TCFD REPORT 2022

HUGO BOSS

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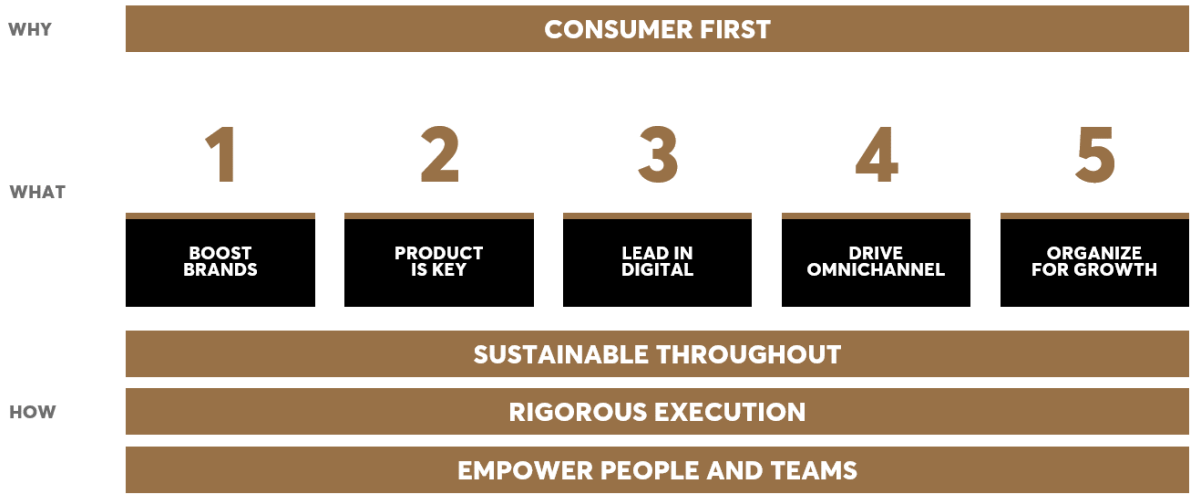
By disclosing climate-related risks and opportunities in line with the recommendations of the Task Force for Climate Related Financial Disclosure (TCFD), HUGO BOSS provides a summary of the actions taken to review and develop a strategy to manage the key risks and opportunities arising from climate change, and the potential impacts on its business. The underlying information and data in this report relates to fiscal year 2022. HUGO BOSS intends to update and expand its TCFD reporting annually to provide information on further progress in climate-related risk management..

1 Governance

Sustainability is one of the underlying principles ("Sustainable Throughout") of the Company's growth strategy "CLAIM 5".



As such, the Company has a sound sustainability management in place, including a dedicated sustainability strategy. A materiality analysis which HUGO BOSS conducts on a regular basis serves as the basis for the sustainability strategy. In this regard, the topic of Climate Action was identified as one of the top priorities for HUGO BOSS (see Sustainability Report 2022, p. 12). Climate-related risks and opportunities are therefore also part of the Company's decision-making process and strategic positioning. > **Sustainability Report 2022**

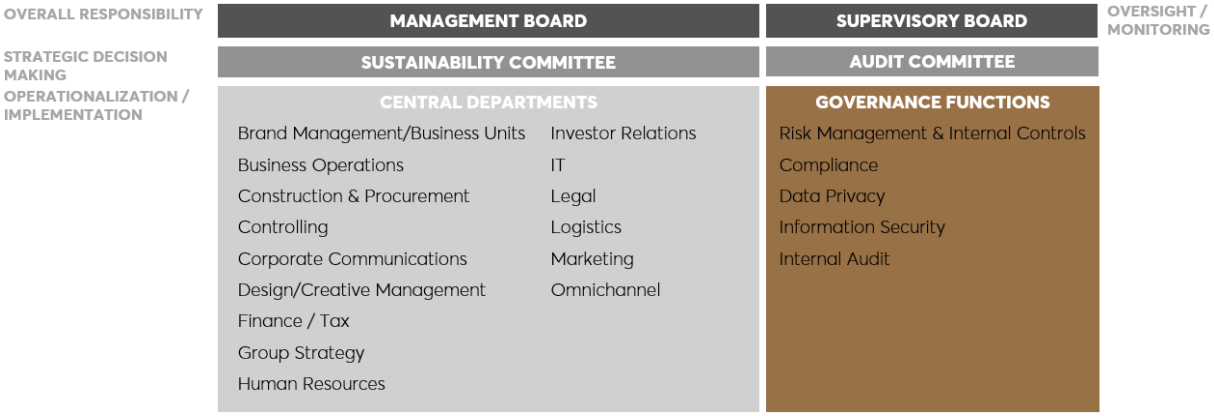
The oversight for sustainability and therefore the climate strategy falls within the remit of the Chief Financial Officer (CFO) / Chief Operating Officer (COO). The central committee tasked with steering the sustainability strategy is the HUGO BOSS Sustainability Committee, chaired by the CFO/COO since June 2022. In fiscal year 2022, it was composed of members of the Managing Board and the managers responsible for the relevant departmental functions (Brand Management/Business Units, Business Operations, Construction & Procurement, Corporate Communications, Design/Creative Management, Finance/Tax, Group Strategy (incl. Corporate Sustainability), Human Resources, Investor Relations, Legal/Compliance, Logistics, Marketing, and Omnichannel).

The Sustainability Committee regularly analyzes, discusses and takes decisions on climate-related issues and informs the Managing Board about the progress and measures towards achieving the Company's climate-related targets. In addition to this, specific Managing Board meetings are held on a case-by-case basis if there are relevant climate-related issues to discuss in more detail. Depending

on the scope of the issue under discussion, the responsibility lies with the respective board member and its organization. Responsibility is being shared if the issue involves more than one Board member.

The Managing Board together with the Audit Committee of the Company's Supervisory Board have overall responsibility for managing and overseeing risks and opportunities regarding the Group's business operations, including climate-related issues. Group Risk Management & Internal Controls informs both the Managing Board and the Audit Committee twice per year about climate-related risks and opportunities: the Managing Board by means of Managing Board meetings and the Supervisory Board via the Audit Committee meetings.

The following chart shows the overall sustainability governance of HUGO BOSS, including Group Risk Management & Internal Control which is responsible for coordinating climate-related risks and opportunities.



The Internal Audit department is an independent part of the governance system with objective assurance and consulting activities designed to add value and improve the organization's operations. It also supports the oversight function of both the Managing Board and the Supervisory Board reviewing compliance with and the effectiveness of the defined controls with regard to the account and business processes. 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. Some departments are audited on a regular basis, including Risk Management & Internal Controls which was last audited in fiscal year 2022.

2 Strategy and Risk Management

Climate change has been identified as a main risk for HUGO BOSS. It has the potential to impact business in the short (<1 years), medium (1–3 years) and long term (>3 years). The physical risks and opportunities that the Company faces from climate change include water scarcity and the risk of severe weather events damaging buildings and infrastructure. The transitional risks and opportunities include for example future regulation, changing consumer preferences, and access to raw materials and workforce.

The responsibility of identifying and assessing climate-related risks is shared between Group Risk Management, the affected internal departments and Group subsidiaries. Risk Management takes over the coordinating role and provides the framework for the risk assessment whereas the individual departments are responsible for evaluating and managing their climate-related risks. The following chart shows the process of identifying and assessing climate-related risks.

Main Risk categories

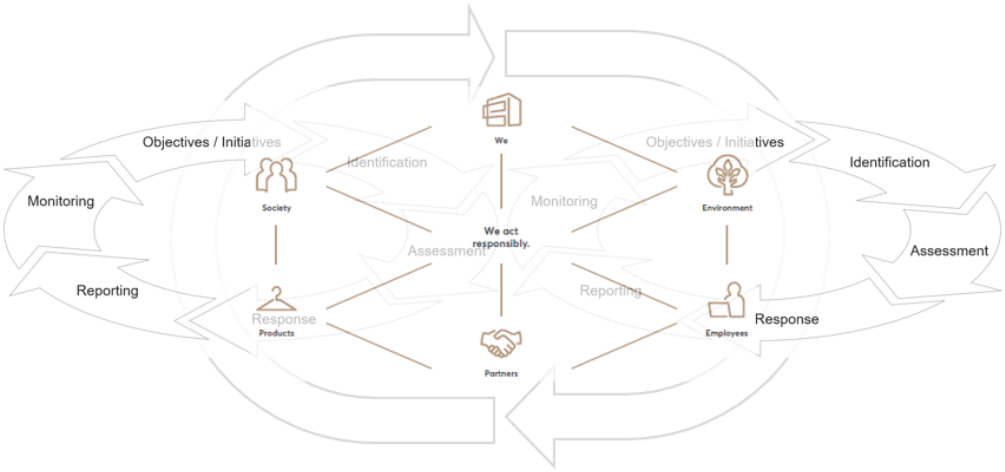
External	Strategic	Financial	Operational	Organizational

Sub categories with climate related risks

Nature & biodiversity, current & emerging regulation, technology, legal, market, reputational, acute- & chronic physical

The Risk Management Process is conducted twice a year and includes all potential risks along the entire value chain (including upstream and downstream activities)

- Short- and medium term risk impacts are assessed group-wide on a bi-annually basis
- Long-term risk impacts are assessed reviewed at least once per year and updated, if the environment and calculation parameters change significantly



The significance of climate-related risks is evaluated first by the Company's experts in the affected departments. They define their general relevance by a qualitatively categorizing risks into low, medium and high risk in either the short, medium or long term. If a risk is categorized as either medium or high and it is likely to occur in a relevant time frame, the potential negative impact is quantified. This quantification is taken into consideration when making relevant decisions which might be affected by the underlying risk. Short-term risks are mitigated by the respective departments as part of their daily business. Medium- and long-term developments are constantly monitored and included in strategic decision-making if necessary.

With its comprehensive and far-reaching climate strategy, HUGO BOSS sets out to monitor and manage its CO_2 emissions along the entire value chain. The Company is one of the signatories of the

Fashion Industry Charter for Climate Action in 2018 under the auspices of the United Nations Framework Convention on Climate Change (UNFCCC). Within the framework of the Charter, HUGO BOSS, together with other companies in the fashion industry, is committed to "net zero" climate-damaging emissions by 2050. In fiscal year 2022, HUGO BOSS revised its climate targets, adapting them to the increased requirements of the UNFCCC. From now on, HUGO BOSS pursues the goal of effectively reducing its own CO_2 emissions (scope 1 and scope 2) by at least 50% by 2030 (base year: 2019), and thus without additional offsetting. In addition, by 2050 the Company aims at achieving net zero along the entire value chain. The previous climate neutrality targets of HUGO BOSS by 2030 and 2045 have thus been replaced.

In its own area of responsibility (Scope 1 and 2), the increased use of renewable energy and more energy-efficient technologies represent the central starting point of the HUGO BOSS climate strategy. Nevertheless, by contrast, outside of the Company's own area of responsibility (Scope 3), considerably more CO_2 emissions are released. In line with the Company's own natural capital evaluation, more than 90% of emissions arise outside the Company's own area of responsibility. To remedy this, HUGO BOSS is working closely with all partners in its supply chain and is helping them to make their own contribution towards reducing emissions by promoting energy efficiency and the use of renewable energies. Together with other companies within the Zero Discharge of Hazardous Chemicals initiative, the Company has developed the Resource Efficiency Module (REM). With the REM, suppliers can, in particular, record their energy consumption, set goals, start and manage their own resource efficiency projects, and report on their progress focusing on energy efficiency, GHG emissions, and water management. With regards to emissions from its raw materials, HUGO BOSS is focusing on using renewable, natural or recycled materials. The HUGO BOSS RESPONSIBLE Product Policy specifies preferred raw materials with lower emissions such as cotton cultivated according to recognized standards (e.g. Better Cotton, Cotton made in Africa, organic cotton) or wool and cotton from regenerative farming.

The following table shows the relevant climate related risks identified in the first qualitative assessment of HUGO BOSS including potential impacts and a summary of mitigation/resilience measures taken by the Company to address each respective risk. These risks are constantly monitored and updated, if needed.

CLIMATE-RELATED RISKS FOR HUGO BOSS

Risk	Regulatory risk	Reputational risk	Limited access to and price volatility of raw materials	Limited access to labor due to climate change-induced demographic change	Changes in consumer demand due to changes in seasonal weather	Water scarcity and security	Physical business continuity risk (severe climate events)
Consequences	▪ Increased pricing of GHG emissions ▪ Enhanced reporting obligations ▪ Regulation of existing products and services	▪ Shifts in consumer preferences ▪ Negative image of the textile industry ▪ Increased stakeholder concern or negative stakeholder feedback	▪ Reduced availability of raw materials ▪ Changes in raw material prices	▪ Reduced production capacities ▪ Longer product time ▪ Political instability ▪ Intercommunity violence	▪ Reduced demand for certain product groups in respective regions	▪ Lower yields in raw material production ▪ Reduced capacity for water intensive processes like dyeing, tanning, printing and laundering	▪ Damage to buildings and infrastructure ▪ Disruption of supply chains
Potential impact	▪ Increased operating costs ▪ Increased compliance costs ▪ Increased costs and/or reduced demand for products and services resulting from fines and judgements	▪ Reduced revenue from decreased demand for goods/services ▪ Reduced revenue from negative impacts on workforce management and planning (e.g. employee attraction and retention) ▪ Reduced capital availability	▪ Increased production costs and less plannability ▪ Decreased production volume leading to loss of sales	▪ Increased labor costs ▪ Changed sourcing portfolio ▪ Delayed product supply	▪ Loss of sales ▪ Loss of margin (if products with smaller margins replace those with higher margins) ▪ Increased inventory	▪ Increased production costs ▪ Increased regulatory penalties ▪ Lost social license to operate ▪ Damaged brand image	▪ Increased costs to repair damages ▪ Increased insurance premiums/less coverage ▪ Increased need for investments ▪ Increased business interruptions and delayed product supplies
Time period relevance	Short- to medium-term	Short- to long-term	Short- to long-term	Medium- to long term	Medium- to long-term	Medium- to long-term	Long-term
Mitigation / resilience	▪ Embedding sustainability into overall business strategy ▪ Constant monitoring of trends and developments that could potentially lead to increasing legal requirements	▪ Public commitment to the targets within the framework of the UNFCCC Fashion Industry Charter for Climate Action ▪ Transparent reporting of target achievement and related measures	▪ Constant monitoring of raw material prices and search for alternative materials. ▪ Investing in new alternative technologies and raw materials, which contributes to decarbonizing the textile industry	▪ Balanced regional distribution to avoid dependencies ▪ Actively managing and optimizing the sourcing portfolio	▪ Constant monitoring of consumption patterns and consumer preferences ▪ Optimized and flexible merchandise management	▪ Improving water efficiency in the Company's direct operations and across the supply chain ▪ Decreasing water pollution in the production processes through chemical management along the supply chain ▪ Water risk mapping	▪ Monitoring the resilience of own locations regarding severe climate events. ▪ Emergency plans to ensure business continuity

Physical climate risk assessment of HUGO BOSS' most relevant locations

HUGO BOSS uses an expert software that is specialized and science-backed on assessing climate change related risks including scenario analysis for both physical and transitional risks.

The scenarios are based on the Representative Concentration Pathway (RCP), which is a greenhouse gas concentration (not emissions) trajectory adopted by the IPCC. Four pathways were used for climate modeling and research for the IPCC fifth Assessment Report (AR5). The pathways describe different climate futures, all of which are considered possible depending on the volume of greenhouse gases (GHG) emitted in the years to come. The RCPs – originally RCP2.6, RCP4.5, RCP6, and RCP8.5 – are labelled after a possible range of radiative forcing values in the year 2100. The RCPs were chosen to represent a broad range of climate outcomes.

The following table shows the range of temperature increase for each RCP scenario, the related emissions, and the general impact of those scenarios resulting from a physical and transitional risk perspective.

Emissions pathway (RCP)	8.5 (3.2 – 5.4 °C)	6.0 (2.0 – 3.7 °C)	4.5 (1.7 – 3.2 °C)	2.6 (0.6 – 2.3 °C)
Emissions	High emissions	Moderate-high emissions	Low emissions	Very low emissions
Physical risk impact	Very high	High	Medium	Low
Transitional risk impact	Low	Medium	High	Very high

Overview of physical risks analyzed

Physical risks[1]			
	Temperature extremes		Tropical cyclone
	Fluvial flooding		Drought
	Wildfire		Water stress
	Coastal flooding		

The following tables show which kind of physical risks are going to impact the locations, with the severity being ranked from left to right – the scenario analysis covers the four RCP scenarios mentioned before and the impact by decade up to 2100. The Company applied no minimum threshold for those physical risks, so that the potential Model Average Annual Loss can also be very low, especially for the fluvial flooding and wildfire risks.

[1] Source of the used symbols is S&P Global

Offices and Warehouses

Headquarters (Germany - Metzingen)	
Warehouse (Germany - Filderstadt)	
Warehouse (Germany - Wendlingen)	
Warehouse (Germany - Bad Urach)	
HUGO BOSS Ticino S.A. (Switzerland - Coldrerio)	
HUGO BOSS USA Inc. (Savannah)	
HUGO BOSS Canada, Inc. (Toronto)	
HUGO BOSS Hong Kong Ltd.	
HUGO BOSS China Retail Co. Ltd. (Shanghai)	
HUGO BOSS Mexico S.A. de C.V. (Miguel Hidalgo)	

Production sites (own & partners)

HUGO BOSS Textile Industry Ltd. (Turkey)	
HUGO BOSS Shoes & Acc. Italia S.p.A. (Italy)	
Supplier Bangladesh	
Supplier Vietnam	
Supplier Tunisia	
Supplier Turkey	
Supplier Portugal	
Supplier Peru	
Supplier Bulgaria	

Point of sale (POS)

POS Germany	
POS United States	
POS France	
POS Dubai	

Physical climate risk adaptation

The most relevant adverse impact by physical climate change related causes is due to temperature extremes. HUGO BOSS considers the following four drivers causing financial damage to the business, all caused by high temperatures:

- Cooling costs
- Employee productivity
- Revenue impact
- HVAC (Heating, Ventilation, Air Conditioning) degradation

For all locations that have been analysed, the biggest financial impact might be caused by a decreasing employee productivity in the future. Independent of the identification of this new negative impact on employee productivity, HUGO BOSS is already focusing on maximizing employee productivity. In order to identify a decreasing employee productivity due to increasing temperatures at an early stage, the local management is encouraged to monitor the developments and to receive feedback from the employees. If necessary, the local management will implement mitigations to compensate the loss of employee productivity.

Other physical hazards are expected to be less significant than temperature extremes based on their financial impact on HUGO BOSS' locations and their performance. The few locations close to the coast without any elevation are endangered by a rising sea level. A more common potential impact for HUGO BOSS' locations is resulting from increasing fluvial floodings, but the modelled annual average loss is lower than the consequences of temperature extremes for all locations.

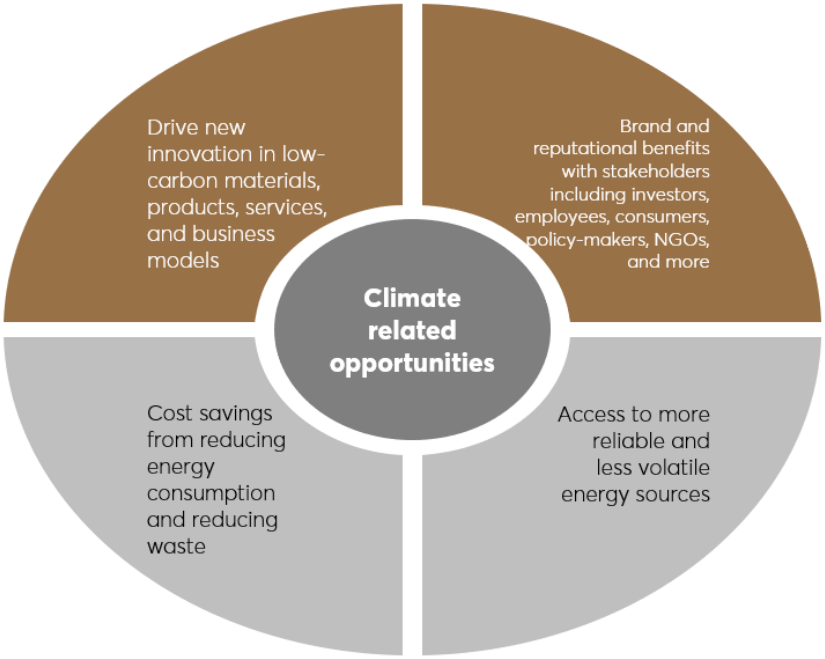
Resilience of HUGO BOSS' strategy

Based on the assessment of the identified transitional and physical climate related risks and the actions in place to mitigate those risks, HUGO BOSS is well prepared to cope with challenges resulting from increasing temperatures and climate change. Based on the current scenarios analysis, also covering the high emissions and warming scenario RCP 8.5 (3.2 – 5.4 °C), the physical risks of our most important locations are not requiring us to relocate or invest heavily in our main offices, productions sites or warehouses by the end of the century.

By successfully executing its "CLAIM 5" strategy that includes sustainability throughout the entire value chain as a key criterion for success, HUGO BOSS mitigates the potentially high transitional risks pro-actively, like the regulatory and reputational risks as well as the risk of a change in consumer demand, resulting from a 2°C and lower scenario (RCP 2.6 ranging from 0.6 – 2.3 °C). Reputational risks and the changing demand of consumers are not only bearing a downside risk, but also a potential upside and opportunities to increase sales.

Opportunities

Climate change does not only pose risks to companies, but also provides opportunities for companies in the fashion industry. The signatories of the Fashion Industry Charter for Climate Action (Charter) identified four key areas of opportunities, illustrated below. HUGO BOSS is working on all four opportunities, with the biggest short-term impact being expected to be realized by innovations and reputational benefits, compared to the potential cost savings and the less fragile energy supply.



The Company's ambition to be 'sustainable throughout' is consequently influencing its entire value chain aiming to mitigate all sustainability risks and to exploit relevant opportunities. Product and business model innovations are identified as major opportunities to attract more customers by adapting to the trend for more sustainable products.

Innovation

Sustainable materials

To further promote the proportion of more sustainable materials within its collections, in early 2022, HUGO BOSS entered into a long-term strategic partnership with Swiss innovator HeiQ. The HeiQ AeoniQ apparel technology enables the production of a sustainable, circular, and recyclable cellulose yarn. This is intended to enable HUGO BOSS to supplement or replace currently used polyester and nylon fibers with AeoniQ cellulose yarn, which binds carbon from the atmosphere during growth. In doing so, HUGO BOSS makes an important contribution to preserving agricultural land, reducing water pollution, and decarbonizing the fashion industry. The Company's investment in HeiQ AeoniQ therefore fits perfectly with its ambitious sustainability efforts.

Circular Products

HUGO BOSS focuses its efforts on the use of renewable and recycled raw materials in order to realize its circularity strategy. Products that can be recycled in one material cycle and components that can be disassembled contribute to an increasingly circular product range. The circularity of products is also defined by their longevity. Robust and highly resistant materials and workmanship, as well as

modular and multifunctional design elements ensure that garments can be used in a more versatile way, thus extend their useful life.

In early 2023, HUGO BOSS launched its first circular collection, which also met criteria for more sustainable materials and was produced without resource-intensive dyeing processes.

Circular Business Models

Circular business models, such as reselling or care and repair services, are also an important component of the Company's circularity strategy. In 2022, HUGO BOSS launched a first pilot of its online resale platform "Pre-Loved" in France, which allows customers to purchase and return used clothing from HUGO BOSS. In addition, HUGO BOSS introduced its 'Repair and Rewear Service' in selected stores in Germany in order to prolong the lifespan of its products. These business models are intended to keep products in circulation loop longer.

To ensure the long-term success of these services, it will be particularly important to provide customers with offers that are user-friendly, informing them comprehensively about these offers, and encourage them to take their own initiative.

Customer Involvement

Careful handling of clothing can also save resources in a circular economy: careful handling makes material collection, separation, preparation, and new production redundant in the short-term. Also customers play a key role in this regard as they can significantly increase the longevity of products with gentle cleaning and care.

HUGO BOSS offers its customers special material guides for this purpose via its online store. These guides contain practical information on quality, wearing comfort, product care, and the sustainability aspects of a range of materials. For all products with standard care labels that will be on the market from 2023 onwards, the importance of proper care as a contribution to environmental protection is labeled. Following products are excluded from the labeling standards: certain laundry items and accessories, as well as never-out-of-stock (standard) items produced before the changeover.

Reputation

As an international fashion and lifestyle company, HUGO BOSS is fully aware of its corporate responsibility towards its customers and society, as well as the environment and the climate. HUGO BOSS understands sustainability to be an integral part of the business.

HUGO BOSS is particularly pleased that its numerous sustainability initiatives are also being recognized externally. In 2022, HUGO BOSS was included in the "Dow Jones Sustainability Index World" for the sixth consecutive time – with the second-best score in its industry. The Company scored "best in class" in the categories of innovation management, labor practice indicators, such as diversity and freedom of association, tax strategy, and environmental and social reporting. On top of this, HUGO BOSS was named "Green Ranking Champion" among the 50 German MDAX companies. Here, the Company performed best with regard to the 60 most relevant ESG rankings and awards worldwide.

Impact of climate change on HUGO BOSS' business, strategy, and financial planning

The impact of climate change and its risks and opportunities is expected to further increase over the next years and decades, ultimately influencing the business on the costs and/or sales side. Due to the already high importance of climate change and sustainability, HUGO BOSS embeds sustainability

into each decision to optimize the financial performance of the Company and on-top to also maximize the Company's contribution to protect the climate and support sustainable initiatives. A cross-functional Company-wide approach to manage climate change related risk and opportunities helps to identify and address the financial need to mitigate risks or to capitalize on opportunities. All financing needs are included into the budgeting process of the responsible organizational unit and if more capital extensive into the long-term financial planning.

3 Metrics and Targets

HUGO BOSS has been measuring and reporting energy consumption and CO_2 emissions for Scope 1 and 2 since 2010 and Scope 3 since fiscal year 2018. CO_2 emissions are calculated according to the Greenhouse Gas Protocol standard and are partly audited by an external auditor (Scope 1 and 2 as well as emissions from air travel). Further details on climate-related metrics and targets can be found in the HUGO BOSS Sustainability Report 2022, p. 25+ 26, 28-30 >Sustainability Report 2022

02 | 04 DIRECT, INDIRECT AND OTHER GREENHOUSE GAS EMISSIONS[1] (IN T CO_2)

Scope 1[2]	2022	2021	2020
Own vehicles	3,025	2,478	2,528
Direct energy consumption	8,033	7,747	7,627
Total Scope 1	**11,058**	**10,225**	**10,155**
Scope 2 (market-based)[2,3]			
Indirect energy consumption	18,820	16,754	17,199
Total Scope 2	**18,820**	**16,754**	**17,199**
Scope 3[4]			
Purchase of goods and services	931,590	594,274	495,419
Fuel and energy related emissions	8,404	7,564	7,221
Transport and distribution (upstream)	73,064	40,772	20,222
Waste[5]	1,972	2,759	512
Business travel (air travel)	4,092	1,170	1,423
Commuting workers[6]	4,594	7,698	4,905
Property, plant and equipment rented or leased	3,821	3,996	3,846
Transport and distribution (downstream)	13,634	10,161	7,079
Handling of sold products at the end of their life cycle	23,290	14,857	12,386
Total Scope 3	**1,064,461**	**683,251**	**553,013**
Total Scope 1 to 3	**1,094,339**	**710,230**	**580,367**

1 The Greenhouse Gas Protocol is used to calculate greenhouse gas emissions. Scope 2 emissions are calculated in general according to the market-based approach by the Company using specific supplier emission factors for the certified green electricity. For conventional electricity, specific country emission factors are used.
2 Due to improved data availability and the resulting higher proportion of real data when the 2022 Sustainability Report is published, the values for Scope 1 and Scope 2 differ in total from those published in the 2022 Annual Report.
3 Due to a retroactive update of the emission factors used, the values for 2020–2021 differ from the values of the previous sustainability reports.
4 In the 2022 reporting year, HUGO BOSS for the first time reported the Scope 3 emissions in detail broken down by the categories of the "Corporate Value Chain (Scope 3) Standard" of the GHG Protocol. The categories shown were identified as being most important for the company.
5 Due to an improvement in the calculation methodology for the individual waste streams in the reporting year 2022, the figure is not fully comparable with the years 2020 and 2021.
6 Due to improved data transparency regarding commuter behavior in the reporting year 2022, the figure is not fully comparable with 2020 and 2021.

As HUGO BOSS aims for achieving net zero by 2050, the Company continues to pursue its scientifically sound reduction targets recognized by the Science Based Targets initiative (Scope 1+2). Accordingly, by 2030, the Company intends to reduce its Scope 1 and Scope 2 emissions from primary energy use and electricity supply by at least 50% (base year: 2019).

02 | 05 REDUCTION OF GREENHOUSE GAS EMISSIONS (SCOPE 1+2)[1] (IN T CO_2)

	2022[2]	2021[3]	2020[3]	2019[3]
Actual value	29,878	26,979	27,355	31,950
Change in actual value (in %)	–6	–16	–14	

1 The percentage change for 2020–2022 refers to the base year 2019. Further guidance on the method of calculating emissions is provided in Table 02 | 04.
2 Due to better data availability and the resulting higher proportion of real data when the 2022 sustainability report is published, the actual value in 2022 differs from the value published in the 2022 Annual Report.
3 Due to a retroactive update of the emission factors used, the values for 2019–2021 differ from the values of previous sustainability reports.

Also for Scope 3 emissions, which mainly originate from transportation, production and the manufacture of raw materials, the Company is aiming for a reduction of 50% by 2030.

02 | 06 REDUCTION OF GREENHOUSE GAS EMISSIONS (SCOPE 3)[1] (IN T CO_2)

	2022	2021	2020	2019
Actual value	1,064,461	683,251	553,013	731,927
Change in actual value (in %)	+45	–7	–24	

1 The percentage change for 2019–2022 refers to the base year 2019. Further guidance on the method of calculating emissions is provided in Table 02 | 04.

In order to achieve its climate targets, HUGO BOSS is focusing in particular on energy saving, procurement and self-generation from renewable sources. However, as the majority of emissions derive from Scope 3, the Company is constantly striving to reduce the CO_2 emissions in its value chain. In order to reduce CO_2 emissions generated in the raw material production, HUGO BOSS has set up a strategy and targets related to the responsible sourcing of raw materials and increasing the share of RESPONSIBLE styles (meaning the Company's dedicated offering of more sustainable products). All product-related targets can be found in the Sustainability Report 2022, p. 93-94. **>Sustainability Report 2022**