

Subject: Invitation to respond - G-Star Raw on our COVID-19 tracker

Thank you for reaching out to G-Star RAW. We hereby share our responses to the questions below.

In the 12-month period directly before the COVID-19 outbreak:

Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

1. *What are the maximum number of days from invoice date within which you pay your suppliers (e.g. 30, 60, 90, 180 days)?*
Our sourcing partners have access to their money immediately after releasing the garments.
2. *When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?*
Immediately after releasing the garments from their factories.
3. *In this period, have you asked suppliers for a discount after placing an order? **Y/N***
No.
 - a. *If yes, what percentage of FOB was the discount (if varying, please list all percentages)?*
Zero percent.
4. *Do your contracts have clauses for financial penalties:*
 - a. *For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)? **Y/N***
Yes.
 - b. *For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)? **Y/N***
Yes.

In the period since the COVID-19 outbreak:

Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

5. *Have you committed to pay in full for:*
 - a. *All completed orders? **Y/N***
Yes.
 - b. *All in-production orders? **Y/N***
Not to disrupt our supply chain, we keep cancellations to an absolute minimum (less than 5% of our annual volume). We have minimized the impact of these cancellations by dividing them amongst our countries and suppliers as much as possible.
6. *Have you extended your usual payment times? **Y/N**.*
No.
 - a. *If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?*
 - b. *Are you supporting suppliers with access to local finance with a letter of credit or through other means? **Y/N***

Yes, we continue to support our sourcing partners with immediate payments.

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6. *Have you requested a discount for any orders? Y/N*

No.

a. If yes what, percentage of FOB (if varying, please list all percentages)?

8. *Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown? Y/N*

Similar to PRE COVID-19 we have made the money available to our vendors immediately after the release of the garments. Besides, we have a local team onsite that is in close dialogue with our sourcing partners and their employees to monitor the status of the payments of wages.

9. *Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment)? Y/N*

Yes. We provided our suppliers with information guidance sheets, focused on safety measures for workers, based on the World Health Organization guidelines. We monitor the implementation of these measures for the factories that have re-opened again.

10. *Are you paying shareholder dividends? Y/N or N/A for companies without public shareholders*
Not applicable.

11. *Please add any additional comments (optional):*

We have published a statement on our supply chain responsibility during COVID-19 on our website:

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 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.

https://www.g-star.com/en_nl/news/covid19-supply-chain-responsibility