FACTSHEET ON RESPONSIBLE EXIT

REASONS FOR TERMINATING BUSINESS RELATIONSHIPS WITH SUPPLIERS:

- **Missing product compliance or service and delivery**: Insufficient level of quality, service & delivery, level of (technical) innovation, brand requirements
- **Economic reasons**: Change in demand or company strategy, trade regulations, geopolitical influence and vendor strategy, supplier insolvency
- **Missing ESG compliance**: Lack of strategy understanding or missing management approach, labor rights or other social and environmental compliance violation

**Scheduled exit**

**Ad-hoc exit**

FACTORS TO BE CONSIDERED IN THE SCHEDULED EXIT:

- **Size**: % of affected employees
- **Country of Production**: Legal obligations for HUGO BOSS & governmental support
- **Dependency**: The timeline for the exit varies between 3-6 months (≤ 20%) and 6-12 months (> 20%) to mitigate negative economic impact for the supplier
- **Economical Situation**: Economic resilience of supplier
- **Supplier Relationship**: Duration of supplier relationship

Definition of measures together with the supplier to mitigate negative effects on employees