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