

RESPONSIBLE EXIT

We work with many suppliers and factories and understand that the people making our garments depend on our business for their income.

When we take on a new supplier, we set out clearly our 'Responsible Exit process' our obligations and our expectations of our suppliers when our contractual relationship ends.

In very rare circumstances, where we are not able to gain the assurance we need that factories are meeting our ethical standards, we will exit our relationship following our responsible exit process.

Our intention to exit factories should be clearly communicated to our supplier, and where necessary, by the supplier to the factory, in detail and in writing. It should be accompanied by a clear timeline.

The timeline for exiting a factory should be proportional to the percentage volume the brand or sourcing division has within the factory. As the potential risk for negative outcomes for workers is higher when a large percentage of capacity is withdrawn from the factory it is important to allow for more time for the supplier to find new clients or, if absolutely necessary, reduce the number of workers in the facility in an appropriate manner if absolutely necessary. We ask the supplier for their written commitment to follow all applicable local and international Labour Laws as it manages any consequences of our withdrawal, and maintain vigilance through the exit period that this is being followed.

Our process for exiting a factory that is not meeting health, safety, environmental or ethical standards is in line with industry good practice. We gain assurance all

workers' severance conditions are fully and quickly met by our direct supplier.

We also:

- Commit to providing early notification of our intention to exit
- Carry out a social impact assessment to understand the number of lay-offs, closure, alternative employment and severance conditions
- Assess our share of production at the facility
- Agree an action plan with our direct supplier, which may include tracking engagement between the supplier and worker representatives

Exiting the Factory - Communication with Suppliers and Ongoing Risk Assessment

A timeline appropriate for the exiting percentage of factory capacity was determined and shared with the supplier in writing.

The timeline allowed the suppliers to maintain capacity of the factory after exit.

All relevant paperwork has been received by the supplier.

Where it is apparent that capacity cannot be filled, the brand has engaged with the supplier to ensure that any terminations are done according to the law and the principles outlined in the responsible exit policy.

Where possible the brand engaged with trade union(s) in the factory to assess the possible negative impact on workers of the exit.

Immediately After Exiting - Assessing Adverse Impact on Workers

In the event that suppliers could not maintain capacity in the factory, all reasonable measures were taken to ensure that all wages and legally entitled severance payments were made.

Where negative impacts to workers as a consequence of a brand exit were brought to the attention of the brand, the engaged with industriALL in a process of mediation and where applicable agreed on remediation.