

## COVID-19 – SUPPLY CHAIN RESPONSIBILITY

THURSDAY, 30 APRIL 2020

In these unprecedented times, where the devastating COVID-19 pandemic is affecting our health and our economy globally, we are aware of our responsibilities. Ever since we integrated sustainability into the heart of our business in 2006, we intentionally work with a small and longstanding supplier base, enabling us to establish long-term relationships. We are in daily contact with all of our partners and try to limit disruptions in our supply chain wherever we can. And while we constantly work on minimizing financial, social and environmental impact, we realize that these uncertain times will undoubtedly affect businesses and communities involved. We focus on finding collaborative solutions in which we can carry the burden of this crisis together and hopefully secure the future of all our businesses. We engage in ongoing social dialogues with partners and stakeholders such as ACT to align on these collaborative solutions.

Actions and intentions:

- Not to disrupt our supply chain, we keep cancelations to an absolute minimum (less than 5% of our annual volume)
- We try to minimize the impact of these cancelations by dividing them amongst our countries and suppliers as much as possible
- We have not renegotiated prices
- We have not changed terms of payment
- We accept and accommodate delays in delivery times
- We will use leftover materials for future orders

Additional support:

We also provide other types of support, such as training materials focused on safety measures for workers, based on the World Health Organization guidelines. Finally, we also address the critical needs of the communities in the countries where G-Star RAW products are made through the GSRD Foundation. The GSRD Foundation supports its partners to adjust to this rapidly evolving situation and provides additional support for COVID-19 prevention and for the communities most affected by the virus. Examples of such support include hygiene packages and food distribution, awareness raising activities and providing personal protective equipment.