

On's Responsible Exit Policy

For Tier 1 Suppliers

On's Commitment to Responsible Exit

On is committed to responsible business conduct throughout the entire supplier lifecycle, including the difficult decision to disengage with suppliers. The purpose of this policy is to ensure that when On exits an engagement, it is conducted in a structured, transparent way that minimizes adverse impacts to affected stakeholders and takes into account contractual obligations, commercial feasibility and applicable legal requirements.

This policy extends to our Tier 1 manufacturers, where finished assembly for our products takes place (hereinafter "Suppliers"). Our commitments align with the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Due Diligence Guidance for Responsible Business Conduct.

Responsible Exit Procedure

When exiting, On will follow the below responsible exit process:

Exit Event → Assessment of Risks and Mitigating Actions → Communicate Exit Decision → Planning the Exit and Engagement

1. Exit Event

Certain circumstances may lead to the termination of a relationship with a Supplier by On ("**Exit Event**"), including operational reasons, violations of contractual obligations, On's standards and the law, recurring performance issues, or changes in strategy. Once an Exit Event has occurred, On will identify and document the reasons for exiting in accordance with internal governance processes.

Prior to an Exit Event related to a Supplier's breach of or non-compliance with the Supplier's contractual obligations, On's Supplier Code of Conduct or related On standards or policies, On will conduct a due diligence review, which may include an on-site audit, root cause analysis, corrective action planning with the Supplier, monitoring of due diligence measures, proposing remediation measures (if applicable) and/or an evaluation of remediation effectiveness, subject to feasibility,

proportionality, and the nature of the identified risks. This exercise could include On team members and external support as needed. Where appropriate, On may temporarily suspend the business relationship with respect to the activities of concern while continuing remediation efforts. If a Supplier's remediation efforts are not effective, not available, or where the relationship has deteriorated beyond repair, On will move forward with the responsible exit process.

2. Assessment of Risks and Mitigating Actions

After identifying an Exit Event, On will commence an internal process to assess the actual and potential risks associated with exiting. This review will include a review of human rights and other impacts on the relevant Supplier and its workers to identify vulnerable groups and prioritize salient risks, and an assessment of potential mitigating actions. All exit decisions, risk assessments and mitigating actions shall be documented in accordance with internal governance processes.

Such actions may include, among others:

Honoring Existing Orders: Reviewing and settling confirmed orders and committed materials in accordance with agreed contractual terms and verified order status.

Support for Workers: Encouraging the Supplier to fulfill all applicable legal obligations to workers, including wages, benefits, and severance, in accordance with applicable legal requirements, where feasible.

Extended Notice Periods: Where feasible, extending the notice period beyond the minimum contractual requirement to allow the relevant Supplier time to find new business.

Responsible Transfer: Where feasible and mutually agreed, supporting an orderly transition of production, finished goods, and/or materials, including the return or transfer of any On intellectual property, tooling (including upper and bottom tooling), and product-supporting digital assets such as pattern files and 3D tooling files held by the Supplier.

3. Communicate Exit Decision

Following a decision to exit, On will provide formal written notice of the exit to the relevant Supplier in accordance with the contract. Where appropriate and in accordance with applicable legal requirements, an existing trade union representative will also be informed.



4. Planning the Exit and Engagement

On will consult with the relevant Supplier and affected worker representatives, trade unions or other stakeholders to develop a clear plan for the exit in accordance with applicable legal requirements. On will continue to work with the Supplier to manage the exit according to the exit plan where feasible.

Governance

On is committed to reviewing and updating this Policy periodically.

Any stakeholder, including Supplier employees, who believes this Policy is being violated is encouraged to report their concern through the [Speak Up platform](#). On has a strict no-retaliation policy for anyone who raises a concern in good faith.

On provides a copy of this Policy to Suppliers. To view our most updated policies, please visit our governance document section, which can be found on our website using the following [link](#).

This Policy is a statement of On's guiding principles and does not create any rights, claims, or entitlements for any Supplier, its employees, or any other third party, nor does it impose any obligations on On beyond those expressly agreed in its contracts with Suppliers. On retains sole discretion in determining the measures to be taken in connection with any exit.

Last revised: 24 April 2026