explained in detail to the Supervisory Board and its committees. The Group's strategic direction and ongoing development are also aligned and discussed with the Supervisory Board.

In making decisions and in performing their duties for HUGO BOSS, members of the Managing Board and Supervisory Board are required to act solely in the interest of the Company and must not 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 2025. 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 2025, 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 the development and successful execution of 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, 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. With the exception 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.

The GCGC stipulates that the Managing Board shall pay attention to **diversity** when filling senior management positions within the Company and, in particular, shall strive for appropriate consideration of women. The Managing Board of HUGO BOSS is committed to this objective. It has paid attention to workforce diversity in the past and will continue to do so in the future. Pursuant to Sec. 76 (4) AktG, the Managing Board set the target of achieving a proportion of women of at least 40% in top management positions (first management level below the Managing Board), 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, 2025, the **proportion of women in top management amounted to 24%**, while the **proportion at the second management level below the Managing Board was 43%** (December 31, 2024: 27% and 44%, respectively). Accordingly, both targets were not met by the end of the reference period.

Following the end of the previous target period, both targets were subject to a comprehensive review in 2025. As a result, the **Managing Board extended the reference period up to December 31, 2030**, while maintaining the existing targets of at least 40% at the top management level and at least 50% at the second management level. HUGO BOSS remains committed to increasing the representation of women in leadership positions and will continue to implement measures to support progress toward these targets. However, positions are filled solely based on the qualifications of applicants, even if this results in a proportion of women below the defined target. **> Combined Non-financial Statement, Own Workforce**

Together with the Managing Board, the Supervisory Board is responsible for **long-term succession planning** for the Managing Board. In this context, the Supervisory Board takes into account the target for the proportion of women on the Managing Board, the criteria set out in the diversity concept for the Managing Board, as well as the requirements of the AktG and GCGC. Respecting the specific qualification requirements and the aforementioned criteria, the Personnel Committee develops an ideal profile, on the basis of which it compiles a shortlist of suitable 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 candidates, the Supervisory Board is supported, where appropriate, 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 2025, the Supervisory Board had two 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 2025. 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 Andreas Kurali, Iris Epple-Righi, Christina Rosenberg, and Stephan Sturm 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	International experience	Expertise in accounting	Expertise in auditing	Expertise in branding, supply chain, and/or distribution	Current or former executive management experience at another company	Expertise in the Company's business model	Expertise in sustainability matters relevant to the Company	Independence
Current Supervisory Board Members (from AGM 2025)								
Stephan Sturm, 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
Katharina Herzog	X	X	X			X	X	X
Dr. Claudia Hülsken					X	X	X	X
Andreas Kurali	X	X	X	X	X	X	X	X
Daniela Liburdi						X		X
Luca Marzotto	X	X	X	X	X	X	X	
Laura Micati						X		X
Michael Murray	X			X	X	X	X	
Tanja Silvana Nitschke					X	X	X	X
Christina Rosenberg	X			X	X	X	X	X
Former Supervisory Board Members (until AGM 2025)								
Hermann Waldemer, Chairman	X	X	X	X	X	X	X	X
Andreas Flach					X	X	X	X
Gaetano Marzotto	X	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 seven women, with the **gender quota** pursuant to Sec. 96 (2) AktG being met in total with five 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 2025, 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 2, 2025. 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.

As of December 31, 2025, the Audit Committee comprises the following members: Andreas Kurali (Chairman), Iris Epple-Righi, Dr. Claudia Hülsken, Tanja Silvana Nitschke, Sinan Piskin, and Stephan Sturm.

The Supervisory Board assured itself that Andreas Kurali, Chairman of the Audit Committee, is independent.

Pursuant to the AktG, 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. With Stephan Sturm and Andreas Kurali, 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 AktG. 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, Andreas Kurali, fulfills both these requirements.

Stephan Sturm has held various senior positions in the financial sector during his professional career, including Chief Financial Officer and later Chief Executive Officer of the publicly listed Fresenius Group. In these roles, he acquired extensive knowledge in the application of accounting principles, and in internal control and risk management systems, as well as in the auditing of financial statements. In the course of his senior responsibilities, he also dealt with strategically relevant sustainability topics. Furthermore, he served as Chairman of the Audit Committee of the Supervisory Board of Deutsche Lufthansa AG from 2018 to 2021. He actively leverages this experience for the benefit of the Supervisory Board and the Audit Committee of HUGO BOSS.

Andreas Kurali began his professional career serving in various finance roles at Philip Morris GmbH before taking on international leadership positions in finance at Philip Morris International Inc. Over more than two decades, he acted as Chief Financial Officer for several international affiliates and geographical regions across continents, followed by the role of Group Controller and most recently Deputy Chief Financial Officer and Head of Financial Transformation. He possesses comprehensive knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as in auditing. In these roles, Andreas Kurali was also involved with company-relevant sustainability topics. He actively applies this expertise to the benefit of the Supervisory Board and the Audit Committee of HUGO BOSS.

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, 2025, the Personnel Committee comprises the following members: Stephan Sturm (Chairman), Daniela Liburdi, Luca Marzotto, Laura Micati, Sinan Piskin, and Christina Rosenberg.

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, 2025, the Working Committee comprises the following members: Stephan Sturm (Chairman), Katharina Herzog, Daniela Liburdi, Luca Marzotto, Michael Murray, and Sinan Piskin.

4. Nomination Committee

The Nomination Committee consists of three 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, 2025, the Nomination Committee comprises the following members: Stephan Sturm (Chairman), Luca Marzotto, and Michael Murray.

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, 2025, the Mediation Committee comprises the following members: Stephan Sturm (Chairman), Iris Epple-Righi, Daniela Liburdi, and Sinan Piskin.

Risk management and risk controlling

Responsible, systematic, and transparent risk management is a core element of good corporate governance at HUGO BOSS. 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, allow for early identification, assessment, and management of risks through 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 since December 31, 2022 and Constantin Fuchs since December 31, 2025. 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 2025. The main features of the compensation systems for the Managing Board and Supervisory Board applicable in fiscal year 2025 are also outlined. > Compensation Report

Declaration of compliance

In December 2025, 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 2024, 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 – have been and will be complied with.

Metzingen, December 2025"

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 2025. 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 2025 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 2025

Approval of the compensation report for fiscal year 2024

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 2024 has been prepared in accordance with Sec. 162 AktG. The compensation reported for fiscal year 2024 is based on the compensation system for the Managing Board approved by a large majority at the 2021 Annual General Meeting (Compensation System 2021; approval rate: 93.83%). At the Annual General Meeting on May 15, 2025, the **compensation report for fiscal year 2024** received an approval rate of 67.96% in accordance with Sec. 120a (4) AktG. The Supervisory Board and the Managing Board primarily attribute this outcome to possible concerns regarding the CEO Investment Opportunity, which is explicitly not part of the compensation system and is explained in more detail at the end of this chapter.

Approval of the revised compensation system for the Managing Board

In light of the voting results on the compensation report in recent years, ongoing feedback from the capital market, and the Company's commitment to further align with evolving best practices in corporate governance, the Supervisory Board thoroughly reviewed and further refined specific aspects of the Managing Board's compensation system in fiscal year 2025. Consequently, and as part of the regular voting cycle, a **revised compensation system** was presented to the Annual General Meeting on May 15, 2025 (Compensation System 2025). The Compensation System 2025 applies to all new appointments and agreement extensions starting from January 1, 2025. The revised compensation system was approved by the Annual General

Meeting with an approval rate of 71.05%. As in prior years, the Supervisory Board and the Managing Board primarily attribute this outcome to possible concerns regarding the CEO Investment Opportunity, which is explicitly not part of the compensation system. The following sections of this compensation report describe the Compensation System 2021 and, where relevant, explain the specific adjustments introduced under the Compensation System 2025.

Application of the compensation system for the Managing Board in fiscal year 2025

In fiscal year 2025, there were **no changes** to the composition of the Managing Board of HUGO BOSS AG. In May 2025, Oliver Timm was reappointed as a member of the Managing Board and Deputy CEO until December 31, 2028, with his service agreement extended accordingly.

In fiscal year 2025 the **compensation of Daniel Grieder and Yves Müller** were governed by the Compensation System 2021, while the renewed **contract of Oliver Timm** incorporates the regulations under the Compensation System 2025. The features presented in this report are included in both the Compensation System 2021 and the Compensation System 2025. Any discrepancies between the compensation systems will be addressed in this report.

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. As part of the regular voting cycle, the suitability was last reviewed 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)**. In this context, the maximum compensation was adjusted upward in order to adequately reflect market developments and maintain competitiveness. 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)**.

HUGO BOSS is firmly committed to driving sustainable, profitable growth. Introduced in December 2025, the Company's strategy **CLAIM 5 TOUCHDOWN** is designed to support this ambition and to further strengthen the Company's position in the global premium apparel market. The design of the Managing Board's compensation system is aimed to provide **strong incentives for the successful execution of this strategy**. Consequently, the compensation of the Managing Board is closely linked to the Group strategy, with the performance-related compensation components (STI and LTI) based, among other things, on the development of financial performance criteria such as sales, operating profit (EBIT), and return on capital employed (ROCE). The inclusion of 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 2025, HUGO BOSS operated in a challenging global market environment, which weighed on overall business performance. Reflecting this development, the overall target achievement for the **short-term incentive (STI)** amounted to 80% in 2025. By contrast, the final target achievement for the **long-term incentive (LTI)** tranche issued in fiscal year 2022 (LTI 2022–2025) amounts to 143% of the target value (payment in fiscal year 2026), underscoring robust performance against the defined financial and non-financial targets over the three-year performance period.

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 2025

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 2025 in full, as set out in Art. 12 of the Company's Articles of Association.

In fiscal year 2025, the Supervisory Board of HUGO BOSS AG was re-elected as scheduled at the ordinary Annual General Meeting on May 15, 2025. Among **shareholder representatives**, Iris Epple-Righi, Luca Marzotto, and Christina Rosenberg were re-elected, while Stephan Sturm, Andreas Kurali, and Michael Murray joined as new members. The previous representatives, Hermann Waldemer, Gaetano Marzotto, and Robin J. Stalker, did not stand for re-election. The **employee representatives** had been elected separately in March and assumed their mandate after the Annual General Meeting. Katharina Herzog, Daniela Liburdi, Tanja Silvana Nitschke, and Sinan Piskin were re-elected, while Dr. Claudia Hülsken and Laura Micati replaced Andreas Flach and Bernd Simbeck as new members. The term of office of the newly elected Supervisory Board runs until the end of the ordinary Annual General Meeting in 2030, which will decide on the approval of the Supervisory Board for fiscal year 2029. Immediately following the 2025 Annual General Meeting, Stephan Sturm was unanimously appointed **Chairman** and Sinan Piskin re-elected **Deputy Chairman**. As set out in Art. 12 of the Company's Articles of Association, all newly appointed and departing members receive pro-rata compensation for their activities in fiscal year 2025.

Compensation of the members of the Managing Board in fiscal year 2025

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

The compensation system of the Managing Board 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 April 28, 2022. The compensation system is a central element of the Group's governance framework and is intended to promote **sustainable corporate development**, support the **successful execution of the Group strategy**, and contribute to **long-term profitable growth of HUGO BOSS**. The compensation of the Managing Board is therefore linked to the short- and long-term development of the Company.

As a result, the compensation of the members of the Managing Board is made up of non-performance-related and performance-related components. The **target total compensation** 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, aimed at strengthening the performance aspect of the compensation system. The LTI, with a total term of four years, accounts for a higher share of target total compensation than the STI, with a ratio of approximately 60:40. This weighting is intended to ensure that the compensation structure as a whole is geared toward a **sustainable and successful long-term business development**.

The compensation system further includes **malus and clawback regulations** for variable compensation components, a defined **maximum compensation** in accordance with statutory requirements, and **Share Ownership Guidelines (SOG)**. The compensation system also regulates **other compensation-related aspects**, such as the terms of Managing Board service agreements and provisions applicable upon termination.

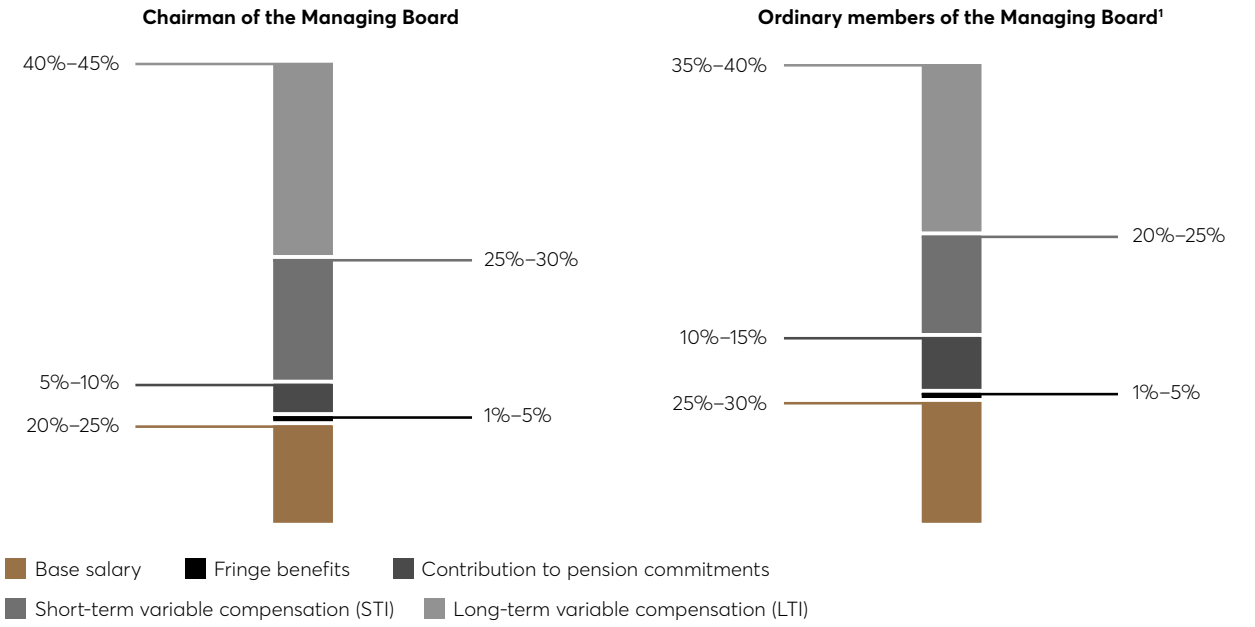
The following table presents the **main components of the Managing Board's compensation system**, showing both the former system, and the revised system. Differences and optimizations are highlighted, while detailed explanations of each component are described in detail in the sections that follow.

OVERVIEW OF THE COMPENSATION SYSTEM

Compensation System 2021	Compensation System 2025
Fixed compensation	
Base salary	
Annual fixed compensation paid as monthly salary	
Fringe benefits	
Benefits in kind which include the use of a company car, supplementary payments to insurances and, to a lesser extent, other equipment and benefits required for the performance of Managing Board duties	
Pension commitments	
• Defined contribution plan (contribution to a reinsurance policy) • Contribution: 40% of the base salary • Fixed age limit: 65 years	• Defined contribution plan (contribution to a reinsurance policy) • Contribution: **30%** of the base salary • Fixed age limit: 65 years
Performance-related (variable) compensation	
Short-term variable compensation (STI)	
Plan type: Target bonus system	Plan type: Target bonus system
Plan term: 1 year	Plan term: 1 year
Performance criteria (target achievement: 0%–150%): • 40% EBIT • 30% sales • 30% trade net working capital in relation to sales	Performance criteria (target achievement: 0%–150%): • **35%** EBIT • **25%** sales • **25%** trade net working capital in relation to sales • **15% Sustainability (ESG)**
Payout: in cash at the end of the fiscal year (cap: 150% of the individual target amount)	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 type: Performance share plan
Plan term: 4 years (three-year performance period plus one-year waiting period)	Plan term: 4 years (three-year performance period plus one-year waiting period)
Performance criteria (target achievement: 0%–200%): • 1/3 relative total shareholder return (RTSR) (100% target achievement at the median) • 1/3 return on capital employed (ROCE) • 1/6 employee satisfaction • 1/6 Dow Jones Sustainability Index	Performance criteria (target achievement: 0%–200%): • 1/3 relative total shareholder return (RTSR) (100% target achievement at the **55th percentile**) • 1/3 return on capital employed (ROCE) • **1/3** Sustainability (ESG)
Payout: in cash at the end of the four-year plan term (cap: 250% of the individual target amount)	Payout: in cash **or in shares** 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 further, special compensation components on a temporary basis (allowances to new members of the Managing Board, e.g., to compensate for the loss of variable compensation from previous employers, or for taking on additional responsibility on an interim basis)	
Malus and clawback	
Withholding (compliance malus) or reclaiming (compliance clawback) part or all of variable compensation (STI and LTI) in the event of compliance violations or incorrect consolidated financial statements (performance clawback)	
Share ownership guidelines (SOG)	
200% of the annual gross base salary for the Chairman of the Managing Board 100% of the annual gross base salary for the ordinary Managing Board members (incl. Deputy CEO)	
Maximum compensation	
• EUR 11 million for the Chairman of the Managing Board • EUR 5.5 million for the ordinary Managing Board members	• **EUR 12 million** for the Chairman of the Managing Board and CEO • **EUR 8 million for the Deputy CEO** • **EUR 6 million** for the ordinary Managing Board members

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



1 Including Deputy CEO.

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 Daniel Grieder and Yves Müller in 2024 and of Oliver Timm in 2025, the annual basic compensation was adjusted accordingly. As a result, the current annual basic compensation amounts to EUR 1,400 thousand for Daniel Grieder (until March 2024: EUR 1,300 thousand), EUR 1,200 thousand for Oliver Timm (until May 2025: EUR 900 thousand), and EUR 900 thousand for Yves Müller (until March 2024: EUR 750 thousand).

In addition to the basic compensation, members of the Managing Board receive **fringe benefits** to a limited extent, which they tax individually in accordance with the applicable tax regulations to the extent that a non-cash benefit arises from private use. These 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 a 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 other equipment and benefits required for the proper performance of Managing Board duties. For new

members of the Managing Board, reasonable costs for accommodation in Metzingen (Germany), home and return flights, as well as relocation expenses in the event of a move to Metzingen or the surrounding area will be reimbursed.

The **pension commitments** to the members of the Managing Board are defined contribution pension commitments. Under the Compensation System 2021, HUGO BOSS pays an annual pension contribution of 40% of the individual basic compensation into an employer's pensions liability insurance policy for each Managing Board member. Under the Compensation System 2025, taking market practice in Germany and capital market feedback into account, the contribution has been reduced to 30%, with all other terms remaining unchanged. 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 and CEO		**Oliver Timm** CSO and Deputy CEO		**Yves Müller** CFO/COO		**Total**	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	**2024**
Service cost under IFRS	560	550	360[1]	360	360	353	**1,280**	**1,263**
Pension provision under IFRS	0	0	0	0	0	0	**0**	**0**

1 For Oliver Timm, the reported pension contribution reflects the contractual adjustment effective June 1, 2025, resulting in a pro rata application of a 40% contribution until May 31, 2025, and 30% thereafter under the Compensation System 2025.

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 2025 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 2025

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** under the Compensation System 2021, which remained applicable to all members of the Managing Board for the 2025 fiscal year:

- 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

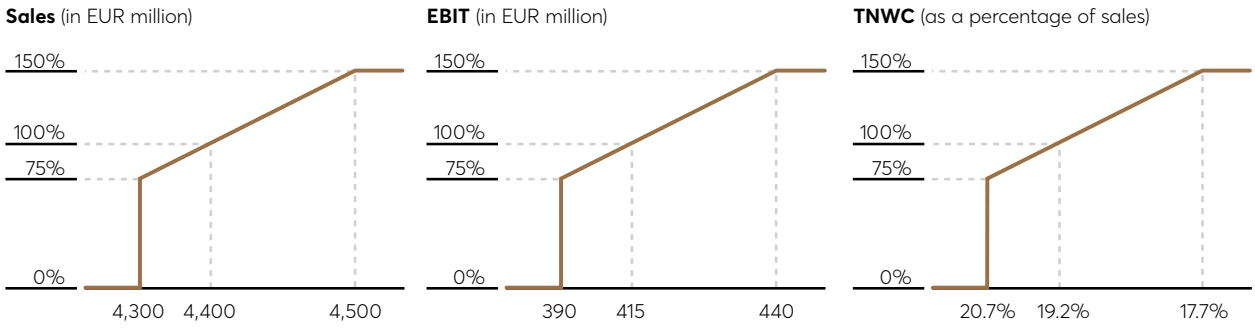
The STI is designed to reward the **successful achievement of the Company's operational targets**, which are of material importance for the long-term success of HUGO BOSS. In light of the Group strategy, which aims at promoting long-term profitable growth, sales and EBIT are key target figures of the STI. At the same time, 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 various performance criteria. For fiscal year 2025, these criteria include sales, EBIT, and TNWC, based on the Compensation System 2021. 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 determined either by linear interpolation or, where applicable, by predefined achievement levels linked to specific milestones.

For fiscal year 2025, 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 2025



In the event of **100% target achievement** for the STI 2025, a total amount of EUR 3,425 thousand would be paid out for the Managing Board members (Daniel Grieder EUR 1,650 thousand, Oliver Timm EUR 975 thousand, and Yves Müller EUR 800 thousand).

With regard to the financial performance criteria relevant for fiscal year 2025, the Supervisory Board determined the following **target achievement** based on the performance corridors defined at the beginning of the fiscal year:

TARGET ACHIEVEMENT STI 2025 (IN EUR MILLION)

Target component	Target weighting	Target value 2025 (based on target achievement of 100%)	Performance corridor (Min/Max) 2025	Actual value 2025	**Target achievement 2025**
Sales[1]	30%	4,400	4,300 to 4,500	4,314	79%
EBIT	40%	415	390 to 440	391	76%
Trade net working capital as a percentage of sales	30%	19.2%	20.7% to 17.7%	20.0%	87%
Total	**100%**				**80%**

1 Use of exchange rates underlying the budget.

For fiscal year 2025, **final target achievement** thus amounts to 80%.

Target achievement STI 2025

The **individual payout amounts** for the STI 2025, which are allocated to the compensation awarded and due in fiscal year 2025, are therefore as follows:

PAYOUT FOR THE STI 2025

	Target amount (in EUR thousand)	Total target achievement	**Payout amount (in EUR thousand)**
Members of the Managing Board as of December 31, 2025			
Daniel Grieder, Chairman of the Managing Board and CEO	1,650	80%	1,323
Oliver Timm, CSO and Deputy CEO	975	80%	782
Yves Müller, CFO/COO	800	80%	642
Total	**3,425**		**2,747**

Outlook for the STI for fiscal year 2026

For fiscal year 2026, the short-term incentive (STI) for all members of the Managing Board will be granted in line with the Compensation System 2025. The **three financial performance criteria described above will remain unchanged, while a non-financial component has been added**, comprising one or more environmental, social and governance (ESG) objectives. The ESG objectives will be selected by the Supervisory Board annually, based on a predefined catalogue of criteria. Under the revised system, EBIT will account for 35% of the overall STI target achievement (previously 40%), while the sales and TNWC performance criteria will each account for 25% (previously 30% each). The ESG component will contribute 15% to the overall target achievement. The specific targets for each performance criterion will be disclosed and explained in the compensation report for fiscal year 2026.

Long-term incentive (LTI) for 2025

General functioning

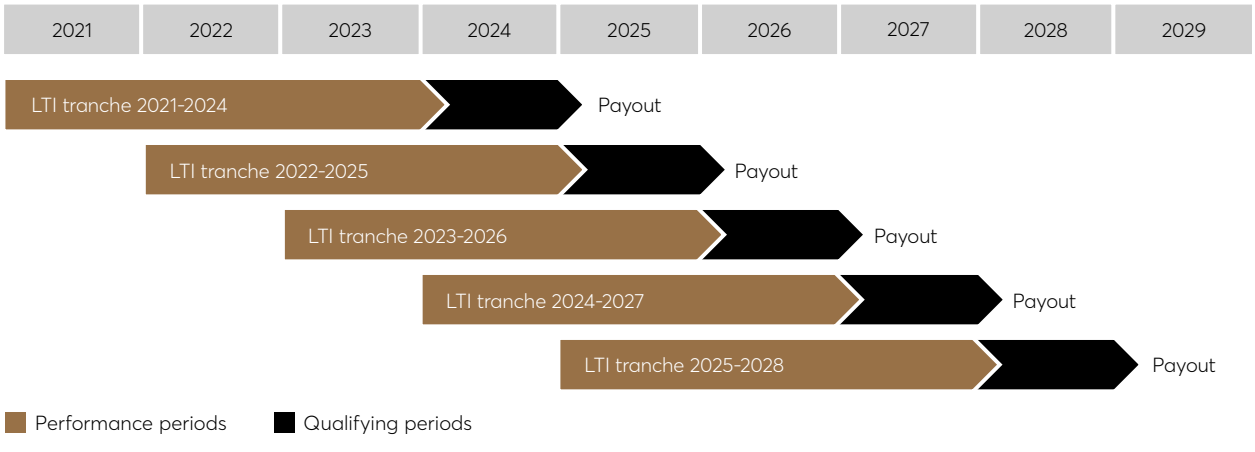
The LTI is the long-term variable compensation component. It is designed in the form of a **performance share plan** that takes into account both financial targets relevant to the Group strategy and non-financial ESG (environment, social, governance) targets. Consequently, the LTI is intended to ensure that the members of the Managing Board of HUGO BOSS pursue sustainable business practices and contribute to the Company's long-term success in alignment with the interests of the Company and its stakeholders. Accordingly, as part of the Compensation System 2021, 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 QUALIFYING PERIOD OF LTI TRANCHES

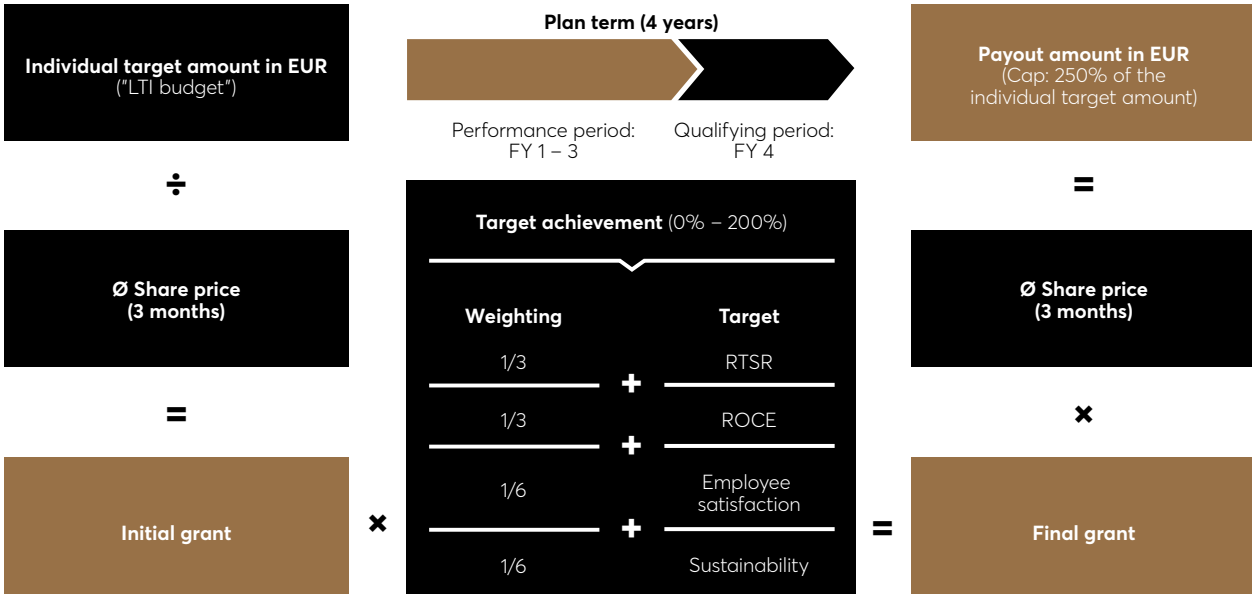


The LTI provides that the members of the Managing Board receive a **defined number ("initial grant")** of **virtual shares ("tranches")** at the beginning of the plan or at the start of their activity. The initial grant is determined by the size of **a target amount ("LTI budget")** defined in the respective 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. While LTI payouts under the Compensation System 2021 are settled exclusively in cash, the Compensation System 2025 provides for **settlement in cash or shares**. This option will first be implemented in the LTI 2026–2029. It further increases the Company's flexibility and is consistent with international market practice.

The **actual payout from the LTI** tranches granted up to and including fiscal year 2025 is 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 2025–2028 issued in fiscal year 2025

The following table shows the **grants** for the LTI 2025–2028 issued in fiscal year 2025. 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 2025–2028

	Target amount ("LTI budget") in EUR thousand	Average share price of HUGO BOSS in Q4 2024 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, 2025					
Daniel Grieder, Chairman of the Managing Board and CEO	2,550	40.50	62,963	6,375	2,665
Oliver Timm, CSO and Deputy CEO	1,433	40.50	35,391	3,584	1,498
Yves Müller, CFO/COO	1,200	40.50	29,630	3,000	1,254

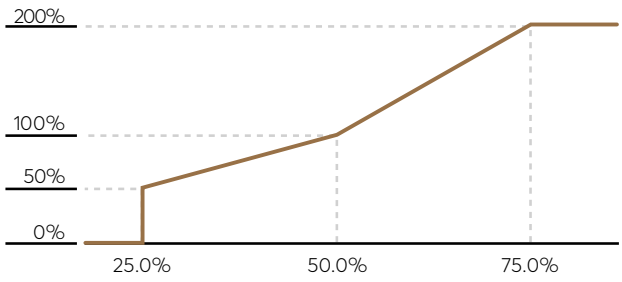
1 Calculation based on option price model.

Financial and non-financial performance criteria for the LTI 2025–2028 issued in fiscal year 2025

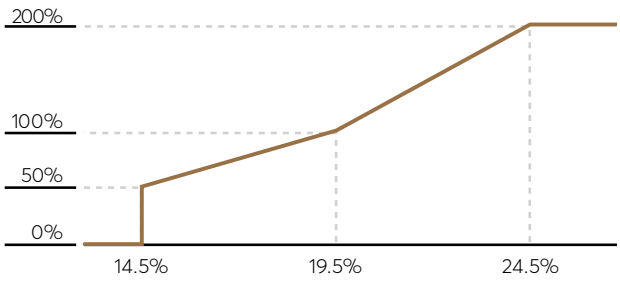
The targets and thresholds set out below for the LTI's four performance criteria apply throughout the entire performance period of the tranche.

TARGET ACHIEVEMENT CORRIDORS FOR LTI TRANCHE 2025–2028

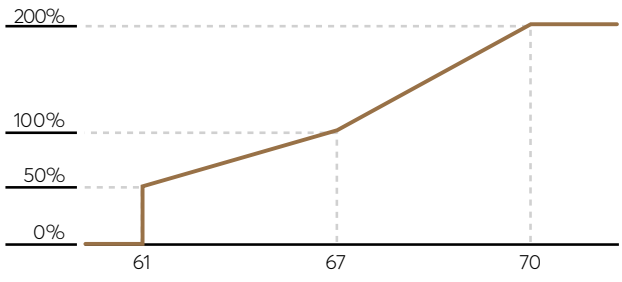
RTSR



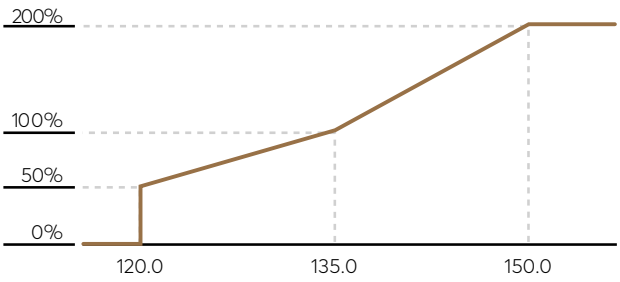
ROCE



Employee satisfaction



Sustainability



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.[1]	Ralph Lauren Corp.	

1 Effective after the close of trading on January 22, 2026, the company was delisted. The Supervisory Board reserves the right to remove Guess Inc. from the peer group accordingly or to replace it with a new competitor.

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. Achieving 100% of the target corresponds to reaching the 50th percentile of the peer group. Under the Compensation System 2025, thus for the first time for the LTI 2026–2029, this threshold will rise to the 55th percentile, reflecting the pay-for-performance approach and best practices. 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 2025–2028 issued in fiscal year 2025

Target achievement for the LTI's performance criteria is determined on an annual basis. For fiscal year 2025, the Supervisory Board has determined the following **target achievement for the LTI 2025–2028**:

TARGET ACHIEVEMENT 2025 OF THE LTI 2025–2028 (ON A PRELIMINARY BASIS)

Target component	Target weighting	Target value (based on target achievement of 100%)	Performance corridor (Min/Max)	Actual value 2025	**Target achievement 2025**
RTSR	33%	50.0%	25.0% to 75.0%	9.1%	0%
ROCE	33%	19.5%	14.5% to 24.5%	17.3%	79%
Employee satisfaction	17%	67.0	61 to 70	75.0	200%
Sustainability performance	17%	135.0	120.0 to 150.0	140.0	133%
Total	**100%**				**83%**

For fiscal year 2025, the **target achievement level** (on a preliminary basis) of the LTI 2025–2028 is 83%.

Payout from the LTI 2022–2025 issued in fiscal year 2022

The following table provides an overview of the **overall target achievement** of the LTI 2022–2025 awarded in fiscal year 2025 (payout in fiscal year 2026):

FINAL TARGET ACHIEVEMENT LTI 2022–2025

Target component	Target weighting	Target value (based on target achievement of 100%)	Performance corridor (Min/Max)	Actual value 2022	Actual value 2023	Actual value 2024	Actual value (average 2022–2024)	**Final target achievement**
RTSR	33%	50.0%	25.0% to 75.0%	90.9%	72.7%	9.1%	57.6%	130%
ROCE	33%	19.3%	9.3% to 29.3%	21.6%	21.5%	16.4%	19.8%	105%
Employee satisfaction	17%	65	60 to 70	71	70	67	69	188%
Sustainability performance	17%	120.0	107.5 to 132.5	183.3	164.2	152.6	166.7	200%
Total	**100%**							**143%**

The final target achievement level of the LTI 2022–2025 is 143%. The **individual payout amounts resulting from the LTI 2022–2025** (payout in fiscal year 2026) are as follows:

PAYOUT FOR THE LTI 2022–2025

	Target amount ("LTI budget") in EUR thousand	Average share price of HUGO BOSS in Q4 2021 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 2025 in EUR	**Payout amount in EUR thousand[1]**
Members of the Managing Board as of December 31, 2025							
Daniel Grieder, Chairman of the Managing Board and CEO	2,400	53.78	44,627	143%	63,809	38.35	2,447
Oliver Timm, CSO and Deputy CEO	1,000	53.78	18,595	143%	26,588	38.35	1,020
Yves Müller, CFO/COO	938	53.78	17,433	143%	24,926	38.35	956
Former Members of the Managing Board							
Ingo Wilts, Member of the Managing Board until February 28, 2022	250	53.78	4,649	143%	6,648	38.35	255
Total	**4,588**		**85,304**		**121,971**		**4,678**

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 2025

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 2025:

TOTAL NUMBER OF VIRTUAL SHARES (INITIAL GRANT) AT THE END OF FISCAL YEAR 2025 (IN UNITS)

	LTI 2025–2028	LTI 2024–2027	LTI 2023–2026	LTI 2022–2025	**Balance at the end of fiscal year 2025**
Daniel Grieder, Chairman of the Managing Board and CEO	62,963	40,947	47,857	44,627	196,394
Oliver Timm, CSO and Deputy CEO	35,391	19,557	19,941	18,595	93,484
Yves Müller, CFO/COO	29,630	18,844	19,941	17,433	85,848
Total	**127,984**	**79,348**	**87,739**	**80,655**	**375,726**

Outlook on the financial and non-financial performance criteria of LTI 2026–2029

In fiscal year 2026, the LTI 2026–2029 will be granted to all members of the Managing Board under the Compensation System 2025. In this context, the two **financial performance criteria**, RTSR and ROCE, will continue to apply. At the same time, the **non-financial components** under the Compensation System 2021 – employee satisfaction and the Company's relative sustainability performance – will be replaced by a dedicated ESG component, comprising one or more objectives selected by the Supervisory Board from a predefined catalogue, similar to the STI structure. The Supervisory Board will ensure that the ESG objectives differ between the STI and LTI.

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 2025, 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 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 2025, the Supervisory Board **did not make use** of the option to reduce or reclaim variable compensation components via malus or clawback.

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 (including Deputy CEO) 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, 2025.

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, 2025	XETRA closing price on December 30, 2025	**Total value of shares as of December 31, 2025 (in EUR thousand)**
Daniel Grieder, Chairman of the Managing Board and CEO	40,000	94,500	134,500	36.15	4,862
Oliver Timm, CSO and Deputy CEO	1,333	16,500	17,833	36.15	645
Yves Müller, CFO/COO	0	21,000	21,000	36.15	759
Total	**41,333**	**132,000**	**173,333**	**36.15**	**6,266**

The SOG apply for all three Managing Board members. As of December 31, 2025, Daniel Grieder, and Yves Müller have already **exceeded the requirements of the SOG** both in terms of the review that was due in fiscal year 2025 and in terms of the total period of five years. While Oliver Timm exceeded the threshold in the 2025 review, he remains below the SOG requirements over the total five-year assessment period under his new service agreement. This is primarily attributable to the share price performance of HUGO BOSS in the month preceding the renewal of Oliver Timm's service agreement in May 2025 and the corresponding adjustment of his base salary effective June 2025.

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 (Compensation System 2021)	Chairman of the Managing Board: EUR 11,000,000 Ordinary Managing Board member: EUR 5,500,000
Maximum compensation (Compensation System 2025)	Chairman of the Managing Board and CEO: EUR 12,000,000 Deputy CEO: EUR 8,000,000 Ordinary Managing Board member: EUR 6,000,000

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 2025, 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 2025

		Daniel Grieder Chairman of the Managing Board and CEO			**Oliver Timm** CSO and Deputy CEO			**Yves Müller** CFO/COO		
(in EUR thousand)		**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**
Short-term variable compensation	STI 2025	1,650	2,475	1,323	975	1,463	782	800	1,200	642
Long-term variable compensation	LTI 2022–2025	2,400	6,000	2,447	1,000	2,500	1,020	938	2,344	956
Total		**4,050**	**8,475**	**3,770**	**1,975**	**3,963**	**1,802**	**1,738**	**3,544**	**1,598**

		Dr. Heiko Schäfer Member of the Managing Board (until May 31, 2022)			**Ingo Wilts** Member of the Managing Board (until February 28, 2022)		
(in EUR thousand)		**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**
Short-term variable compensation	STI 2025	–	–	–	–	–	–
Long-term variable compensation	LTI 2022–2025[1]	725	n.a.	158	250	625	255
Total		**725**	**n.a.**	**158**	**250**	**625**	**255**

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 payable for the compensation awarded for a particular fiscal year, including basic compensation, fringe benefits, pension expenses, any special compensation, and short- and long-term variable components. Under the Compensation System 2021, the maximum compensation was EUR 11,000 thousand for the Chairman and EUR 5,500 thousand for ordinary members of the Managing Board. Under the Compensation System 2025, the maximum compensation is set at EUR 12,000 thousand for the Chairman, EUR 8,000 thousand for the Deputy CEO, and EUR 6,000 thousand for ordinary members of the Managing Board. The moderate increase reflects the Supervisory Board's objective to ensure that Managing Board compensation remains competitive and supports the long-term retention of highly qualified executives. When determining the maximum, potential future adjustments and fluctuations in fringe benefits were taken into account, and an additional differentiation was introduced for the Deputy CEO role. The maximum compensation remains a **theoretical ceiling** that can only be attained under outstanding performance combined with a substantial increase in the share price. In practice, the actual compensation continues to be below this theoretical maximum. In all cases, strict adherence to the maximum will be ensured, with reductions applied should any individual components exceed the cap.

The LTI installment initiated in fiscal year 2022 concluded in fiscal year 2025, allowing for the **final assessment of compliance with the maximum compensation set for fiscal year 2022**. As shown in the following table, neither under the Compensation System 2021 nor under the Compensation System 2025 was the maximum compensation exceeded by any member of the Managing Board.

COMPLIANCE WITH THE MAXIMUM COMPENSATION OF THE MANAGING BOARD AWARDED AND DUE IN FISCAL YEAR 2022

		Daniel Grieder Chairman of the Managing Board and CEO			**Oliver Timm** CSO and Deputy CEO			**Yves Müller** CFO/COO		
(in EUR thousand)		**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**	**Target compensation**	**Max.**	**Payout**
Fixed compensation	Basic compensation 2022	1,300	1,300	1,300	750	750	750	750	750	750
	Fringe benefits 2022	132	132	132	15	15	15	20	20	20
	Pension allowance 2022	0	0	0	0	0	0	0	0	0
Total		**1,432**	**1,432**	**1,432**	**765**	**765**	**765**	**770**	**770**	**770**
Short-term variable compensation	STI 2022	1,500	2,250	2,250	650	975	975	613	919	919
Long-term variable compensation	LTI 2022–2025	2,400	6,000	2,447	1,000	2,500	1,020	938	2,344	956
Total		**3,900**	**8,250**	**4,697**	**1,650**	**3,475**	**1,995**	**1,550**	**3,263**	**1,875**
Pension	Service costs 2022	520	520	520	300	300	300	300	300	300
Other	Special compensation 2022	0	0	0	100	100	100	0	0	0
Total		**5,852**	**10,202**	**6,649**	**2,815**	**4,640**	**3,160**	**2,620**	**4,333**	**2,945**

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 all 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 2025 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, 2025) 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 2025 awarded in fiscal year 2025 (payout in fiscal year 2025), the LTI 2021–2025 awarded in fiscal year 2025 (payout in fiscal year 2025), and any special compensation.

COMPENSATION AWARDED AND DUE

		Daniel Grieder Chairman of the Managing Board and CEO				**Oliver Timm** CSO and Deputy CEO				**Yves Müller** CFO/COO			
		2025		2024		**2025**		2024		**2025**		2024	
		in EUR thou-sand	**in %**	in EUR thou-sand	in %	**in EUR thou-sand**	**in %**	in EUR thou-sand	in %	**in EUR thou-sand**	**in %**	in EUR thou-sand	in %
Fixed compensation	Basic compensation	1,400	27	1,375	23	1,075	37	900	23	900	36	881	27
	Fringe benefits	103	2	155	3	49	2	48	1	23	1	23	1
	Pension allowance	0	0	0	0	0	0	0	0	0	0	0	0
Total		**1,503**	**29**	**1,530**	**26**	**1,124**	**38**	**948**	**24**	**923**	**37**	**904**	**28**
Short-term incentive	STI 2025	1,323	25	0	0	782	27	0	0	642	25	0	0
	STI 2024	0	0	842	14	0	0	455	12	0	0	441	14
Long-term incentive	LTI 2022–2025	2,447	46	0	0	1,020	35	0	0	956	38	0	0
	LTI 2021–2024	0	0	3,500	60	0	0	2,500	64	0	0	1,875	58
Total		**3,770**	**71**	**4,342**	**74**	**1,802**	**62**	**2,955**	**76**	**1,598**	**63**	**2,316**	**72**
Other	Special compensation	0	0	0	0	0	0	0	0	0	0	0	0
Total compensation		**5,274**	**100**	**5,872**	**100**	**2,926**	**100**	**3,903**	**100**	**2,521**	**100**	**3,220**	**100**

Compensation awarded and due to former members of the Managing Board in fiscal year 2025

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 (until May 31, 2022)				**Ingo Wilts** Member of the Managing Board (until February 28, 2022)			
		2025		2024		**2025**		2024	
		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 2025	0	0	0	0	0	0	0	0
	STI 2024	0	0	0	0	0	0	0	0
Long-term incentive	LTI 2022–2025[1]	158	100	0	0	255	100	0	0
	LTI 2021–2024[1]	0	0	577	100	0	0	1,233	100
Total		**158**	**100**	**577**	**100**	**255**	**100**	**1,233**	**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		**158**	**100**	**577**	**100**	**255**	**100**	**1,233**	**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.

In fiscal years 2025 and 2024, 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 2025

The following table shows the respective **target compensation** of the members of the Managing Board active as of December 31, 2025, for fiscal year 2025. 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 2026 from the STI 2025, and the payout due in March 2026 from the LTI 2022–2025. 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 2025

		Daniel Grieder, Chairman of the Managing Board and CEO				Oliver Timm, CSO and Deputy CEO			
(in EUR thousand)		Target compensation	Minimum compensation	Maximum compensation	Allocation	Target compensation	Minimum compensation	Maximum compensation	Allocation
Fixed compensation	Basic compensation 2025	1,400	1,400	1,400	1,400	1,075	1,075	1,075	1,075
	Fringe benefits 2025	103	103	103	103	49	49	49	49
	Pension allowance 2025	0	0	0	0	0	0	0	0
Total		**1,503**	**1,503**	**1,503**	**1,503**	**1,124**	**1,124**	**1,124**	**1,124**
Short-term incentive	STI 2025	1,650	0	2,475	1,323	975	0	1,463	782
Long-term incentive	LTI 2025–2028	2,550	0	6,375	–	1,433	0	3,584	–
	LTI 2022–2025	0	0	0	2,447	0	0	0	1,020
Total		**4,200**	**0**	**8,850**	**3,770**	**2,408**	**0**	**5,047**	**1,802**
Pension	Service costs 2025	560	560	560	560	360	360	360	360
Other	Special compensation 2025	0	0	0	0	0	0	0	0
Total compensation		**6,263**	**2,063**	**10,913**	**5,834**	**3,892**	**1,484**	**6,531**	**3,286**

		Yves Müller, CFO/COO			
(in EUR thousand)		Target compensation	Minimum compensation	Maximum compensation	Allocation
Fixed compensation	Basic compensation 2025	900	900	900	900
	Fringe benefits 2025	23	23	23	23
	Pension allowance 2025	0	0	0	0
Total		**923**	**923**	**923**	**923**
Short-term incentive	STI 2025	800	0	1,200	642
Long-term incentive	LTI 2025–2028	1,200	0	3,000	–
	LTI 2022–2025	0	0	0	956
Total		**2,000**	**0**	**4,200**	**1,598**
Pension	Service costs 2025	360	360	360	360
Other	Special compensation 2025	0	0	0	0
Total compensation		**3,283**	**1,283**	**5,483**	**2,881**

Compensation of the members of the Supervisory Board in fiscal year 2025

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 2025

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	**Deputy Chairman**	**Ordinary Member**
EUR 200,000 2.5 times the base amount	EUR 140,000 1.75 times the base amount	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 2025, 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 2025, 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 2025**, 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 2025 relates to the fixed compensation awarded for the Supervisory Board's activities in fiscal year 2025 (payout in fiscal year 2026) and the compensation awarded for committee membership in fiscal year 2025 (payout in fiscal year 2026).

COMPENSATION AWARDED AND DUE

		Fixed compensation (base amount)		Compensation for committee work		Total compensation	
Current members of the Supervisory Board		**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Stephan Sturm Chairman (since May 15, 2025)	in EUR thous.	126	0	95	0	221	0
	in %	57	0	43	0	100	0
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
Katharina Herzog	in EUR thous.	80	80	30	30	110	110
	in %	73	73	27	27	100	100
Dr. Claudia Hülsken (since May 15, 2025)	in EUR thous.	50	0	19	0	69	0
	in %	72	0	28	0	100	0
Andreas Kurali (since May 15, 2025)	in EUR thous.	50	0	38	0	88	0
	in %	57	0	43	0	100	0
Daniela Liburdi	in EUR thous.	80	80	49	30	129	110
	in %	62	73	38	27	100	100
Luca Marzotto	in EUR thous.	80	80	73	60	153	140
	in %	52	57	48	43	100	100
Laura Micati (since May 15, 2025)	in EUR thous.	50	0	19	0	69	0
	in %	72	0	28	0	100	0
Michael Murray (since May 15, 2025)	in EUR thous.	50	0	32	0	82	0
	in %	61	0	39	0	100	0
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
Former members of the Supervisory Board							
Andreas Flach (until May 15, 2025)	in EUR thous.	30	80	11	30	41	110
	in %	73	73	27	27	100	100
Gaetano Marzotto (until May 15, 2025)	in EUR thous.	30	80	18	50	48	130
	in %	63	62	38	38	100	100
Bernd Simbeck (until May 15, 2025)	in EUR thous.	30	80	22	60	52	140
	in %	58	57	42	43	100	100
Robin J. Stalker (until May 15, 2025)	in EUR thous.	30	80	22	60	52	140
	in %	58	57	42	43	100	100
Hermann Waldemer (until May 15, 2025)	in EUR thous.	74	200	55	150	129	350
	in %	57	57	43	43	100	100

In fiscal years 2025 and 2024, no compensation was awarded or due to any **other former members** of the Supervisory Board who had served during the past ten fiscal years.

The **employee representatives who are members of a trade union** will donate their compensation to the Hans Böckler Foundation in line 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 %)	2025 vs. 2024	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020
Key earnings figures					
Group sales	(1)	3	15	31	43
Group's operating result (EBIT)	8	(12)	22	47	197
Group's net income	16	(17)	22	54	166
Net income of HUGO BOSS AG	(9)	(19)	54	41	163
Employee compensation					
Employees HUGO BOSS Group	2	2[1]	(1)[2]	14[3]	9
Compensation of the Managing Board					
Members of the Managing Board as of December 31, 2025					
Daniel Grieder (Chairman since 06/2021)	(10)	95	(18)	81	–
Oliver Timm (since 01/2021)	(25)	152	(16)	(8)	–
Yves Müller (since 12/2017)	(22)	3	44	(1)	70
Former members of the Managing Board					
Dr. Heiko Schäfer (from 03/2020 until 05/2022)	(73)	(20)	(49)	(15)	59
Ingo Wilts (from 08/2016 until 02/2022)	(79)	(29)	(13)	16	36
Mark Langer (Chairman from 05/2016 until 07/2020, Ordinary member from 01/2010 until 05/2016)	–	–	(12)	(12)	24
Bernd Hake (from 03/2016 until 07/2019)	–	–	–	–	–
Christoph Auhagen (from 12/2009 until 04/2016)	–	–	–	–	–
Claus-Dietrich Lahrs (Chairman from 08/2008 until 02/2016)	–	–	–	–	–

1 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.
2 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.
3 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 %)	2025 vs. 2024	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020
Compensation of the Supervisory Board					
Members of the Supervisory Board as of December 31, 2025					
Stephan Sturm (since 05/2025; Chairman since 05/2025)	–	–	–	–	–
Sinan Piskin (since 11/2008; Deputy Chairman since 05/2020)	0	0	0	0	62
Iris Epple-Righi (since 05/2020)	0	0	0	0	99
Katharina Herzog (since 05/2020)	0	0	0	0	99
Dr. Claudia Hülsken (since 05/2025)	–	–	–	–	–
Andreas Kurali (since 05/2025)	–	–	–	–	–
Daniela Liburdi (since 05/2023)	17	55	–	–	–
Luca Marzotto (since 02/2010)	0	0	0	0	45
Laura Micati (since 05/2025)	–	–	–	–	–
Michael Murray (since 05/2025)	–	–	–	–	–
Tanja Silvana Nitschke (since 05/2015)	0	0	0	0	68
Christina Rosenberg (since 05/2020)	0	0	0	0	106
Former members of the Supervisory Board					
Hermann Waldemer (until 05/2025; Chairman until 05/2025)	(63)	0	0	0	57
Andreas Flach (until 05/2025)	(63)	55	–	–	–
Gaetano Marzotto (until 05/2025)	(63)	0	0	0	80
Bernd Simbeck (until 05/2025)	(63)	0	0	198	–
Robin J. Stalker (until 05/2025)	(63)	0	0	0	96
Anita Kessel (until 05/2023)	–	–	(65)	0	49
Martin Sambeth (until 05/2023)	–	–	(65)	0	73
Antonio Simina (until 08/2021; Deputy Chairman until 05/2020)	–	–	–	–	(16)
Kirsten Kistermann-Christophe (until 05/2020)	–	–	–	–	–
Fridolin Klumpp (until 05/2020)	–	–	–	–	–
Michel Perraudin (Chairman until 05/2020)	–	–	–	–	–
Axel Salzmann (until 05/2020)	–	–	–	–	–

CEO Investment Opportunity

While the resolution to approve the Compensation System 2021 for the members of the Managing Board was passed by a large majority at the 2021 Annual General Meeting (approval rate: 93.83%), the Compensation Report 2024 of HUGO BOSS was resolved with a lower majority of 67.96% at the 2025 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 and is intended to provide an additional incentive for a substantial and sustainable increase in the share price of HUGO BOSS. The arrangement runs for the duration of his service agreement and was correspondingly extended in connection with the renewal of his service agreement in March 2024, under which Daniel Grieder was appointed Chairman of the Managing Board and CEO of HUGO BOSS AG until December 31, 2028. 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 and solely 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.p.A. and Zignago Holding S.P.A., each controlled by the Marzotto family, and a third-party bank financing. PFC S.p.A. 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 108% increase compared to the share price of HUGO BOSS as of December 30, 2025. 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 year-end 2025

Against the backdrop of the challenging and volatile trading environment for consumer discretionary stocks in 2025, the share price of HUGO BOSS fluctuated between EUR 31.90 and EUR 46.56 throughout the fiscal year. As of December 30, 2025, the share price of HUGO BOSS was EUR 36.15 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 2025, 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 9, 2026

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, 2025 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 notification of June 23, 2025, 25.21% of the voting rights pursuant to Sec. 34 WpHG were allocated to **Frasers Group plc.**, with Michael Ashley being subject to the notification obligation. In addition, Frasers Group plc. held a further 32.00% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG at that time (December 31, 2024: 19.25% of the voting rights pursuant to Sec. 34 WpHG and a further 8.95% of the voting rights pursuant to Sec. 38 (1) No. 2 WpHG).

According to the voting rights notifications of September 24, 2025 received from **PFC S.p.A.**, Vicenza, Italy, and **Zignago Holding S.p.A.**, Fossalta di Portogruaro, Italy, these companies together hold 14.15% of the voting rights (December 31, 2024: 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.p.A directly holds 4.12% of the voting rights in accordance with Sec. 33 WpHG, while Zignago Holding S.p.A directly holds 10.02% of the voting rights in accordance with Sec. 33 WpHG.

According to the voting rights notification of December 16, 2025, received from **Bank of America Corporation**, Wilmington, Delaware, United States of America (USA), the company holds 3.59% of the voting rights pursuant to Sec. 34 WpHG. In addition, a further 1.02% of the voting rights through instruments pursuant to Sec. 38 (1) No. 1 WpHG and 10.00% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG were held at that time. (December 31, 2024: 0.00% of the voting rights pursuant to Sec. 34 WpHG, in addition to a further 1.62% of the voting rights pursuant to Sec. 38 (1) No. 1 WpHG and 2.44% of the voting rights pursuant to Sec. 38 (1) No. 2 WpHG).

According to the voting rights notification of November 24, 2025, received from **Optiver Holding B.V.**, Amsterdam, Netherlands, the company holds 8.66% of the voting rights through instruments pursuant to Sec. 38 (1) No. 1 WpHG and 15.49% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG. (December 31, 2024: no notification of any direct or indirect capital investments).

According to the voting rights notification of December 22, 2025, received from **SIH Partners, LLLP**, Wilmington, Delaware, United States of America (USA), the company holds 4.28% of the voting rights pursuant to Sec. 34 WpHG. In addition, a further 7.46% of the voting rights through instruments pursuant to Sec. 38 (1) No. 1 WpHG and 3.91% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG were held at that time. (December 31, 2024: 2.17% of the voting rights pursuant to Sec. 34 WpHG, in addition to a further 14.67% of the voting rights pursuant to Sec. 38 (1) No. 1 WpHG and 0.86% of the voting rights pursuant to Sec. 38 (1) No. 2 WpHG).

As of December 31, 2025, 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 2025 can be found in the annual financial statements of HUGO BOSS AG for fiscal year 2025.

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 15, 2025, the Managing Board of HUGO BOSS AG may, with the Supervisory Board's consent, increase the share capital by up to EUR 14,080,000 until May 14, 2030, by issuing up to 14,080,000 new registered shares on a cash and/or non-cash basis once or repeatedly **(2025 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 15, 2025, the Managing Board was authorized until May 14, 2030, 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 800,000,000. In this context, the share capital was conditionally increased by up to EUR 14,080,000 through the issue of up to 14,080,000 new no-par-value registered shares **(2025 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 15, 2025, the Managing Board is authorized until May 14, 2030, to **acquire own shares** of the Company up to a total share of no more than 10% of the share capital existing as of May 15, 2025, or, if this value is lower, the share capital existing 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 15, 2025, 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.

CHAPTER 4 CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

for the period from January 1 to December 31, 2025

CONSOLIDATED INCOME STATEMENT (IN EUR THOUSAND)

	Notes	2025	2024
Sales	(1)	**4,269,838**	**4,307,349**
Cost of sales	(1)	(1,643,458)	(1,647,508)
Gross profit		**2,626,379**	**2,659,841**
In % of sales		61.5	61.8
Selling and marketing expenses	(2)	(1,804,637)	(1,868,152)
Administration expenses	(3)	(430,990)	(430,868)
Operating result (EBIT)		**390,753**	**360,821**
Net interest income/expenses		**(51,029)**	**(54,978)**
Interest and similar income		2,087	1,253
Interest and similar expenses		(53,116)	(56,231)
Other financial items		**5,128**	**(4,341)**
Financial result	(4)	**(45,901)**	**(59,319)**
Earnings before taxes		**344,852**	**301,503**
Income taxes	(5)	(85,567)	(77,909)
Net income		**259,285**	**223,594**
Attributable to:			
Equity holders of the parent company		249,480	213,468
Non-controlling interests		9,805	10,126
Earnings per share (EUR)[1]	(6)	**3.61**	**3.09**
Dividend per share (EUR)[2]	(16)	**0.04**	**1.40**

1 Basic and diluted earnings per share.
2 2025: Dividend proposal.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to December 31, 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN EUR THOUSAND)

	2025	2024
Net income	**259,285**	**223,594**
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	6,482	(2,352)
Items that may be reclassified subsequently to profit or loss		
Currency differences	(45,367)	15,955
Gains/losses from cash flow hedges	0	0
Other comprehensive income, net of tax	**(38,885)**	**13,603**
Total comprehensive income	**220,400**	**237,197**
Attributable to:		
Equity holders of the parent company	213,490	225,951
Non-controlling interests	6,910	11,246
Total comprehensive income	**220,400**	**237,197**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31, 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN EUR THOUSAND)

Assets	Notes	**2025**	2024
Property, plant, and equipment	(8)	645,567	667,127
Intangible assets	(8)	254,680	230,243
Right-of-use assets	(9)	799,888	877,209
Deferred tax assets	(5)	128,123	123,856
Non-current financial assets	(11), (22)	29,454	30,801
Other non-current assets	(11)	411	606
Non-current assets		**1,858,124**	**1,929,841**
Inventories	(12)	918,374	1,071,561
Trade receivables	(13)	386,018	361,906
Current tax receivables	(5)	34,463	23,452
Current financial assets	(11), (22)	50,619	49,341
Other current assets	(11)	130,444	135,698
Cash and cash equivalents	(14)	343,126	210,622
Current assets		**1,863,044**	**1,852,580**
Total		**3,721,169**	**3,782,421**

Equity and liabilities			
Subscribed capital	(15)	70,400	70,400
Own shares	(15)	(42,363)	(42,363)
Other capital reserve		399	6,677
Retained earnings		1,479,429	1,320,218
Accumulated other comprehensive income		29,568	72,039
Equity attributable to equity holders of the parent company		**1,537,433**	**1,426,972**
Non-controlling interests		20,243	23,139
Group equity		**1,557,676**	**1,450,111**
Non-current provisions	(17), (18), (19)	89,897	99,845
Non-current financial liabilities	(20), (22)	202,512	276,408
Non-current lease liabilities	(9)	688,212	730,961
Deferred tax liabilities	(5)	35,592	18,450
Other non-current liabilities	(21)	4,517	2,516
Non-current liabilities		**1,020,730**	**1,128,179**
Current provisions	(17)	76,173	68,430
Current financial liabilities	(20), (22)	93,258	20,410
Current lease liabilities	(9)	198,683	228,221
Income tax payables	(5)	26,568	7,740
Trade and other payables		529,062	642,740
Other current liabilities	(21)	219,018	236,590
Current liabilities		**1,142,763**	**1,204,131**
Total		**3,721,169**	**3,782,421**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to December 31, 2025

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, 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**
January 1, 2025	**70,400**	**(42,363)**	**6,677**	**6,641**	**1,313,577**	**72,039**	**0**	**1,426,972**	**23,139**	**1,450,111**
Net income					249,480			249,480	9,805	259,285
Other income					6,482	(42,472)		(35,990)	(2,895)	(38,885)
Comprehensive income					**255,962**	**(42,472)**		**213,490**	**6,910**	**220,400**
Dividend payment					(96,623)			(96,623)	(9,647)	(106,270)
Share-based payments			(6,278)					(6,278)		(6,278)
Acquisition of non-controlling interests					(287)			(287)		(287)
Changes in basis of consolidation					159			159	(159)	0
December 31, 2025	**70,400**	**(42,363)**	**399**	**6,641**	**1,472,788**	**29,568**	**0**	**1,537,433**	**20,243**	**1,557,676**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to December 31, 2025

CONSOLIDATED STATEMENT OF CASH FLOWS (IN EUR THOUSAND)

	Notes	2025	2024
	(23)		
Net income		259,285	223,594
Depreciation/amortization	(8)	390,880	414,206
Gain/loss on the monetary positions under IAS 29		(2,846)	(3,812)
Unrealized net foreign exchange gain/loss		23,651	(5,779)
Other non-cash transactions		670	1,633
Income tax expense/income	(5)	85,567	77,909
Interest expenses/income	(4)	51,029	54,978
Change in inventories		109,262	(4,162)
Change in receivables and other assets		(34,512)	10,914
Change in trade payables and other liabilities		(125,023)	112,684
Result from disposal of non-current assets		878	12,072
Change in provisions for pensions	(19)	(934)	(334)
Change in other provisions		2,895	(34,881)
Income taxes paid		(68,975)	(73,509)
Cash flow from operating activities		**691,826**	**785,511**
Investments in property, plant, and equipment	(8)	(137,043)	(227,013)
Investments in intangible assets	(8)	(55,563)	(58,606)
Equity investments		(2,834)	(1,481)
Disposal of subsidiaries, net of cash disposed of		0	(1,142)
Impact from sales of property, plant, and equipment and intangible assets		462	(1,571)
Interest received		1,939	1,213
Cash flow from investing activities		**(193,038)**	**(288,601)**
Dividends paid to equity holders of the parent company	(16)	(96,623)	(93,172)
Dividends paid to non-controlling interests		(9,647)	(6,210)
Proceeds from current financial liabilities	(22)	0	3,451
Repayment of current financial liabilities	(22)	(11,540)	(90,085)
Proceeds from non-current financial liabilities	(22)	17,767	50,272
Repayment of lease liabilities		(211,303)	(216,123)
Interest paid		(49,269)	(52,862)
Cash flow from financing activities		**(360,614)**	**(404,728)**
Exchange rate-related changes in cash and cash equivalents		(5,670)	113
Change in cash and cash equivalents		**132,504**	**92,295**
Cash and cash equivalents at the beginning of the period		210,622	118,327
Cash and cash equivalents at the end of the period	(14)	**343,126**	**210,622**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2025

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, 2025, 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 3, 2026.

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, 2025, 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 21: Lack of Exchangeability (IASB effective date: January 1, 2025)

The following new standards, interpretations, and amendments to existing standards and interpretations issued by the IASB, partially endorsed by the EU, and that are effective for fiscal years beginning on or after January 1, 2026, 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:

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (IASB effective date: January 1, 2026)
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (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 (IASB effective date: January 1, 2027)
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (IASB effective date: January 1, 2027)
- IAS 21: The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (IASB effective date: January 1, 2027)

The Group has started to assess the impact of IFRS 18, which will lead to changes in the presentation of the consolidated statement of profit or loss and in related disclosures, including reclassifications between line items and additional note information. Comparative information will be re-presented in accordance with the new presentation and disclosure requirements in the year of initial application.

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, 2025, the number of consolidated companies decreased by 1 to 60, as compared to December 31, 2024.

Effective September 1, 2025, the assets and liabilities of ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG were transferred to HUGO BOSS AG, as the remaining limited partner, in the context of an accretion.

HUGO BOSS AG maintains an unchanged ownership and shares of 45% in YOURDATA HB DIGITAL CAMPUS, Unipessoal Lda. based in Porto (Portugal) in fiscal year 2025. 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, 2025, 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. is 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, 2025. The application of IAS 29 resulted in a gain on the net monetary position of EUR 5,065 thousand (2024: gain of EUR 3,812 thousand) in the Group's financial position and result of operations for fiscal year 2025.

The table below details the specific inputs used to apply IAS 29 for fiscal year 2025:

Input parameters	Turkey
Date of IAS 29 initial application	January 1, 2022
Consumer Price Index	Tüketici fiyat endeks rakamları
Index at December 31, 2025	3,513.87
Index at December 31, 2024	2,684.55
Adjustment Factor	1.3089

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 =	**2025**	2024	**2025**	2024
AED	4.3009	3.8495	4.3112	3.8016
CAD	1.6168	1.4919	1.6088	1.4948
CHF	0.9327	0.9337	0.9314	0.9412
CNY	8.2507	7.6307	8.2262	7.5833
GBP	0.8748	0.8287	0.8726	0.8292
MXN	21.1664	21.2140	21.1180	21.5504
TRY	49.8603	36.5735	50.2859	36.7362
USD	1.1710	1.0482	1.1750	1.0389

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, sales are recognized when the goods are delivered to the wholesale partner and all conditions affecting the acceptance of the goods by the wholesale partner have been satisfied. 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 defined as the date on which control of the merchandise and goods sold is transferred 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 costs for 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. For additional information on climate-related measures related to deferred tax assets, refer to Note 10 Impairment testing.

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 an 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. It also includes 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. For financial assets not measured at fair value through profit and loss (FVTPL), directly attributable transaction costs related to the acquisition are added or deducted. 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 such prices 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 recognizes a loss allowance in accordance with the expected credit loss model under IFRS 9 for all financial instruments that are not classified as FVTPL, with the exception of 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.

HUGO BOSS applies the simplified approach and recognizes lifetime expected credit losses on trade receivables. External benchmarking information, which considers forward-looking and macroeconomic factors, and internal empirical data are used in determining the probability of default for calculating the loss allowances according to the aging structure. Additionally, there are certain guarantees in place to reduce potential credit risks. In cases where evidence of credit risk is observed for a specific customer, HUGO BOSS performs a detailed analysis of the credit risk and recognizes an individual allowance on the trade receivables from this customer.

Other loans and receivables are subsequently measured at amortized cost (less any loss allowances) using the effective-interest rate method.

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 is involved in legal proceedings, HUGO BOSS recognizes an individual bad debt allowance for the related trade receivables classified as credit-impaired (stage 3). Even after an individual bad debt allowance has been 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 principal 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 under which trade payables to a supplier are transferred to a financial intermediary, this may result in changes to the presentation of the original trade payables. This is the case if these liabilities differed in nature and function from other trade payables. In such circumstances, 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 Plan (RSUP) for eligible senior management are measured at the fair value of the equity instruments at the grant date. The fair value is then 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. Any impact from a revision of the original estimates, is recognized in profit and loss so that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves. The resulting expense is recorded as personnel expenses and the corresponding adjustment is recognized in other capital reserves. In the event that Management decides to settle the equity-settled share-based payments by means of a cash payout, the previous corresponding adjustment to other capital reserves is reversed, with the resulting expense still recorded as personnel expenses and the liability recognized as a provision. At the payout date, if the fair value is above (or below) the fair value at the grant date, an expense (or an income) is recognized in profit and loss.

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. In light of the high level of geopolitical and macroeconomic uncertainty, Management closely monitors current developments and maintains intensive dialog with 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 brands, regions, and channels, which aims to align the global seasonal launch. This merchandise model reflects the way the Group assesses recoverability of inventories, incorporating a seasonal approach to determine the devaluation factor. The carrying amount of inventories is presented in the statement of financial position, while inventory write downs are recognized 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 being reviewed on a regular basis. 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.

Acquisition of non-controlling interests without change of control

With effect as of August 31, 2025, HUGO BOSS AG, Metzingen, Germany, acquired the outstanding 6% interest in the previously fully consolidated ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG. The purchase price of EUR 287 thousand paid to the general partner as part of the transaction was recognized directly in equity as the difference between the purchase price and the carrying amount. Effective September 1, 2025, the assets and liabilities of ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG were transferred to HUGO BOSS AG, as the remaining limited partner, in the context of an accretion.

Notes to the Consolidated Income Statement

1 | Sales and cost of sales

Sales

(in EUR thousand)

	2025	2024
Brick-and-mortar retail	2,167,262	2,241,324
Brick-and-mortar wholesale	1,108,380	1,111,007
Digital	890,652	845,953
Licenses	103,544	109,065
Total	**4,269,838**	**4,307,349**

Further information on sales by region can be found in Note 24 Segment reporting.

Cost of sales

(in EUR thousand)

	2025	2024
Cost of purchase	1,485,461	1,492,833
Thereof cost of materials	1,447,012	1,477,555
Cost of conversion	157,997	154,675
Total	**1,643,458**	**1,647,508**

Cost of materials, as part of the cost of sales, include inbound freight and duty costs of EUR 226,129 thousand (2024: EUR 244,004 thousand).

2 | Selling and marketing expenses

(in EUR thousand)

	2025	2024
Expenses for own retail business and sales organization	1,310,505	1,375,883
Thereof brick-and-mortar retail expenses	943,198	988,711
Marketing expenses	303,208	309,145
Thereof expenses	309,062	317,562
Thereof income from re-invoicing of marketing expense	(5,854)	(8,417)
Logistic expenses	190,924	183,123
Total	**1,804,637**	**1,868,152**
Thereof sundry taxes	5,014	4,677

Expenses for the Company's own retail business and sales organization primarily consist of personnel expenses for wholesale and retail activities, as well as depreciation of property, plant, and equipment and right-of-use assets and amortization of intangible assets. In addition, this item includes sales-related commissions, outbound freight and duty charges, credit card fees, and impairment losses on assets amounting to EUR 29,036 thousand (2024: EUR 46,804 thousand). This item also includes losses from derecognition and impairment losses on trade receivables in the amount of EUR 8,006 thousand (2024: EUR 7,306 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)

	2025	2024
Administrative expenses	**344,388**	**340,899**
Research and development expenses	**86,602**	**89,968**
Thereof personnel expenses	66,737	67,222
Thereof depreciation and amortization	3,079	3,187
Thereof other operating expenses	16,787	19,559
Total	**430,990**	**430,868**
Thereof sundry taxes	4,913	4,867

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 development of the collections.

Administration expenses include other income of EUR 19,690 thousand (2024: EUR 24,325 thousand). This includes reversal of provisions amounting to EUR 1,686 thousand (2024: EUR 1,818 thousand).

4 | Financial result

(in EUR thousand)

	2025	2024
Interest and similar income	2,087	1,253
Interest and similar expenses	(53,116)	(56,231)
Net interest income/expenses	**(51,029)**	**(54,978)**
Exchange rate gains/losses from receivables and liabilities	1,123	(3,192)
Gains/losses from hedging transactions	3,007	(2,875)
Other financial income/expenses	997	1,726
Other financial items	**5,128**	**(4,341)**
Financial result	**(45,901)**	**(59,319)**

Interest income includes income from bank deposits amounting to EUR 1,838 thousand (2024: EUR 1,127 thousand) and other interest income of EUR 249 thousand (2024: EUR 126 thousand).

Interest expenses include expenses from financial liabilities in the amount of EUR 14,688 thousand (2024: EUR 17,755 thousand) and other interest expenses in the amount of EUR 38,429 thousand (2024: EUR 38,475 thousand). These items mainly comprise interest expenses from lease payments of EUR 34,459 thousand (2024: EUR 35,157 thousand), measured using the 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 3,970 thousand (2024: EUR 3,318 thousand).

Exchange rate gains and losses from receivables and liabilities comprise exchange rate gains of EUR 50,572 thousand (2024: EUR 57,260 thousand) as well as exchange rate losses of EUR 49,449 thousand (2024: EUR 60,451 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)

	2025	2024
Current taxes	79,523	67,777
Deferred taxes	6,044	10,132
Total	**85,567**	**77,909**

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% (2024: 29.8%). Tax rates abroad range between 0% and 34%. Current income taxes for fiscal year 2025 include non-current expenses of EUR 9,604 thousand (2024: EUR 2,972 thousand), non-current benefits of EUR 8,291 thousand (2024: EUR 4,711 thousand), and effects from deductible withholding taxes of EUR 2,536 thousand (2024: EUR 1,661 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% (2024: 29.8%) 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% (2024: 15.8%) and a trade tax rate of 14.0% (2024: 14.0%).

(in EUR thousand)

	2025	2024
Earnings before taxes	**344,852**	**301,503**
Anticipated income tax	102,720	89,814
Tax effect of permanent items	2,821	775
Tax rate-related deviation	(23,073)	(8,987)
Thereof effects of changes in tax rates	(4,040)	259
Thereof adjustment of tax amount to diverging local tax rate	(19,033)	(9,246)
Tax refund/tax arrears	3,848	(78)
Deferred tax effects from prior years	2,748	(2,857)
Valuation allowance on deferred tax assets	(3,337)	(819)
Tax effects from distributable profit of subsidiaries	0	0
Other deviations	(161)	61
Income tax expenditure reported	**85,567**	**77,909**
Income tax burden	25%	26%

The tax effect of permanent items relates to a reduction in the income tax burden for tax-free income of EUR 3,031 thousand (2024: EUR 5,060 thousand), offset by tax effects of non-deductible business expenses of EUR 5,382 thousand (2024: EUR 7,917 thousand). Tax rate-related deviations are attributable to the global distribution of profits and diverging local tax rates in the different countries. The effect of changes in tax rates mainly arises from the remeasurement of deferred tax balances following the enactment of a statutory corporate income tax rate reduction in Germany, providing for a stepwise reduction of the corporate income tax rate from 15% to 10% starting in 2028. In fiscal year 2025, revaluations were recognized for deferred tax assets expected to be realized in the foreseeable future, resulting in a tax benefit of EUR 3,337 thousand (2024: EUR 819 thousand).

Other comprehensive income includes deferred tax expense of EUR 1,019 thousand (2024: EUR 28 thousand income). As in the prior year, deferred tax income in fiscal year 2025 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)

	2025		2024	
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Provisions and other liabilities	27,462	(4,325)	31,645	(1,934)
Unused tax losses	8,011	0	9,752	0
Inventory measurement	55,391	(2,218)	55,402	(2,837)
Recognition and measurement of non-current assets	31,363	(54,717)	35,774	(51,264)
Receivables measurement	7,628	(41)	9,899	(46)
Financial liabilities and financial assets	21,877	(956)	17,781	(797)
Retained earnings of subsidiaries	0	(1,115)	0	(1,115)
Other differences in recognition and measurement	9,946	(5,775)	5,613	(2,467)
Net amount	**161,678**	**(69,147)**	**165,866**	**(60,460)**
Netting	(33,555)	33,555	(42,010)	42,010
Total	**128,123**	**(35,592)**	**123,856**	**(18,450)**

Of the deferred tax assets, EUR 64,877 thousand (2024: EUR 64,242 thousand) are non-current; at the same time, EUR 58,911 thousand (2024: EUR 49,680 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 184,238 thousand (2024: EUR 209,275 thousand) and the deferred tax liability on right-of-use assets is EUR 164,671 thousand (2024: EUR 189,148 thousand), resulting in a net deferred tax asset of EUR 19,567 thousand (2024: EUR 20,127 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 (2024: 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 (2024: 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 416,125 thousand (2024: EUR 534,537 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 8,688 thousand (2024: EUR 9,137 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)

	2025	2024
Expiry within		
1 year	9	9
2 years	2,661	256
3 years	2,085	5,387
4 years	331	6,192
5 years	11	365
After 5 years	3,594	3,856
Unlimited carryforward	79,879	74,537
Total	**88,570**	**90,602**

As in prior years, a corresponding deferred tax asset of EUR 8,011 thousand was recognized on unused tax losses as of December 31, 2025 (2024: EUR 9,752 thousand). In fiscal year 2025, no deferred taxes were recognized for losses carried forward of EUR 50,221 thousand (2024: EUR 49,704 thousand). The expiration date of these losses is classified as follows:

(in EUR thousand)

	2025	2024
Expiration date		
2026	9	9
2027	83	1,372
2028	8	1,233
2029	13	365
2030	11	11
After 5 years	2,709	3,845
Unlimited carryforward	47,388	42,860
Total	**50,221**	**49,695**

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.

The tax audit for the assessment years 2016–2020 at HUGO BOSS AG was completed in 2025. The provisions recognized as of the reporting date reflect the audit findings, including both the audited periods and the resulting subsequent effects. The final tax assessments reflecting these findings are still pending.

HUGO BOSS applies the temporary mandatory exception introduced by the amendments to IAS 12 issued in May 2023 with respect to the recognition and disclosure of deferred taxes arising from the implementation of the global minimum tax (Pillar Two). Based on the German Minimum Tax Act, which entered into force on January 1, 2024, HUGO BOSS is required to assess, for each tax jurisdiction, whether a top-up tax amount equal to the difference between the GloBE effective tax rate and the minimum tax rate of 15% is payable. For this purpose, HUGO BOSS performed an analysis of the affected tax jurisdictions as of the reporting date. As a first step, the applicability of the CbCR safe harbour rules was assessed. For those jurisdictions that did not qualify for any of the safe harbour provisions, the effective tax rate was determined on a simplified basis. Based on this analysis, a top-up tax amount of EUR 1,816 thousand was identified for the United Arab Emirates (2024: EUR 1,196 thousand). In addition, the simplified calculation resulted in the recognition of a qualified domestic minimum top-up tax (QDMTT) of EUR 237 thousand for Turkey (2024: EUR 86 thousand). In fiscal year 2025, a local qualified domestic minimum top-up tax (QDMTT) of EUR 149 thousand was identified for Switzerland for the first time (2024: EUR 0 thousand). The top-up taxes resulting from the application of the global minimum tax are recognized in the fiscal year in the respective tax jurisdictions under local QDMTT regimes. The total tax expense recognized in the fiscal year 2025 in connection with the global minimum tax amounts to EUR 2,370 thousand (2024: EUR 1,282 thousand), taking into account an adjustment of the 2024 top-up tax amount in Turkey, and is included in current income tax expense. HUGO BOSS continues to monitor legislative developments relating to the global minimum tax and continuously assesses the potential effects on the Group's future earnings.

6 | Earnings per share

There were no shares outstanding that could have diluted earnings per share as of December 31, 2025, or December 31, 2024.

(in EUR thousand)

	2025	2024
Net income attributable to equity holders of the parent company	249,480	213,468
Average number of shares outstanding[1]	69,016,167	69,016,167
Earnings per share (EPS) in EUR[2]	3.61	3.09

1 Excluding own shares.
2 Basic and diluted earnings per share.

7 | Additional disclosures to the Consolidated Income Statement

Personnel expenses

(in EUR thousand)

	2025	2024
Cost of sales	126,738	124,983
Selling and marketing expenses	583,917	591,351
Administration expenses	273,660	263,008
Total	**984,315**	**979,342**

(in EUR thousand)

	2025	2024
Wages and salaries	830,957	831,761
Social security	150,194	143,358
Expenses and income for retirement and other employee benefits	3,164	4,222
Total	**984,315**	**979,342**

Employees (average headcount)

	2025	2024
Industrial employees	5,773	6,136
Commercial and administrative employees	14,655	15,043
Total	**20,428**	**21,179**

Ordinary depreciation

(in EUR thousand)

	2025	2024
Cost of sales	7,039	6,499
Selling and marketing expenses	313,694	318,901
Administration expenses	41,111	42,001
Total	**361,844**	**367,402**

Impairments/write-ups[1]

(in EUR thousand)

	2025	2024
Brick-and-mortar retail	(23,792)	(43,013)
Intangible assets incl. goodwill	(3,291)	0
Right-of-use assets	(1,954)	(3,791)
Total	**(29,036)**	**(46,804)**

1 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)

2025	Gross value Jan. 1	Currency differences	Additions	Disposals	Transfers	Gross value Dec. 31	Accumulated amortization, depreciation and impairment Jan. 1	Currency differences	Depreciation	Impairment	Disposals	Transfers	Accumulated amortization, depreciation and impairment Dec. 31	Net value Dec. 31
Software, licenses, and other rights	**418,309**	(2,413)	55,563	(7,928)	63	**463,594**	**258,597**	(1,973)	23,912	3,291	(7,806)	0	**276,021**	**187,573**
Brand rights	**14,992**	0	0	0	0	**14,992**	**0**	0	0	0	0	0	**0**	**14,992**
Goodwill	**65,558**	(3,542)	0	0	0	**62,016**	**10,019**	(117)	0	0	0	0	**9,902**	**52,115**
Intangible assets	**498,859**	**(5,955)**	**55,563**	**(7,928)**	**63**	**540,602**	**268,616**	**(2,090)**	**23,912**	**3,291**	**(7,806)**	**0**	**285,923**	**254,680**
Lands and buildings	**317,470**	1,262	7,672	(565)	30,936	**356,775**	**136,293**	1,099	10,460	0	(565)	(2)	**147,285**	**209,490**
Technical equipment and machinery	**139,454**	(842)	1,410	(492)	0	**139,530**	**98,106**	(88)	7,876	0	(468)	0	**105,427**	**34,103**
Other equipment, operating and office equipment	**1,161,371**	(54,653)	78,301	(92,906)	8,727	**1,100,840**	**817,810**	(39,845)	98,101	23,792	(89,975)	45	**809,929**	**290,911**
Construction in progress	**101,041**	(599)	50,041	(11)	(39,409)	**111,063**	**0**	0	0	0	0	0	**0**	**111,063**
Property, plant, and equipment	**1,719,336**	**(54,832)**	**137,424**	**(93,974)**	**254**	**1,708,208**	**1,052,209**	**(38,834)**	**116,437**	**23,792**	**(91,008)**	**43**	**1,062,641**	**645,567**
Total	**2,218,195**	**(60,787)**	**192,987**	**(101,902)**	**317**	**2,248,810**	**1,320,825**	**(40,924)**	**140,349**	**27,083**	**(98,814)**	**43**	**1,348,564**	**900,247**

2024														
Software, licenses, and other rights	**362,241**	712	58,606	(3,288)	38	**418,309**	**236,215**	613	25,058	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**	**14,992**
Goodwill	**64,766**	792	0	0	0	**65,558**	**10,014**	5	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**	**(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	(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	(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	(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**	**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**	**(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**	**(84,646)**	**(4)**	**1,320,825**	**897,369**

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 55,563 thousand (2024: EUR 58,606 thousand) essentially arose from investments in the ongoing conversion of the Group-wide ERP system to SAP S/4HANA and software for the Company's online business.

Brand rights

The reported brand rights amounting to EUR 14,992 thousand (2024: 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 U.S. 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 61,084 thousand (2024: EUR 66,614 thousand).

Impairment losses of EUR 23,792 thousand (2024: EUR 44,503 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 9,375 thousand (2024: EUR 19,771 thousand). Of this amount, EUR 5,123 thousand (2024: EUR 17,858 thousand) is attributable to property, plant, and equipment and EUR 4,252 thousand to intangible assets (2024: EUR 1,913 thousand). The obligations as of December 31, 2025 are due for settlement within one year.

9 | Leases

HUGO BOSS has entered into a substantial number of leases for retail stores, as well as office and warehouse space. The lease agreements generally have terms between 1 to 30 years, with some agreements also containing purchase and renewal options. The Group applies judgment in determining the lease term by including extension options in addition to the non cancellable basic term when the extension has already been definitively negotiated with the landlord and the contract has been duly signed by both parties. Reasonable certainty is therefore assumed once the contract has been signed. For leases of low-value assets and for short-term leases, the Group has elected to recognize lease payments as an expenses as incurred. Likewise, leases with variable lease payments for which no minimum rent is contractually agreed are recognized as an expense as incurred. Consequently, no right-of-use assets or lease liabilities are recognized for these types of leases.

The effects of the Company's leases on the balance sheet, the income statement, and the consolidated statement of cash flows as of December 31, 2025, are presented below:

Leases in the balance sheet

Additions, depreciation, and changes in the right-of-use assets from lease agreements are allocated to the underlying assets as of December 31, 2025, as follows:

(in EUR thousand)

	Stores	Warehouse	Offices and others	**Total**
Carrying amount as of January 1, 2025	**712,678**	**65,575**	**98,956**	**877,209**
Changes in the basis of consolidation	0	0	0	0
Additions	186,836	1,847	592	189,275
Depreciation	(190,061)	(14,420)	(17,013)	(221,494)
Impairment	(1,954)	0	0	(1,954)
Disposal	(163)	(127)	0	(289)
Transfers	(275)	0	0	(275)
FX differences	(34,596)	(3,183)	(4,804)	(42,583)
Carrying amount as of December 31, 2025	**672,465**	**49,692**	**77,731**	**799,888**
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)
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**

Maturity analysis of lease liabilities

The following table presents the breakdown of lease liabilities by maturity:

(in EUR thousand)

	2025	2024
Due within one year	226,990	258,440
Due between one and five years	552,791	585,043
Due after five years	210,933	230,601
Total (undiscounted)	**990,714**	**1,074,083**
Interests	(103,819)	(114,902)
Total	**886,895**	**959,181**

Leases in the income statement

The following amounts are recognized in profit and loss:

(in EUR thousand)

	2025	2024
Total lease-related expenses in EBIT	**(412,221)**	**(426,073)**
Depreciation right-of-use assets	(221,494)	(219,035)
Impairment/write-ups of right-of-use assets	(1,954)	(3,791)
Net income from disposal of right-of-use assets	1,721	5,745
Expenses from variable lease payments	(173,174)	(190,540)
Expenses for short-term leases	(12,237)	(13,644)
Expenses for leases of low-value assets	(5,089)	(4,834)
Income from subleases	6	26
Total lease-related expenses in financial results	**(34,668)**	**(34,333)**
Interest expenses for lease liabilities	(34,459)	(35,157)
Income/expenses from foreign exchange differences on lease liabilities	(209)	824

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 436,257 thousand in 2025 (2024: EUR 460,272 thousand). Thereof an amount of EUR 211,303 thousand relates to the repayment of lease liabilities (2024: EUR 216,123 thousand).

Material future non-recognized lease payments with maturities

The following future lease payments are not included in the measurement of lease liabilities as of December 31, 2025, in accordance with IFRS 16:

(in EUR thousand)

	Due 2026	Due 2027–2030	Due after 2030	Total
Variable lease payments	157,267	688,015	575,878	1,421,161
Payments from uncertain termination options	3,300	24,156	8,864	36,319
Payments from uncertain extension options	14,862	171,650	163,725	350,238
Total lease payments	**175,430**	**883,821**	**748,468**	**1,807,718**

In addition, payments from short-term leases, leases for software, and leases for low-value assets are expected, however, these are deemed immaterial by HUGO BOSS.

The determination of future off-balance sheet lease payments is based on management assumptions regarding the lease term and the amount of the lease payments. In estimating 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 for 2026 using a bottom-up approach and are projected using a like-for-like (LFL) comparable store sales growth rate. Future payments from uncertain renewal options take into account all contracts with renewal options existing as of December 31, 2025, 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, intangible assets and amortized right-of-use assets

In brick-and-mortar retail, each directly operated store (DOS) represents an individual cash-generating unit (CGU), as each store generates largely independent cash inflows. In brick-and-mortar wholesale and in the digital business, the respective portfolios of customer relationships generate independent cash flows at hub or country level. Accordingly, the wholesale portfolios at each hub and the respective digital business activities at country level are defined as CGUs. Corporate assets that support multiple CGUs are not allocated to individual units but are tested for impairment at the level of the smallest group of CGUs to which they can be assigned on a reasonable and consistent basis. This definition of cash-generating units at DOS, hub and channel level is in line with the way the Group manages and monitors its business activities.

The depreciated assets, 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 level of the respective CGUs and group of CGUs. In the event of a shortfall in defined sales and profitability ratios as compared to the latest budget, the non-current assets of the respective CGU or group of CGUs are subjected to impairment testing.

The recoverable amount of a 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 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 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 7.6% and 31.6% (2024: between 8.7% and 26.6%). A maturity-equivalent risk-free interest rate of 3.25% (2024: 2.5%) and a market risk premium of 5.5% (2024: 6.5%) were applied. The calculated pre-tax interest rates are between 12.1% and 42.6% (2024: 12.2% and 31.8%). 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 29,036 thousand (2024: EUR 48,294 thousand), which were recognized in profit or loss under selling and marketing expenses. Of this amount, EUR 23,792 thousand related to property, plant, and equipment, EUR 3,291 thousand to intangible assets and EUR 1,954 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 assets on CGU level that had been impaired in the past were able to improve their earnings situation to such an extent that a reversal (write-up) was necessary. No impairment losses were reversed (2024: EUR 1,490 thousand in selling and marketing expenses) in fiscal year 2025.

Overall, this related to net impairment losses of EUR 29,036 thousand in fiscal year 2025 (2024: net impairment loss of EUR 46,804 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, 2025 is based on a risk-free interest rate of 3.25% (2024: 2.5%) and a market risk premium of 5.5% (2024: 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). 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. 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
2025				
Sales unit France	1,759	0	11.7%	2.0%
Sales unit Italy	399	1,377	12.5%	2.0%
Sales unit United Kingdom	3,204	0	11.0%	2.0%
Sales unit Dubai	10,913	0	10.4%	2.0%
Sales unit Mainland China	8,524	0	12.3%	1.2%
Sales unit Macau (China)	6,097	0	10.7%	1.2%
Sales unit South Korea	5,564	0	11.2%	2.0%
Sales unit Thailand	1,708	0	11.5%	1.9%
Sales unit U.S. & Canada	3,168	13,615	11.9%	2.2%
Other sales & corporate units	10,779			
Total	**52,115**	**14,992**	**10.4%–12.5%**	**1.2%–2.2%**
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%**

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 2025 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 2025 and 2024, 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 – As part of its sustainability strategy, HUGO BOSS remains focused on five key pillars that actively address industry challenges: increasing circularity, driving digitization and data analytics, leveraging better natural materials, shifting to better polyester and polyamide, and reducing the climate impact. For additional information on climate-related measures, please refer to the Climate Change section in the Combined Non-Financial Statement. The Company's 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 macroeconomic developments as well as internal ambitions and sustainability targets. HUGO BOSS also has control mechanisms in place to track target achievements, and any corrective actions for improvement are taken.

Sensitivity to changes in assumptions

As of December 31, 2025, 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 expected sales performance in fiscal year 2026 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 3,657 thousand. A slowdown/decrease in growth rates of 5% would result in additional impairments of EUR 4,497 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 3,034 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 35 thousand would be recognized.

In order to review the determined values in use of goodwill, Management considers a deceleration of the sales performance in 2026 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 2026 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)

	2025			2024		
		Thereof current	**Thereof non-current**		Thereof current	Thereof non-current
Financial assets	80,074	50,619	29,454	80,142	49,341	30,801
Thereof equity investments	8,665	0	8,665	5,911	0	5,911
Tax refund claims and prepayments	22,777	22,777	0	23,379	23,379	0
Other assets	108,078	107,667	411	112,924	112,319	606
Total	**210,929**	**181,063**	**29,866**	**216,446**	**185,039**	**31,407**

Financial assets include positive market values of currency hedges amounting to EUR 697 thousand (2024: EUR 1,892 thousand) as well as rent deposits for the Group's own retail stores of EUR 19,719 thousand (2024: EUR 19,541 thousand). Financial assets also include receivables from credit card companies amounting to EUR 39,199 thousand (2024: EUR 40,621 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 56,619 thousand (2024: EUR 58,056 thousand), reimbursement claims from returns in the amount of EUR 26,786 thousand (2024: EUR 26,347 thousand), and receivables from supplier arrangements in the amount of EUR 660 thousand (2024: EUR 2,051 thousand).

In fiscal year 2025, 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 increased its investment in Collateral Good Ventures Fashion I, a climate-first venture capital fund that aims to accelerate sustainability in the fashion industry, to EUR 4,210 thousand (2024: EUR 1,376 thousand).

12 | Inventories

(in EUR thousand)

	2025	2024
Finished goods and merchandise	866,537	996,439
Raw materials and supplies	41,986	65,047
Work in progress	9,851	10,075
Total	**918,374**	**1,071,561**

The write-down on inventories amounted to EUR 61,898 thousand (2024: EUR 64,639 thousand). The movement in inventory impairment resulted in a net income of EUR 2,741 thousand (2024: net expense of EUR 6,042 thousand), which is included in the cost of sales.

13 | Trade receivables

(in EUR thousand)

	2025	2024
Trade receivables, gross	**413,860**	**384,791**
Accumulated allowance	(27,842)	(22,885)
Trade receivables, net	**386,018**	**361,906**

As of December 31, 2025, the aging analysis of trade receivables is as follows:

(in EUR thousand)

	2025			2024		
	Trade receivables, gross	**Accumulated allowance**	**Trade receivables, net**	Trade receivables, gross	Accumulated allowance	Trade receivables, net
Total	**413,860**	**(27,842)**	**386,018**	**384,791**	**(22,885)**	**361,906**
Thereof: not overdue	**336,326**	**(2,870)**	**333,456**	**318,128**	**(2,534)**	**315,593**
Thereof: overdue	**61,734**	**(9,803)**	**51,931**	**56,235**	**(10,609)**	**45,626**
1 to 90 days	35,286	(2,130)	33,156	28,121	(2,681)	25,440
91 to 180 days	8,005	(1,239)	6,765	12,305	(1,761)	10,544
>180 days	18,443	(6,434)	12,009	15,809	(6,167)	9,642
Thereof: impaired	**15,800**	**(15,169)**	**632**	**10,429**	**(9,742)**	**686**

Trade receivables are non-interest-bearing. The movement of allowances for doubtful accounts has developed as follows:

(in EUR thousand)

	2025	2024
Allowances for doubtful accounts as of January 1	**22,885**	**17,595**
Additions	12,547	9,796
Use	(3,107)	(1,144)
Release	(3,481)	(3,695)
Currency differences	(1,003)	334
Allowances for doubtful accounts as of December 31	**27,842**	**22,885**

The maximum credit risk from trade receivables corresponding to their gross value is EUR 413,860 thousand (2024: EUR 384,791 thousand) as of the reporting date.

Expected credit losses on trade receivables were recognized in accordance with IFRS 9. In fiscal year 2025, this amounted to EUR 27,842 thousand (2024: EUR 22,885 thousand), of which EUR 12,547 thousand (2024: EUR 9,796 thousand) was added during the course of the year. As of December 31, 2025, receivables written off in the amount of EUR 9,017 thousand (2024: EUR 7,286 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)

	2025	2024
Balances with banks and other cash items	333,813	200,553
Cheques	3	2
Cash on hand	9,311	10,067
Total	**343,126**	**210,622**

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, 2025 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 14,080 thousand on or before May 14, 2030 by issuing up to 14,080,000 new registered shares on a cash and/or non-cash basis once or repeatedly (authorized capital 2025). 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 15, 2025, the Managing Board was authorized until May 14, 2030, 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 800,000 thousand, once or several times, also simultaneously in different tranches.

In this context, the share capital was conditionally increased by up to EUR 14,080 thousand by issuing up to 14,080,000 new registered no-par value shares (conditional capital 2025). 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 2025.

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 safeguarding the liquidity of HUGO BOSS at all times, enabling appropriate levels of investment and thereby facilitating the long-term growth of the business. Increasing sales on a currency-adjusted basis and increasing operating profit (EBIT) is key to improving free cash flow over the long term. In addition, strict management of trade net working capital (TNWC) and a value-oriented capital expenditure approach support the development of free cash flow.

HUGO BOSS is confident to generate strong free cash flow also in the future. This is to be supported by strict management of TNWC and the efficient use of capital expenditure. Free cash flow will either be reinvested into the Company or distributed to shareholders. In this context, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million until December 31, 2027. At the same time, HUGO BOSS will continue to further strengthen its balance sheet over the coming years. In this context, HUGO BOSS analyzes its 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. At the end of fiscal year 2025, HUGO BOSS holds two investment-grade ratings from Standard & Poor's (BBB-) and Moody's (Baa2), underscoring the rating agencies' positive assessment of the Company's financial strength. At the same time, the Company will also preserve the strategic flexibility needed to pursue selective, value-accretive M&A opportunities.

In December 2025, HUGO BOSS renegotiated the revolving syndicated loan facility of EUR 600,000 thousand, providing further financial flexibility to support the execution of the Company's strategic initiatives. The facility is available for general corporate purposes. It has a five-year term and includes two one-year extension options, as well as an option to increase the credit volume by up to EUR 300,000 thousand. Compared to the prior facility, the new loan no longer includes financial covenants, enhancing flexibility. It is based on variable interest rates, with applicable credit margins linked to the external credit rating and the achievement of predefined ESG criteria. As of December 31, 2025, the utilization of the revolving credit facility totaled EUR 8,128 thousand of which EUR 8,128 thousand was used to issue bank guarantees (December 31, 2024: utilization of EUR 11,390 thousand of which EUR 11,390 thousand was used to issue bank guarantees).

(in EUR thousand)

	2025	2024
Liabilities due to banks incl. lease liabilities	1,182,029	1,248,210
Cash and cash equivalents	(343,126)	(210,622)
Net financial liabilities	**838,903**	**1,037,588**
Operating profit before depreciation and amortization (EBITDA)	**781,633**	**775,027**
Total leverage	**1.07**	**1.34**

Own shares

As of December 2025, the number of own shares amounts to 1,383,833 (2024: 1,383,833), representing 2.0% of the subscribed capital (2024: 2.0%).

At the Annual General Meeting 2025, HUGO BOSS was granted a renewed authorization to buy back the Company's own shares up to a proportion of 10% of the existing share capital on or before May 14, 2030. The Company did not make use of this authorization as of December 31, 2025.

16 | Dividend

Supported by the Company's robust fundamentals, including strong free cash flow generation and a solid balance sheet, and reflecting Management's confidence in the future development of HUGO BOSS, the Managing Board has decided to launch a share buyback program, further strengthening shareholder value creation. Until December 31, 2027, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million. The share buyback shall be financed through the Company's continued free cash flow generation, with HUGO BOSS intending to cancel the repurchased shares. At the same time, HUGO BOSS remains fully committed to preserving the financial flexibility required to consistently execute its strategy, invest in future growth, and further strengthen its balance sheet amid an ongoing volatile environment. In this context, and reflecting a disciplined capital allocation approach, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 21, 2026, to only pay the legal minimum dividend of EUR 0.04 per share for fiscal year 2025 (2024: EUR 1.40).

In 2025, a dividend of EUR 96,623 thousand was paid out for the shares outstanding for fiscal year 2024 (in 2024 for 2023: EUR 93,172 thousand). This corresponds to EUR 1.40 per share for 2024 (2023: EUR 1.35 per share).

17 | Provisions

(in EUR thousand)

	2025	2024
Provisions for pensions	26,420	34,994
Other non-current provisions	63,477	64,851
Non-current provisions	**89,897**	**99,845**
Current provisions	**76,173**	**68,430**
Total	**166,070**	**168,275**

Other provisions of EUR 139,650 thousand (2024: EUR 133,281 thousand) comprise current provisions of EUR 76,173 thousand (2024: EUR 68,430 thousand) and other non-current provisions of EUR 63,477 thousand (2024: EUR 64,851 thousand). These mainly include non-current provisions for personnel expenses in connection with the Long-Term Incentive Program (LTI), with further details provided in Note 18 Share-based payment. The risk-free interest rates used to discount other non-current provisions range between 0.3% and 4.9% (2024: between 0.3% and 5.5%) depending on the term and currency in question. In fiscal year 2025, other provisions developed as follows:

(in EUR thousand)

	Balance on Jan. 1, 2025	Changes in currency and basis of consolidation	Compounding	Addition	Use	Release	Balance on Dec. 31, 2025
Provisions for personnel expenses	83,598	(1,478)	303	60,107	(45,278)	(6,011)	91,240
Provisions for deconstruction obligations	29,675	(1,706)	244	3,827	(916)	(1,434)	29,689
Costs of litigation, pending legal disputes	7,432	(789)	0	761	(1,583)	(170)	5,652
Provisions for restructuring	1,085	1	0	455	(362)	(330)	849
Other provisions	11,491	(12)	0	3,559	(2,191)	(627)	12,219
Total	**133,281**	**(3,984)**	**547**	**68,710**	**(50,331)**	**(8,573)**	**139,650**

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 32,847 thousand (2024: EUR 34,949 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

Restricted Stock Units 2022–2025

The Restricted Stock Units Plan (RSUP) as introduced by HUGO BOSS in 2022 expired as of June 30, 2025. As part of the plan, eligible senior management was granted options to purchase ordinary shares of HUGO BOSS. The vesting period was three years. Options would be forfeited if the employee left the Group before vesting.

The options were initially recognized at a price equal to the quoted market price of the HUGO BOSS shares at the grant date. In the event of changes in the group of eligible senior management, the fair values were reviewed.

Upon expiry, Management decided to make use of the option to settle the plan via a cash payout. Resulting from applying the average share price of the vesting months, the estimated fair values of the options granted totaled EUR 6,091 thousand (2024: EUR 7,567 thousand). As such, a net income of EUR 186 thousand was recognized in profit and loss (2024: expense of EUR 2,569 thousand). As of December 31, 2025, there are no share options outstanding (2024: 159,890).

Cash-settled share-based payment

A large part of the long-term provisions for personnel expenses consists of the Company's Long-Term Incentive Program (LTI). 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, 2025, there are four tranches in the LTI:

- 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)
- 2025–2028 LTI tranche (issued on January 1, 2025)

Each plan has a total duration of four years, 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 by dividing the individual LTI budget in euros by the average HUGO BOSS share price over the three months preceding the grant date. The number of virtual shares issued as of December 31, 2025, and the remaining terms of each plan are as follows:

LTI tranche	Number of virtual shares (Initial Grant)	Remaining terms
2022–2025	202,866	0 years
2023–2026	241,319	1 year
2024–2027	230,946	2 years
2025–2028	376,935	3 years

The final entitlement of the plan participants under the LTIs described above, depends on the individual number of performance shares (initial grant), the achievement of predefined target components applicable to these LTIs, namely relative total shareholder return (RTSR), return on capital employed (ROCE), the degree of employee satisfaction, and the score in the annual Corporate Sustainability Assessment (CSA)/ Dow Jones Sustainability Index (DJSI), as well as the 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 2025, 2026, 2027, and 2028, respectively. Accordingly, the LTI tranche 2022–2025 will be paid out in fiscal year 2026.

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 expected degree of attainment of the individual target components

listed above, as well as the 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, 2025, as compared to the previous year, are as follows:

LTI tranche	Fair values per share option 2025	Fair values per share option 2024
2022–2025	EUR 54.83	EUR 60.89
2023–2026	EUR 40.82	EUR 49.89
2024–2027	EUR 29.08	EUR 38.73
2025–2028	EUR 36.70	n/a

The fair value measurement for the respective plans is based on the following parameters:

	2025	2024
HUGO BOSS share price at reporting date in EUR	36.15	44.78
Expected dividend return in %	3.00	2.00
Expected volatility in %	31.63	31.97
Risk free interest rate in % (LTI tranche 2022–2025)	n/a	2.18
Risk free interest rate in % (LTI tranche 2023–2026)	2.03	1.98
Risk free interest rate in % (LTI tranche 2024–2027)	2.13	1.95
Risk free interest rate in % (LTI tranche 2025–2028)	2.24	n/a

As of December 31, 2025, four tranches totaling EUR 25,328 thousand (2024: EUR 41,588 thousand) were recognized as provisions. A total expense for cash-settled share-based payment pursuant to IFRS 2 of EUR 7,465 thousand was recognized in personnel expenses in fiscal year 2025 (2024: EUR 10,475 thousand).

CEO Investment Opportunity

Prior to Daniel Grieder assuming his duties, the CEO Investment Opportunity was agreed between Daniel Grieder and the Marzotto family and is intended to provide an additional incentive for a substantial and sustainable increase in the share price of HUGO BOSS. The arrangement runs for the duration of his service agreement and was correspondingly extended in connection with the renewal of his service agreement in March 2024, under which Daniel Grieder was appointed Chairman of the Managing Board and CEO of HUGO BOSS AG until December 31, 2028. 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 and solely 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.p.A. and Zignago Holding S.p.A., each controlled by the Marzotto family, and a third-party bank financing. PFC S.p.A. 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 108% increase compared to the share price of HUGO BOSS as of December 30, 2025. 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 year-end 2025

Against the backdrop of the challenging and volatile trading environment for consumer discretionary stocks in 2025, the share price of HUGO BOSS fluctuated between EUR 31.90 and EUR 46.56 throughout the fiscal year. As of December 30, 2025, the share price of HUGO BOSS was EUR 36.15 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 2025, 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 2025, 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 fiscal year 2025, 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 30%–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	
	2025	2024	**2025**	2024	**2025**	2024
Germany	67,648	75,951	64,326	71,661	3,322	4,289
Switzerland	71,439	66,864	63,775	55,746	7,664	11,119
Others[1]	15,434	19,586	0	0	15,434	19,586
Total	**154,521**	**162,401**	**128,101**	**127,407**	**26,420**	**34,994**

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 2025, the funding status of benefit obligations pursuant to IAS 19 was as follows:

(in EUR thousand)

	2025	2024
Change in present value of benefit obligation		
Present value of benefit obligation as of January 1	162,401	168,484
Currency differences	(3,144)	(2,525)
Service cost	7,306	6,798
Interest expense	6,238	6,832
Payments from settlements	(59)	(12)
Remeasurement of the carrying amount		
Actuarial gains/losses due to changes in financial assumptions	(8,767)	428
Actuarial gains/losses due to changes in demographic assumptions	(18)	(395)
Actuarial gains/losses due to experience adjustments	909	5,214
Benefits paid	(13,548)	(26,117)
Contribution by participants of the plan	3,144	3,490
Past service cost	0	0
Other changes in benefit obligation	58	204
Present value of benefit obligation as of December 31	**154,521**	**162,401**
Changes in plan assets		
Fair value of plan assets as of January 1	127,407	135,342
Currency differences	597	(839)
Expected return on plan assets	3,144	3,925
Expected return on plan assets (without interest income)	(574)	3,252
Payments from settlements	0	0
Benefits paid	(10,077)	(22,096)
Contribution by the employer	4,460	4,333
Contribution by participants of the plan	3,144	3,490
Other changes in benefit obligation	0	0
Fair value of plan assets as of December 31	**128,101**	**127,407**
Funding status of the benefits funded by plan assets	**26,420**	**34,994**

As of December 31, 2025, EUR 65,809 thousand (2024: EUR 74,058 thousand) of the present value of the defined benefit obligation is financed through employer's pension liability insurance and EUR 71,439 thousand (2024: EUR 66,864 thousand) through foundation assets, while the remaining EUR 17,272 thousand (2024: EUR 21,479 thousand) was unfunded.

Actuarial assumptions underlying the calculation of the present value of the pension obligations as of December 31, 2025

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	2025	2024
Discount rate		
Germany	4.15%	3.55%
Switzerland	1.15%	1.10%
Future pension increases		
Germany	2.00%	2.00%
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 Heubeck 2018 G mortality tables. 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, 2025.

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	**2025**	2024
Discount rate December 31		
Increase of 75 basis points	(12,297)	(13,674)
Decline of 75 basis points	14,846	16,441
Future pension increases December 31		
Increase of 25 basis points	3,589	3,608
Decline of 25 basis points	(1,584)	(1,951)
Future salary increases December 31		
Increase of 50 basis points	1,417	1,540
Decline of 50 basis points	(858)	(1,440)
Life expectancy December 31		
Increase of 10 percent	(2,817)	(3,450)
Decline of 10 percent	3,251	3,404

Breakdown of the pension expenses in the period

The pension expenses of the period are composed of the following items:

(in EUR thousand)

	2025	2024
Current service costs	7,306	6,798
Past service costs	0	0
Net interest costs	3,094	2,907
Recognized pension expenses in the Consolidated Income Statement	**10,400**	**9,705**
Expense from plan assets (without interest effects)	574	(3,252)
Recognized actuarial (gains)/losses	(7,875)	5,247
Recognized remeasurement of the carrying amount in the Consolidated Statement of Comprehensive Income	**(7,301)**	**1,995**

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 2025, the Group expects employer contributions to plan assets of EUR 4,916 thousand (2024: EUR 4,886 thousand).

Duration

The duration of the benefit-based plans on December 31, 2025, is 14 years for Germany (2024: 14 years) and 18 years for Switzerland (2024: 18 years).

Defined contribution plans

Employer contributions to contribution-based plans totaled EUR 34,815 thousand in fiscal year 2025 (2024: EUR 35,855 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)

	2025	**With remaining term up to 1 year**	2024	With remaining term up to 1 year
Financial liabilities due to banks	295,135	92,622	289,029	12,621
Lease liabilities	886,895	198,683	959,181	228,221
Other financial liabilities	636	636	7,789	7,789
Total	**1,182,665**	**291,941**	**1,255,999**	**248,631**

Other financial liabilities include negative market values from derivative financial instruments amounting to EUR 636 thousand (2024: EUR 1,369 thousand).

The following tables show the terms and conditions of financial liabilities:

	2025		2024	
Remaining term	**Weighted average interest rate**	**Carrying amount in EUR thous.**	Weighted average interest rate	Carrying amount in EUR thous.
Financial liabilities due to banks				
Up to 1 year	3.72%	92,622	1.72%	12,621
1 to 5 years	4.58%	184,620	5.02%	253,522
More than 5 years	3.06%	17,892	2.98%	22,886
Other financial liabilities				
Up to 1 year	0.00%	636	0.00%	7,789
1 to 5 years	0.00%	0	0.00%	0
More than 5 years	0.00%	0	0.00%	0

In December 2025, HUGO BOSS renegotiated the revolving syndicated loan facility of EUR 600,000 thousand, providing further financial flexibility to support the execution of the Company's strategic initiatives. The facility is available for general corporate purposes. It has a five-year term and includes two one-year extension options, as well as an option to increase the credit volume by up to EUR 300,000 thousand. Compared to the prior facility, the new loan no longer includes financial covenants, enhancing flexibility. It is based on variable interest rates, with applicable credit margins linked to the external credit rating and the achievement of predefined ESG criteria.

As of December 31, 2025, the utilization of the revolving credit facility totaled EUR 8,128 thousand, of which EUR 8,128 thousand was used to issue bank guarantees (December 31, 2024: utilization of EUR 11,390 thousand of which EUR 11,390 thousand was used to issue bank guarantees).

In May 2025, HUGO BOSS successfully established a commercial paper (CP) program, enabling the Group to issue short-term, unsecured notes in an aggregate amount of up to EUR 500,000 thousand. Commercial papers can be issued in various currencies, and the funds raised are intended for general corporate purposes. Issuances will be made through HUGO BOSS International B.V. and are fully guaranteed by HUGO BOSS AG. As of December 31, 2025, HUGO BOSS International B.V. has not emitted any commercial papers.

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. As of December 31, 2025, the outstanding principal amount totaled EUR 41,889 thousand.

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.

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)

2025		Expected cash flows			
Non-derivative financial liabilities	**Carrying amount**	**Total cash flows**	**<1 year**	**1–5 years**	**>5 years**
Financial liabilities due to banks	295,135	296,578	111,118	166,476	18,984
Lease liabilities	886,895	992,631	227,512	553,855	211,264
Other financial liabilities	0	0	0	0	0
Derivative financial liabilities					
Undesignated derivatives	636	80,754	80,754	0	0
Total	**1,182,665**	**1,369,963**	**419,384**	**720,331**	**230,248**
2024					
Non-derivative financial liabilities					
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**

21 | Other liabilities

(in EUR thousand)

	2025			2024		
	Total	**Current**	**Non-current**	Total	Current	Non-current
Other liabilities	223,535	219,018	4,517	239,105	236,590	2,516
Thereof indirect taxes	75,071	75,071	0	75,222	75,222	0
Thereof social security, accrued vacation, wages and salaries	51,633	51,633	0	64,519	64,519	0
Thereof right of return	53,372	53,372	0	53,316	53,316	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)

		2025		2024	
Assets	**IFRS 9 category**	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	AC	343,126	343,126	210,622	210,622
Trade receivables	AC	386,018	386,018	361,906	361,906
Financial assets		80,074	80,074	80,142	80,142
Thereof:					
Equity investments	FVTPL	8,665	8,665	5,911	5,911
Undesignated derivatives	FVTPL	697	697	1,892	1,892
Other financial assets	AC	70,712	70,712	72,339	72,339
Liabilities					
Financial liabilities due to banks	AC	295,135	297,603	289,029	292,012
Trade and other payables	AC	529,062	529,062	642,740	642,740
Thereof reverse factoring	AC	109,754	109,754	148,491	148,491
Lease liabilities	n.a.	886,895	886,895	959,181	959,181
Other financial liabilities		636	636	7,789	7,789
Thereof:					
Undesignated derivatives	FVTPL	636	636	1,369	1,369

HUGO BOSS has implemented supplier financing programs to support its suppliers. Under these 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. Payment due dates for suppliers under the programs range from 60 to 100 days, in line with industry standards. These payment terms apply consistently to 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 254,628 thousand (2024: EUR 268,007 thousand). The utilized volume amounts to EUR 109,754 thousand (2024: EUR 148,491 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, 2025, the mark-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, 2025, all financial instruments measured at fair value in the category FVTPL were assigned to Level 2. In fiscal year 2025, there were no transfers between Level 1 and Level 2 or from Level 3. The financial instruments measured at fair value comprised of foreign exchange forward and swap contracts. The assets amounted to EUR 697 thousand (2024: EUR 1,892 thousand) and liabilities amounted to EUR 636 thousand (2024: EUR 1,369 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 2025, 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	2025	2024
Derivatives (FVTPL)	0	5,826	0	0	(2,818)	3,007	(2,875)
Financial Assets Measured at Amortized Cost (AC)	2,087	0	(6,831)	(8,006)	0	(12,750)	(8,570)
Financial Liabilities Measured at Amortized Cost (AC)	(14,688)	0	8,164	0	0	(6,524)	(19,255)

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
2025						
Liabilities arising from financing activities						
Short-term financial liabilities due to banks	12,621	(11,005)	0	90,988	18	92,622
Long-term financial liabilities due to banks	276,408	17,767	0	(90,988)	(674)	202,512
Lease liabilities	959,181	(211,303)	188,194	0	(49,179)	886,895
Total	**1,248,210**	**(204,541)**	**188,194**	**0**	**(49,835)**	**1,182,029**
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**

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
2025						
Trade receivables	410,370	(24,352)	386,018	0	0	386,018
Other financial assets	80,074	0	80,074	23	0	80,097
Thereof derivates	697	0	697	23	0	720
Total	**490,444**	**(24,352)**	**466,092**	**23**	**0**	**466,115**
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**

(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
2025						
Trade payables	540,522	(11,460)	529,062	0	0	529,062
Other financial liabilities	636	0	636	23	0	659
Thereof derivates	636	0	636	23	0	659
Total	**541,158**	**(11,460)**	**529,698**	**23**	**0**	**529,721**
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**

The liabilities of EUR 24,352 thousand (2024: EUR 24,149 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 11,460 thousand (2024: EUR 24,860 thousand).

Master agreements for financial instrument contracts are in place between HUGO BOSS and its counterparties, extended by netting agreements. These agreements allow assets and liabilities arising from derivative contracts with the same counterparty to 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)

	2025		2024	
	Nominal values	**Fair values**	Nominal values	Fair values
Assets				
Currency hedging contracts	276,266	697	343,783	1,892
Liabilities				
Currency hedging contracts	80,754	(636)	173,324	(1,369)
Total	**357,020**	**61**	**517,106**	**523**

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 61 thousand (2024: gain of EUR 1,073 thousand) stems from financial assets and liabilities that were classified as held for trading.

Currency risk hedges

To hedge against currency risks, HUGO BOSS 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, such as wages, salaries, social security contributions, and transport costs, are denominated in Turkish lira (TRY). This creates a transaction risk for both the local entity and the Group due to potential fluctuations in the exchange rate between the euro and the Turkish lira.

The hedging strategy aims to limit transaction risks from future cash flows. These risks are managed using forward exchange contracts, which are designated as cash flow hedges as per IFRS 9 (hedge accounting). HUGO BOSS has implemented a rolling hedging strategy for cash flow hedges, gradually building a target hedge ratio of up to 50% of the underlying exposure over time. This approach enables HUGO BOSS to participate in market opportunities while smoothing the hedged rate. Additionally, it enhances the ability to adapt to changes in forecast exposures.

The maturities of the derivative financial instruments generally match to those of the hedged items, therefore the risk of the hedging instrument corresponds to the risk of the underlying exposure. As a result, HUGO BOSS prospectively assumes an economic relationship between the hedged item and the hedging instrument. Since the underlying risk of the forward exchange contract is identical to the hedged risk (the exchange rate risk between EUR and TRY), HUGO BOSS applies a hedging ratio of 1:1 for the hedging relationship mentioned above.

This is reviewed on a regular basis, but no less frequently than at each 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.

In principle, partial inefficiencies may arise from differences between planned and actual due dates for cash flows as well as when calculating the value difference between the hedging transaction and the hedged item, since the currency basis or the forward points are not excluded when designating the hedging instruments.

As of December 31, 2025, 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.

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
2025					
Sales	**2,664,410**	**992,699**	**509,185**	**103,544**	**4,269,838**
Cost of Sales	**(1,092,658)**	**(412,876)**	**(137,925)**	**0**	**(1,643,458)**
Gross profit	**1,571,751**	**579,824**	**371,260**	**103,544**	**2,626,379**
Segment profit	**660,400**	**106,120**	**61,667**	**86,110**	**914,298**
In % of sales	24.8	10.7	12.1	83.2	21.4
Segment assets	545,520	393,463	209,356	20,880	1,169,219
Capital expenditure	20,719	24,287	24,756	11	69,774
Impairments	(9,987)	(10,948)	(8,101)	0	(29,036)
Thereof property, plant, and equipment	(8,254)	(10,792)	(4,746)	0	(23,792)
Thereof intangible assets	(1)	(2)	(3,288)	0	(3,291)
Thereof rights-of-use assets	(1,732)	(155)	(67)	0	(1,954)
Thereof write-up	0	0	0	0	0
Depreciation/amortization	(147,185)	(79,111)	(73,205)	(10)	(299,510)

(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**
Cost of Sales	**(1,078,594)**	**(421,390)**	**(147,524)**	**0**	**(1,647,508)**
Gross profit	**1,546,390**	**598,861**	**405,567**	**109,023**	**2,659,841**
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)

Reconciliation

The reconciliation of segment figures to group figures is presented below.

Sales

(in EUR thousand)

	2025	2024
Sales – operating segments	**4,269,838**	**4,307,349**
Corporate units (incl. Consolidation)	0	0
Total	**4,269,838**	**4,307,349**

Operating income

(in EUR thousand)

	2025	2024
Segment profit (EBIT) – operating segments	**914,298**	**862,343**
Corporate units (incl. Consolidation)	(523,545)	(501,522)
EBIT HUGO BOSS	**390,753**	**360,821**
Net interest income/expenses	(51,029)	(54,978)
Other financial items	5,128	(4,341)
Earnings before taxes HUGO BOSS	**344,852**	**301,503**

Segment assets

(in EUR thousand)

	2025	2024
Segment assets – operating segments	**1,169,219**	**1,193,201**
Corporate units (incl. Consolidation)	135,173	240,266
Current tax receivables	34,463	23,452
Current financial assets	50,619	49,341
Other current assets	130,444	135,698
Cash and cash equivalents	343,126	210,622
Current assets HUGO BOSS	**1,863,044**	**1,852,580**
Non-current assets	1,858,124	1,929,841
Total assets HUGO BOSS	**3,721,169**	**3,782,421**

Capital expenditure

(in EUR thousand)

	2025	2024
Capital expenditure – operating segments	**69,774**	**132,414**
Corporate units (incl. Consolidation)	122,832	153,204
Total	**192,606**	**285,619**

Impairments/write-ups[1]

(in EUR thousand)

	2025	2024
Impairments/write-ups – operating segments	**(29,036)**	**(46,804)**
Corporate units (incl. Consolidation)	0	0
Total	**(29,036)**	**(46,804)**

1 Impairment losses are shown as negative (–), while reversals of impairment losses are shown as positive (+).

Depreciation/amortization

(in EUR thousand)

	2025	2024
Depreciation/amortization – operating segments	**299,510**	**304,462**
Corporate units (incl. Consolidation)	62,333	62,939
Total	**361,844**	**367,402**

Geographic information

(in EUR thousand)

	Third party sales		Non-current assets[1]	
	2025	2024	**2025**	2024
Germany	609,161	576,930	682,154	624,808
Other EMEA markets	2,159,001	2,157,191	543,122	581,276
U.S.	629,726	653,566	251,194	313,604
Other North and Latin American markets	362,974	366,685	67,913	55,578
China	199,667	237,506	38,406	66,253
Other Asian markets	309,308	315,471	126,423	139,576
Total	**4,269,838**	**4,307,349**	**1,709,212**	**1,781,095**

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, 2025, the following transactions requiring disclosure were conducted with related parties:

Related parties

Related parties comprise members of the Managing Board and the Supervisory Board, as well as Frasers Group.

Frasers Group plc (Frasers Group) has been a long-standing wholesale customer of HUGO BOSS, particularly in the United Kingdom, regularly purchasing goods under standard commercial terms. Following the election of Michael Murray, CEO of Frasers Group, to the Supervisory Board of HUGO BOSS AG on May 15, 2025, and Frasers Group's shareholding in HUGO BOSS AG exceeding 20% as of June 12, 2025, the legal presumption of significant influence under IAS 28 applies. Accordingly, Frasers Group has been classified as a related party under IAS 24 as of June 12, 2025.

Compensation of the Managing Board

The total compensation of the Managing Board amounts to EUR 14,797 thousand (2024: EUR 17,768 thousand). Expenses for short-term benefits totaled EUR 10,720 thousand (2024: EUR 12,995 thousand). A service cost of EUR 1,280 thousand (2024: EUR 1,263 thousand) was incurred for company pension plans in 2025. For share-based compensation, the expense amounted to EUR 2,796 thousand (2024: EUR 3,511 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 11,715 thousand in fiscal year 2025 (2024: EUR 10,178 thousand). Of this amount, EUR 3,551 thousand related to basic compensation including fringe benefits (2024: EUR 3,382 thousand). An amount of EUR 2,747 thousand (2024: EUR 1,738 thousand) is attributable to the "Short-Term Incentive" (STI) as agreed for fiscal year 2025. An amount of EUR 5,417 thousand is attributable to the "Long-Term Incentive" (LTI) 2025–2028, resulting from 127,984 subscription rights granted in 2025.

In addition, no loans were granted to members of the Managing Board in fiscal year 2025, 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 1,801 thousand in 2025 (2024: EUR 2,271 thousand). This includes compensation attributable to the "Long-Term Incentive" (LTI) and the "Short-Term Incentive" (STI) amounting to EUR 1,233 thousand (2024: EUR 1,728 thousand). Pension obligations for former members of the Managing Board of and their surviving dependents amount to EUR 37,146 thousand (2024: EUR 39,955 thousand). The corresponding plan assets in the form of reinsurance amount to EUR 35,663 thousand (2024: EUR 37,559 thousand).

Compensation of the Supervisory Board

The Supervisory Board compensation for its activities in 2025 amounts to EUR 1,802 thousand. For fiscal year 2024, the total compensation amounted to EUR 1,790 thousand.

Other related party disclosures

Members of the Managing Board and Supervisory Board together held around 1.5% (2024: around 1.5%) of the shares issued by HUGO BOSS AG at the end of fiscal year 2025.

Trading transactions with related parties

Balances and transactions between HUGO BOSS AG and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and related parties are disclosed below.

During the year, Group entities entered into the following transactions with related parties who are not part of the Group:

(in EUR thousand)

	2025[1]	As of December 31st, 2025
	Sale of Goods	Amounts owed by related parties
FRASERS GROUP		
SPORTS DIRECT.COM RETAIL LTD.	45,566	3,070
SPORTS DIRECT INTERNATIONAL	1,478	449
TOPGRADE SPORTSWEAR LTD.	18,561	2,511
TWIN SPORT B.V.	146	16
Total	**65,751**	**6,046**

1 Information for companies of Frasers Group is provided for the period from June 12, 2025 onwards.

Sales of goods to related parties were made at the Group's usual list prices on an arm's length basis. No purchases of goods were made during fiscal year 2025, therefore, no liabilities to related parties arose as of the reporting date. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

26 | Subsequent events

At the time this report was prepared on March 3, 2026, the impact of a potential further escalation of the Iran conflict on the global economy and industry growth in 2026 could not be determined with sufficient certainty. While HUGO BOSS' global business had not been materially affected at that date, such an escalation could have a material adverse effect on the Company's net assets, financial position, and results of operations in fiscal year 2026.

Between the end of fiscal year 2025 and the preparation of these consolidated financial statements on March 3, 2026, there were no further 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 2025, 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)

	2025		2024	
	Deloitte Network	**Deloitte GmbH Wirtschafts-prüfungs-gesellschaft**	Deloitte Network	Deloitte GmbH Wirtschafts-prüfungs-gesellschaft
Audit services	2,765	771	2,639	681
Other assurance services	256	225	307	235
Tax advisory services	15	0	114	0
Other services	38	0	38	0
Total	**3,074**	**996**	**3,098**	**916**

In fiscal year 2025, 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, Global Licenses, Human Resources, Corporate Communications & Public Affairs, Group Strategy & Corporate Development (incl. Global Corporate Responsibility), and Digital Platform: Brand & Product, Global Sourcing & Production
Oliver Timm (Meerbusch/Metzingen, Germany) Member of the Managing Board since January 1, 2021	Business Unit BOSS Menswear, Business Unit BOSS Womenswear, Business Unit HUGO, Business Unit Footwear, Accessories, Bodywear & Hosiery, 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
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, Technical Product Development, Global Logistics, IT (incl. Information Security), Legal, Compliance & Data Protection, Internal Audit, Construction & Procurement, and Digital Platform: Finance & Operations

Supervisory Board

Shareholder representatives	Employee representatives
Stephan Sturm (Hofheim, Germany) Chairman of the Board of the Heinz Hermann Thiele Family Foundation, Munich, Germany, Chairman of the Supervisory Board (since May 2025), Member since 2025	**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	**Katharina Herzog** (Reutlingen, Germany) Senior Vice President Group Finance & Tax HUGO BOSS AG, Metzingen, Germany, Member since 2020
Andreas Kurali (Zug, Switzerland) Business Consultant (freelance), Member since 2025	**Dr. Claudia Hülsken** (Stuttgart, Germany) First Authorized Representative of IG Metall Reutlingen-Tübingen, Germany, Member since 2025
Luca Marzotto (Venice, Italy) Chief Executive Officer (CEO) 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 2023
Michael Murray (London, United Kingdom) Chief Executive Officer (CEO) Frasers Group plc, London, United Kingdom, Member since 2025	**Laura Micati** (Metzingen, Germany) Administrative Employee HUGO BOSS AG, Metzingen, Germany, Member since 2025
Christina Rosenberg (St. Heinrich, Münsing, Germany) Management Consultant innotail, Munich, Germany, Member since 2020	**Tanja Silvana Nitschke** (Weil im Schönbuch, Germany) Coordinator of the "Tarifpolitische Bildungsoffensive" of IG Metall Baden-Württemberg, Reutlingen, Germany, Member since 2015
Hermann Waldemer (Blitzingen, Switzerland) Management Consultant, Chairman of the Supervisory Board (until May 2025), Member from 2015 until 2025	**Andreas Flach** (Weil der Stadt, Germany) Trade Union Secretary of the German Metalworkers' Union IG Metall Frankfurt, Germany, Member from 2023 until 2025
Gaetano Marzotto (Milan, Italy) Chairman of the Supervisory Board Herita Marzotto Wine Estates S.r.l., Fossalta di Portogruaro, Italy, Member from 2010 until 2025	**Bernd Simbeck** (Metzingen, Germany) Administrative Employee HUGO BOSS AG, Metzingen, Germany, Member from 2021 until 2025
Robin J. Stalker (Oberreichenbach, Germany) Chartered Accountant, Member from 2020 until 2025	

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
Katharina Herzog	HUGO BOSS Holding Netherlands B.V.	Amsterdam, Netherlands
	HUGO BOSS International B.V.	Amsterdam, Netherlands
Gaetano Marzotto (until May 2025)	Ca' Del Bosco S.r.l.	Erbusco, Italy
	Style Capital SGR S.p.A.[2]	Milan, 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.	Milan, Italy
	Forte Forte S.r.l.	Sarcedo, Italy
	Isotex Engineering S.r.l.	Trissino, Italy
	ITACA EQUITY Holding S.p.A.	Milan, Italy
	Multitecno S.r.l.	Fossalta di Portogruaro, Italy
	Herita Marzotto Wine Estates S.r.l.	Fossalta di Portogruaro, Italy
	Santex Rimar Group S.r.l.	Trissino, Italy
	Serliana S.r.l.	Milan, Italy
	Smit S.r.l.	Trissino, Italy
	Techwald Next S.p.A.	Turin, 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 (until May 2025)	Schaeffler AG	Herzogenaurach, Germany
	Schmitz Cargobull AG[2]	Horstmar, Germany
	AUMOVIO SE	Frankfurt, 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 held 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 3, 2026

HUGO BOSS AG
The Managing Board

Daniel Grieder
Oliver Timm
Yves Müller

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 2025
HUGO BOSS International B.V.	Amsterdam, Netherlands	629,830
HUGO BOSS Holding Netherlands B.V.	Amsterdam, Netherlands	615,319
HUGO BOSS Internationale Beteiligungs-GmbH[2,3,5]	Metzingen, Germany	524,800
HUGO BOSS USA, Inc. HUGO BOSS Cleveland Inc. HUGO BOSS Fashion Inc. HUGO BOSS Florida, Inc. HUGO BOSS Licensing Inc. HUGO BOSS Retail Inc.	New York, NY, USA New York, NY, USA New York, NY, USA New York, NY, USA New York, NY, USA New York, NY, USA	242,589[4]
HUGO BOSS China Retail Co. Ltd.	Shanghai, China	183,374
HUGO BOSS UK Limited	London, United Kingdom	78,567
HUGO BOSS Mexico S.A. de C.V.[2]	Mexico City, Mexico	74,489
HUGO BOSS Lotus Hong Kong Ltd.	Hong Kong, China	62,193
HUGO BOSS Ticino S.A.	Coldrerio, Switzerland	62,171
HUGO BOSS Hong Kong Ltd.	Hong Kong, China	61,024
HUGO BOSS Benelux B.V. y CIA S.C	Madrid, Spain	46,529
HUGO BOSS Canada, Inc.	Toronto, Canada	42,950
HUGO BOSS France SAS	Paris, France	40,741
HUGO BOSS ALFUTTAIM UAE TRADING L.L.C.[6]	Dubai, U.A.E.	37,111
HUGO BOSS Textile Industry Ltd.[2]	Izmir, Turkey	34,482
HUGO BOSS do Brasil Ltda.	São Paulo, Brazil	34,400
HUGO BOSS Benelux B.V.	Amsterdam, Netherlands	31,894
HUGO BOSS Middle East FZ-LLC	Dubai, U.A.E.	25,092
HUGO BOSS (Schweiz) AG	Zug, Switzerland	15,761
HUGO BOSS Magazacilik Ltd. Sti.	Izmir, Turkey	14,132
HUGO BOSS Holdings Pty. Ltd.	Preston, Australia	12,363
HUGO BOSS Italia S.p.A.	Milan, Italy	12,281
HUGO BOSS Portugal & Companhia	Lisbon, Portugal	11,881
HUGO BOSS Shoes & Accessories Italia S.p.A.	Morrovalle, Italy	11,486
HUGO BOSS Scandinavia AB	Stockholm, Sweden	9,769
HUGO BOSS Nordic ApS	Copenhagen, Denmark	7,910
HUGO BOSS Australia Pty. Ltd.	Preston, Australia	7,863
HUGO BOSS Hellas LLC	Athens, Greece	7,588
HUGO BOSS (Macau) Co. Ltd.	Macau, China	5,957
HUGO BOSS Belgium BVBA[2]	Antwerp, Belgium	5,855
HUGO BOSS Ireland Limited	Dublin, Ireland	5,205
HUGO BOSS Korea Ltd.	Seoul, South Korea	5,195
HUGO BOSS Guangdong Trading Co. Ltd.	Guangzhou, China	5,099
HUGO BOSS Vermögensverwaltungs GmbH & Co. KG[2,3]	Metzingen, Germany	5,017

(in EUR thousand)

Company[1]	Registered office	Equity 2025
HUGO BOSS (Thailand) Limited	Bangkok, Thailand	4,015
HUGO BOSS Stiftung gGmbH[2]	Metzingen, Germany	3,691
Lotus (Shenzhen) Commerce Ltd.	Shenzhen, China	3,125
HUGO BOSS Finland OY	Helsinki, Finland	2,593
HUGO BOSS South East Asia Pte. Ltd.	Singapore	2,465
Salam Stores HUGO BOSS WLL[7]	Doha, Qatar	1,800
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dieselstraße KG[2,3]	Metzingen, Germany	1,790
HUGO BOSS Shoes & Accessories Poland Sp. z o.o.	Radom, Poland	1,723
YOURDATA HB DIGITAL CAMPUS, Unipessoal, Lda.[2,8]	Porto, Portugal	1,412
HUGO BOSS Holding Sourcing S.A.	Coldrerio, Switzerland	1,120
HUGO BOSS Malaysia SDN. BHD.	Kuala Lumpur, Malaysia	1,087
HUGO BOSS Estonia OÜ	Tallinn, Estonia	312
HUGO BOSS Beteiligungsgesellschaft mbH[2,3,5]	Metzingen, Germany	(85)
Eightyards GmbH[2,9]	Metzingen, Germany	(215)
HUGO BOSS Latvia SIA.	Riga, Latvia	(230)
GRAMOLERA Grundstücksvermietungsgesellschaft Objekt Ticino mbH[3]	Metzingen, Germany	(499)
Gretana Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt D 19 KG[2]	Grünwald, Germany	(572)
HUGO BOSS New Zealand Ltd.	Auckland, New Zealand	(1,890)
HUGO BOSS Belgium Retail BVBA	Antwerp, Belgium	(2,407)
HUGO BOSS Benelux Retail B.V.	Amsterdam, Netherlands	(9,829)
HUGO BOSS Japan K.K.	Tokyo, Japan	(10,127)

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 Subsidiaries that exercise the exemption of Sec. 264 (3) and 264b HGB ["Handelsgesetzbuch": German Commercial Code].
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 an equity share of 45%, consolidation of IFRS 10.7: Other contractual agreements.
9 Investments that is not consolidated.

CHAPTER 5
ADDITIONAL INFORMATION

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ADDITIONAL DISCLOSURES ON THE COMBINED NON-FINANCIAL STATEMENT

The information disclosed in this chapter is part of the 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, RISKS, AND OPPORTUNITIES

Topical ESRS	Sub-topic/sub-sub-topic	Material IRO	Description	Value chain stage
E1 – Climate change	Mitigation	Negative impact	The textile and apparel value chain generates greenhouse gas emissions across raw material cultivation, extraction, processing, manufacturing, transport, and product use, increasing exposure to transition regulation and cost pressures.	Upstream, own operations, downstream
E1 – Climate change	Mitigation	Risk	Insufficient mitigation of climate change, and delay in transition to a low-carbon economy could lead to regulatory non-compliance, increased cost of capital, impaired competitiveness, and reputational risk.	Upstream, own operations, downstream
E1 – Climate change	Adaption	Risk	A lack of adaptation to climate-related physical hazards, such as floods, temperature extremes, or supply-chain disruptions, could undermine operations, infrastructure, and asset value over time.	Upstream, own operations, downstream
E1 – Climate change	Energy	Negative impact	High energy consumption, particularly in fossil-fuel-based processes in the upstream value chain, and in product use (washing and drying), increases environmental footprints and exposes the business model to rising energy costs and carbon pricing.	Upstream, own operations, downstream
E2 – Pollution	Pollution of water	Negative impact	Dyeing, finishing, and chemical use in textile production, and untreated wastewater pose risks to water quality in production regions, potentially affecting ecosystem health and local communities.	Upstream
E2 – Pollution	Soil pollution	Negative impact	Intensive farming practices and chemical residues may degrade soil and groundwater, affecting biodiversity, ecosystem services, and long-term resource availability.	Upstream

Topical ESRS	Sub-topic/sub-sub-topic	Material IRO	Description	Value chain stage
E2 – Pollution	Substances of concern, SVHCs	Negative impact	The use and discharge of hazardous chemicals in fiber production and textile finishing present risks of ecosystem and human health harm.	Upstream
E2 – Pollution	Substances of concern, SVHCs	Risk	Exposure to chemicals and substances of concern may impact human health and the environment, potentially resulting in regulatory and reputational risks.	Downstream
E2 – Pollution	Microplastics	Negative impact	Synthetic textile fibers shed microplastics during use and washing, contributing to aquatic pollution and creating exposure pathways through the food chain that pose health risks to both marine life and humans.	Downstream
E3 – Water and marine resources	Water withdrawals	Negative impact	Large volumes of water are required for fiber cultivation and textile manufacture in water-stressed regions, which may impact ecosystem balance, local water availability, and operational resilience.	Upstream
E4 – Biodiversity and ecosystems	Biodiversity & ecosystems	Negative impact	Pressure on ecosystems from land-use change, deforestation, and habitat destruction in raw-material extraction and textile production contributes to biodiversity loss, and ecosystem degradation.	Upstream
E4 – Biodiversity and ecosystems	Biodiversity & ecosystems	Positive impact	By sourcing natural materials from regenerative agricultural systems, the Company supports practices that enhance soil quality, conserve and restore biodiversity, and contribute to the long-term health and resilience of local ecosystems.	Upstream
E4 – Biodiversity and ecosystems	Biodiversity & ecosystems	Risk	Biodiversity loss and ecosystem degradation may impair ecosystem services essential to supply chains and operations, resulting in higher production costs due to disruptions to the production process as well as reputational risks.	Upstream
E5 – Circular economy	Resources inflows/resource use	Negative impact	Dependence on virgin raw materials and inefficient recycling loops in the upstream value chain, combined with poor management of resource outflows such as non-circular design, non-recyclable textiles, and chemical waste from packaging and products drive resource depletion, environmental degradation, and long-term supply-chain vulnerability.	Upstream, own operations
E5 – Circular economy	Waste	Negative impact	Disposal and incineration of waste, the non-recycling of products, and inadequate packaging reuse contribute to environmental degradation and greenhouse-gas emissions, adversely affecting surrounding ecosystems and nearby communities.	Downstream
S1 – Own workforce	Working conditions – Working time	Negative impact	Extended working hours in production, retail, and logistics, particularly during peak seasons, may reduce employee well-being, increase fatigue, and affect productivity and retention.	Own operations
S1 – Own workforce	Working conditions – Adequate wages	Negative impact	Inadequate pay or compensation below benchmark levels may undermine employee financial security and loyalty, potentially affecting overall well-being and job satisfaction.	Own operations
S1 – Own workforce	Working conditions – Freedom of association/ consultation rights	Negative impact	In regions of textile production, restrictions on worker representation, and collective bargaining may limit negotiation power and exacerbate labor-rights risks.	Own operations (own production only)
S1 – Own workforce	Working conditions – Work-life balance	Negative impact	High variability in workloads, peaks, and overtime, particularly in manufacturing or retail, may impact employee health, engagement, and turnover.	Own operations

Topical ESRS	Sub-topic/sub-sub-topic	Material IRO	Description	Value chain stage
S1 – Own workforce	Working conditions – Work-life balance	Positive impact	By advancing work-life balance through flexible work arrangements, sabbatical offerings, and parental support programs, the Company strengthens employee well-being and supports productivity, engagement, and long-term business performance.	Own operations
S1 – Own workforce	Equal treatment & opportunities – Gender equality & equal pay	Negative impact	Under-representation of women in senior roles, and persistent pay inequities may constrain the talent pool, limit career progression, and impair organizational performance.	Own operations
S1 – Own workforce	Equal treatment & opportunities – Training & skills development	Positive impact	Through diverse workshops, e-learning, and on-the-job training, employees are empowered to grow personally and professionally, strengthening skills, and supporting continuous development, contributing to long-term business performance.	Own operations
S1 – Own workforce	Equal treatment & opportunities – Persons with disabilities	Negative impact	Lack of accessibility infrastructure, or inclusion mechanisms may inhibit workers with disabilities from full participation, reducing workforce diversity, and impeding the creation of an inclusive work environment.	Own operations
S1 – Own workforce	Equal treatment & opportunities – Violence & harassment	Negative impact	Failure to address workplace harassment and violence can erode employee trust, engagement, and reputation, and may lead to legal or regulatory consequences.	Own operations
S1 – Own workforce	Equal treatment & opportunities – Diversity	Negative impact	Limited workforce diversity may reduce creativity, hinder innovation, and weaken organizational resilience in changing markets.	Own operations
S2 – Workers in the value chain	Working conditions – Secure employment	Negative impact	Competitive pressure, and informal subcontracting in textile supply chains may increase worker vulnerability to insecure employment, limiting rights, protections, and business continuity.	Upstream
S2 – Workers in the value chain	Working conditions – Working time	Negative impact	Extended working hours and inadequate time-off in fiber extraction and textile processing may infringe on labor rights, contributing to reduced workers' well-being and unsafe or inequitable working conditions.	Upstream
S2 – Workers in the value chain	Working conditions – Working time	Risk	Insufficient oversight of suppliers may lead to breaches of working-time regulation, resulting in penalties, reputational harm, and increased supplier turnover.	Upstream
S2 – Workers in the value chain	Working conditions – Adequate wages	Negative impact	Sub-contracting, weak worker representation, and competition in sourcing regions may result in wages below market or statutory minima, increasing risk of workforce instability.	Upstream
S2 – Workers in the value chain	Working conditions – Adequate wages	Risk	Supplier wage-setting practices below benchmark levels may increase labor turnover, cost volatility, and supply-chain disruption, resulting in higher production costs.	Upstream
S2 – Workers in the value chain	Working conditions – Social dialog	Negative impact	Restrictions by suppliers or subcontractors on workers' rights to engage in social dialog and consultations regarding working conditions, wages, and labor rights can negatively impact human rights and hinder fair labor practices across the supply chain.	Upstream
S2 – Workers in the value chain	Working conditions – Freedom of association/work councils	Negative impact	In supplier jurisdictions with limited labor rights, restricted freedom of association, and absence of works councils may impair dialog and worker representation.	Upstream
S2 – Workers in the value chain	Working conditions – Collective bargaining	Negative impact	Limited collective bargaining coverage in sourcing regions may hinder negotiation of fair wages and conditions, exposing workers to unfair treatment, and operational risk.	Upstream

Topical ESRS	Sub-topic/sub-sub-topic	Material IRO	Description	Value chain stage
S2 – Workers in the value chain	Working conditions – Health & safety	Negative impact	Exposure to chemicals, hazardous materials, and physically demanding labor in sourcing regions increases the risk of injury, illness, and supply-chain loss events.	Upstream
S2 – Workers in the value chain	Equal treatment & opportunities – Gender equality & equal pay	Negative impact	Gender inequities in supply-chain roles, leadership exclusion, and lower pay for women may perpetuate systemic discrimination and limit economic empowerment and well-being of women across the value chain.	Upstream
S2 – Workers in the value chain	Equal treatment & opportunities – Violence & harassment	Risk	Ineffective policies and procedures, unclear reporting and grievance mechanisms, and inadequate employee training on preventing and handling violence and harassment may lead to incidents in the supply chain, resulting in reputational damage, loss of stakeholder trust, and potential regulatory or business consequences.	Upstream
S2 – Workers in the value chain	Other work-related rights – Child labor	Negative impact	Child labor remains a risk in raw-material and early-process stages of textile production, undermining human rights compliance, supply-chain reliability, and brand trust.	Upstream
S2 – Workers in the value chain	Other work-related rights – Forced labor	Negative impact	Forced labor can arise in early and mid-stage textile production, particularly affecting migrant and informal workers. It violates fundamental rights, disrupts responsible sourcing, and weakens supply-chain reliability.	Upstream
S2 – Workers in the value chain	Other work-related rights	Risk	Supply-chain partner failure to comply with child- or forced-labor legislation can result in severe human-rights violations, business interruption, liability exposures, and reputational risks.	Upstream
S4 – Consumers and end-users	Information-related impacts for consumers/end-users	Negative impact	Violations of data protection rights of customers and business partners, for example due to insufficient processes or increasing digital connectivity, can result in data breaches, loss of trust, and reputational harm.	Downstream
S4 – Consumers and end-users	Information-related impacts for consumers/end-users	Risk	Failure to safeguard consumer privacy, provide accurate information, or prevent harmful product use may undermine consumer trust, regulatory compliance, and brand integrity.	Downstream
G1 – Business conduct	Corporate culture	Negative impact	Weak corporate culture, insufficient governance, or unclear ethical standards may impair employee behavior, stakeholder trust, and internal controls.	Own operations
G1 – Business conduct	Whistleblower protection	Negative impact	Inadequate protection for whistle-blowers in the value chain can limit visibility of misconduct, reduce corrective action, and damage the organization's ability to address and resolve systemic issues.	Upstream, own operations, downstream
G1 – Business conduct	Animal welfare	Negative impact	Insufficient controls over use of animal-derived materials may expose the business to animal-welfare concerns, supplier-chain disruption, and reputational risk.	Upstream
G1 – Business conduct	Supplier relationship management/ payment practices	Negative impact	Irresponsible purchasing and payment practices, such as unclear terms, short lead times, or abrupt order changes, can strain supplier cash flows, reduce trust, and create financial instability in the supply chain.	Upstream

Overview of ESRS disclosure requirements

The following table provides an overview of all ESRS disclosure requirements and their respective application status within this combined non-financial statement, differentiated into applied, partially applied, material but not applied, and not material requirements.

ESRS DISCLOSURE REQUIREMENTS

Disclosure requirement	Application status	Paragraph	Disclosure requirement	Application status	Paragraph
ESRS 2 BP–1	partially applied	About this combined non-financial statement	ESRS E1–7	not applied	
ESRS 2 BP–2	partially applied	About this combined non-financial statement	ESRS E1–8	not applied	
ESRS 2 GOV–1	partially applied	Governance, Corporate Governance and the Corporate Governance Statement	ESRS E1–9	not applied	
ESRS 2 GOV–2	not applied		ESRS E2 IRO–1	not applied	
ESRS 2 GOV–3	not applied		ESRS E2–1	partially applied	Policies related to pollution
ESRS 2 GOV–4	not applied		ESRS E2–2	partially applied	Actions related to pollution
ESRS 2 GOV–5	not applied		ESRS E2–3	partially applied	Targets related to pollution
ESRS 2 SBM–1	partially applied	Business model, strategy, and value chain, Business Activities and Group Structure, Group Strategy	ESRS E2–4	not applied	
ESRS 2 SBM–2	partially applied	Interests and views of stakeholders	ESRS E2–5	not applied	
ESRS 2 SBM–3	partially applied	Double materiality assessment, Additional disclosures on the Combined Non-financial Statement	ESRS E2–6	not applied	
ESRS 2 IRO–1	applied	Double materiality assessment	ESRS E3 IRO–1	not applied	
ESRS 2 IRO–2	partially applied	Double materiality assessment, Additional disclosures on the Combined Non-financial Statement	ESRS E3–1	partially applied	Policies related to water resources
ESRS E1 GOV–3	not applied		ESRS E3–2	partially applied	Actions related to water resources
ESRS E1–1	partially applied	Transition plan for climate change	ESRS E3–3	not applied	
ESRS E1 SBM–3	not applied		ESRS E3–4	not material	
ESRS E1 IRO–1	not applied		ESRS E3–5	not applied	
ESRS E1–2	partially applied	Policies related to climate change	ESRS E4 SBM–3	not applied	
ESRS E1–3	partially applied	Actions related to climate change	ESRS E4 IRO–1	not applied	
ESRS E1–4	partially applied	Targets related to climate change	ESRS E4–1	"quick fix" applied	
ESRS E1–5	partially applied	Energy consumption and mix	ESRS E4–2	"quick fix" applied	Policies related to biodiversity and ecosystems
ESRS E1–6	partially applied	Greenhouse gas emissions	ESRS E4–3	"quick fix" applied	Actions in relation to biodiversity and ecosystems

Disclosure requirement	Application status	Paragraph
ESRS E4–4	"quick fix" applied	Targets related to biodiversity and ecosystems
ESRS E4–5	"quick fix" applied	
ESRS E4–6	"quick fix" 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	"quick fix" applied	Policies related to workers in the value chain
ESRS S2–2	"quick fix" applied	
ESRS S2–3	"quick fix" applied	
ESRS S2–4	"quick fix" applied	Actions related to workers in the value chain
ESRS S2–5	"quick fix" 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	"quick fix" applied	Policies related to consumers and end-users
ESRS S4–2	"quick fix" applied	
ESRS S4–3	"quick fix" applied	
ESRS S4–4	"quick fix" applied	Actions related to consumers and end-users
ESRS S4–5	"quick fix" applied	Targets related to consumers and end-users
ESRS G1 GOV–1	not applied	
ESRS G1–1	partially applied	Business conduct
ESRS G1–2	partially applied	Management of relationships with suppliers
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	partially applied	Payment practices

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

	2025	2024
Environment		
Total waste disposed (in metric tons)[1]	7,656	7,870
Total net freshwater consumption (in cubic meters)[1]	44,946	58,180
Social		
Employee Lost-Time Injury Frequency Rate (LTIFR)[2]	7.1	9.6
Contractors Lost-Time Injury Frequency Rate (LTIFR)[2,3,4]	7.2	4.7
Number of work-related fatalities for employees	0	0
Number of work–related fatalities for contractors[3]	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. It is calculated as the number of these injuries per one million hours worked.
3 The metric is collected across all entities in scope, covering 89% of the Group's total FTEs.
4 Due to corrections and improvement of data quality, last year's figures have been adjusted retrospectively.

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 2025

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic Activities	**Code[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, 2024**	**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		4,270	100																
Total		**4,270**	**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 2025, 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 2025

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic Activities	**Code[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, 2024**	**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	27	7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		27	7														2		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		27	7														2		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		358	93																
Total		**385**	**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 2025

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic Activities	**Code[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, 2024**	**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		122	100																
Total		**122**	**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 2025 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 3, 2026

HUGO BOSS AG
The Managing Board

Daniel Grieder
Oliver Timm
Yves Müller

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 balance sheet as at December 31, 2025, the consolidated statement of profit and loss 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, 2025, and the notes to the consolidated financial statements, including material accounting policy information. We have not audited the content of the remuneration report in accordance with Section 162 German Stock Corporation Act (AktG) referenced in section „18 | Share-based payment" of the notes to the consolidated financial statements. 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, 2025. In accordance with the German legal requirements, we have not audited the content of the consolidated non-financial statement in accordance pursuant to Section 289b to 289e and Section 315b and 315c German Commercial Code (HGB) included in section "Legal disclosures" of the combined management report and the consolidated corporate governance statement in accordance with Section 289f and Section 315d HGB included in 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) (hereinafter "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, 2025 and of its financial performance for the financial year from January 1 to December 31, 2025, our audit opinion on the consolidated financial statements does not cover the content of the remuneration report referred to above 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 contents of the statements referred to above and of the unaudited disclosures extraneous to management reports referred to above.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (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 the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. 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, 2025. 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 799.9 and respective current and non-current lease liabilities of mEUR 886.9, which corresponds to approx. 21.5% and 23.8% of the consolidated total assets, 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 2025 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 specialists. 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 consolidated non-financial statement
- the combined statement on corporate governance
- 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.

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. 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 Assurance on the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Assurance Opinion

We have performed assurance work 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-265 value 2bc8a2c0bb9e3fca9f28eb1d49802786ec0eb65cafdb8d441a515f5d7631459e, 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 assurance work 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 assurance 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, 2025 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 Assurance Opinion

We conducted our assurance work on 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 Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a)

HGB (IDW AsS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents
The executive directors of the Company 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 Company 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 Assurance Work on 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 assurance work. 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 assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance 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 15, 2025. We were engaged by the supervisory board on June 11, 2025. 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 assurance opinion contained therein are to be used solely together with the assured 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 6, 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Marco Koch	Constantin Fuchs
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, 2025 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 (09.2023)). 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 requirements of the IDW Quality Management Standards. 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 (i.e. fraudulent financial reporting and misappropriation of assets) 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 9, 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Marco Koch
Wirtschaftsprüfer
(German Public Auditor)

Constantin Fuchs
Wirtschaftsprüfer
(German Public Auditor)

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in relation to the Combined Non-financial Statement

To HUGO BOSS AG, Metzingen/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Non-Financial Statement of HUGO BOSS AG, Metzingen/Germany, included in section "Combined Non-Financial Statement" of the combined management report for the parent and the group for the financial year from January 1 to December 31, 2025 (hereafter referred to as "combined non-financial statement"), including the disclosures within this combined non-financial statement on the fulfillment of the requirements of Article 8 of Regulation (EU) 2020/852 and Sections 289b to 289e, 315b and 315c German Commercial Code (HGB) for a consolidated non-financial statement.

Not subject to our assurance engagement are
- 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 Consolidated Non-Financial Statement for the financial year from January 1 to December 31, 2025 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.

We do not express an assurance conclusion on the references to information of the combined non-financial statement marked as unassured.

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 issued by the IAASB. 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 Consolidated Non-Financial Reporting) 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 disclosed 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 Consolidated Non-Financial Reporting 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 judgement and maintain professional scepticism. 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.

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 6, 2026

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

	2025	2024	2023	2022	2021	2020[1]	2019[2]	2018	2017	2016
Sales (in EUR million)	4,270	4,307	4,197	3,651	2,786	1,946	2,884	2,796	2,733	2,693
Sales by brand[3]										
BOSS Menswear	3,346	3,329	3,256	2,868	2,181	1,530	2,488	2,422	2,336	2,313
BOSS Womenswear	280	297	288	239	192	131				
HUGO	644	682	653	545	413	285	396	374	397	380
Sales by segments										
EMEA	2,664	2,625	2,562	2,303	1,742	1,231	1,803	1,736	1,681	1,660
Americas	993	1,020	955	789	543	308	560	574	577	582
Asia/Pacific	509	553	576	467	423	343	438	410	396	382
Licenses	104	109	104	92	77	64	84	76	79	69
Sales by distribution channel[3]										
Brick-and-mortar retail[4]	2,167	2,241	2,262	2,016	1,512	1,057	1,869	1,768	1,732	1,677
Brick-and-mortar wholesale[5]	1,108	1,111	1,033	895	647	472	931	952	922	947
Digital	891	846	798	648	549	352	–	–	–	–
Licenses	104	109	104	92	77	64	84	76	79	69
Results of operations (in EUR million)										
Gross profit	2,626	2,660	2,581	2,256	1,721	1,187	1,875	1,823	1,808	1,777
Gross margin in %	61.5	61.8	61.5	61.8	61.8	61.0	65.0	65.2	66.2	66.0
EBIT	391	361	410	335	228	(236)[6]	344	347	341	263
EBIT margin in %	9.2	8.4	9.8	9.2	8.2	(12.1)[7]	11.9	12.4	12.5	9.8
EBITDA	782	775	752	680	568	230	707	476	499	433
Net income attributable to equity holders of the parent company	249	213	258	209	137	(220)[8]	205	236	231	194
Net assets and liability structure as of December 31 (in EUR million)										
Trade net working capital	775	791	870	613	376	491	528	537	459	524
Non-current assets	1,858	1,930	1,681	1,535	1,458	1,516	1,713	686	662	752
Equity	1,558	1,450	1,311	1,135	940	760	1,002	981	915	888
Equity ratio in %	42	38	38	36	34	30	35	53	53	49
Total assets	3,721	3,782	3,472	3,127	2,736	2,570	2,877	1,858	1,720	1,799
Financial position and dividend (in EUR million)										
Free cash flow	499	497	96	166	560	164	457	170	294	220
Net financial liabilities (as of December 31)	839	1,038	1,006	767	628	1,004	1,040	22	7	113
Capital expenditure	195	286	298	192	104	80	192	155	128	157
Depreciation/amortization	391	414	342	345	339	465[9]	362	129	158	169
Total leverage (as of December 31)[10]	1.1	1.3	1.3	1.1	1.1	(6.7)	0.2	0.0	0.0	0.2
Amount distributed[11]	3	97	93	69	48	3	3	186	183	179
Additional key figures										
Employees (as of December 31)[12]	17,527	18,623	18,738	16,930	14,041	13,795	14,633	14,685	13,985	13,798
Personnel expenses (in EUR million)	984	979	918	794	627	570	640	629	604	605
Number of Group's own retail points of sale	1,462	1,532	1,418	1,316	1,228	1,157	1,113	1,092	1,139	1,124
Shares (in EUR)										
Earnings per share	3.61	3.09	3.74	3.04	1.99	(3.18)[13]	2.97	3.42	3.35	2.80
Dividend per share[11]	0.04	1.40	1.35	1.00	0.70	0.04	0.04	2.70	2.65	2.60
Last share price (as of December 31)	36.15	44.78	67.46	54.16	53.50	27.29	43.26	53.92	70.94	58.13
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 2025 targets set out in 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 2025: Dividend proposal; legal minimum dividend. Further information can be found in the chapter "Our Share"; 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
Tuesday, March 10, 2026

Conception and Design
nexxar GmbH, Vienna
www.nexxar.com

Photos of the Managing Board
Andreas Pohlmann

FINANCIAL CALENDAR 2026

May 5, 2026	First Quarter Results 2026
May 21, 2026	Annual General Meeting
August 4, 2026	Second Quarter Results 2026 & First Half Year Report 2026
November 3, 2026	Third Quarter Results 2026