

EVERYDAY
FOR FUTURE.



ET ER NA

SUPPLIER CODE OF CONDUCT

(Version 1.0 December 2020)

We, ETERNA Mode GmbH, want to drive social responsibility, sustainability, environmental protection and fair cooperation with our partners and employees. We adhere to high standard in terms of our economic, ecological and social responsibilities.

This Code of Conduct sets forth the fundamental requirements for all our suppliers. These regulations are in line with the requirements of STeP and with the Business Social Compliance Initiative (BSCI), the Conventions of the International Labor Organization (hereinafter referred to as "ILO") as well as the United Nations Universal Declaration of Human Rights.

WE ENCOURAGE OUR SUPPLIERS TO EVEN EXCEEDING THESE REQUIREMENTS:

1. SCOPE OF APPLICATION

This Code of Conduct is targeted to all production sites related to fabric as well as garment production purchased by ETERNA Mode GmbH. It applies globally all ETERNA plants, its direct business partners and any other suppliers working on their behalf in relation to the production of merchandise for the ETERNA Mode GmbH (hereinafter collectively "Business Partners"). The Business Partners guarantee, and shall be responsible for procuring, acceptance of and compliance with the principles set forth in this Code of Conduct.

2. LEGAL COMPLIANCE

The strictest applicable national and international laws and regulations, IAO and U.N. conventions, industrial standards as well as all other relevant policies must be adhered to at all production sites. Adherence to this Code of Conduct and the regulations mentioned above must not be circumvented by orchestrating the terms of employment or taking comparable measures.

3. DISCRIMINATION

We inhibit any form of discrimination in attitudes and employment practices, including any distinction, exclusion or preference based on color, race, caste, ethnic, national or social background, nationality, gender, sexual orientation, age, political opinion, religious beliefs, membership in workers' organizations, physical or mental disabilities or other personal characteristics.

Whether such a distinction, exclusion or preference originates from the Business Partner is irrelevant.

ILO Conventions 100, 111, 143, 158 and 159 apply.

4. CHILD LABOR

Child labor or any other form of exploitation of young workers is not tolerated by ETERNA Mode GmbH. The age of 15 or the age at which compulsory schooling ends must be the minimum age for employment. Subject to ILO exemptions, national rules on the protection of children and working youth have to be respected.

Compliance with the ban on child labor and restrictions on the employment of young workers must be guaranteed. Particularly young people must not be exposed to dangerous or unsafe conditions. If this

prohibition is violated, corrective measures on behalf of children at risk and/or other young employees have immediately to be taken and documented by the Business Partner. Furthermore, the Business Partner takes the measures and processes necessary to ensure the rehabilitation and social integration of children at risk, and must also afford them to finish school in accordance with national regulations.

ILO Conventions 79, 138, 142, 182 as well as ILO Recommendation 146 apply.

5. FORCED OR COMPULSORY LABOR

Any form of forced or compulsory labor bondage, servitude, slavery or similar conditions is not tolerated by ETERNA Mode GmbH.

It also discourages prison labor.

Forcing employees to work by violence or intimidation, directly or indirectly, is prohibited. Instead, all employees must have sought work on their own free will.

ILO Conventions 29 and 105 apply.

6. WORKING HOURS

Working hours must be in line with applicable law, industry standards or relevant ILO Conventions, whichever is more stringent. The maximum number of weekly hours allowed by national law must not be exceeded. Regularly though, an employee's weekly hours are confined to 48 hours and to 60 hours with overtime. Individual business and employment models are governed by relevant national and international regulations, including, but not limited to, the exemptions granted under the ILO. The same applies in the event of serious disruptions to the regular course of business.

After six successive days of work, employees must receive at least one day of rest. Employees cannot be forced to work overtime. Separate compensation in accordance with national regulations is compulsory for any overtime worked.

ILO Conventions 1 and 14 apply.

7. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

If the law restricts the freedom of association or collective bargaining, workers must at least be allowed and, alternatively, be able to freely and independently organize for collective bargaining purposes.

ILO Conventions 87, 98, 135 and 154 as well as ILO Recommendation 143 apply.

8. DISCIPLINARY MEASURES

Treating the employees with dignity and respect is self-evident. Sanctions, fines and other penalties or disciplinary measures must comply with applicable national and international regulations and be handed out in accordance with internationally recognized human rights.

Exposing employees to verbal, psychological, physical, sexual and/or physical abuse, coercion or harassment is to be desisted from.

9. HEALTH & SAFETY

The Business Partners have to arrange a safe and healthy working environment.

To avoid accidents and health hazards that may arise in connection with work, they have to take the necessary measures.

To this end, Business Partners place systems capable of detecting, avoiding and responding to potential health and safety hazards. Furthermore, they guarantee and document, that employees are regularly updated and trained on applicable health and safety regulations as well as any precautions taken.

The employees need to have access to clean toilets and drinking water in sufficient quantity.

As far as dormitories are available, they must be kept neat and safe and cover basic needs.

ILO Convention 155 applies

10. SUBCONTRACTING

Subcontracting always requires approval by ETERNA Mode GmbH. In case subcontracting cannot be avoided the Business Partner needs to ensure implementation of this supplier code of conduct for all subcontractors as well.

11. DOCUMENTATION OF EMPLOYMENT RELATIONSHIP

The Associate Partners vouch that their employees' terms of employment (e.g., commencement and duration of employment, hours, wages and incentives) apropos of relevant production stages are documented in writing, including but not limited to employee name, date of birth and, whenever possible, residential address.

Such written documentation further has to be guaranteed by direct business partners for each of their suppliers. Evading domestic labor and social insurance regulations is not allowed.

12. PROTECTION OF ENVIRONMENT

A decisive part of the business practice of ETERNA Mode GmbH is the conservation of nature and the environment. Business Partners have to follow all applicable environmental regulations. They are further expected to make ongoing effort to prevent and reduce contaminations. Procedures and standards, that are prescribed for waste management, for the handling and disposal of chemicals and other dangerous substances as well as for the treatment of emissions and wastewater have to be respected. Special emphasis has to be placed on the protection and preservation of natural resources and on the promotion of environmentally friendly and socially responsible production processes.

13. COMPENSATION

The Business Partners ensure that the wages paid to employees equal or go beyond the minimum wage stipulated by law or applicable industry-specific custom, whichever is higher. The paid wage has to suffice to defray the basic needs of an employee.

Illegal and unjustified wage deductions, including but not limited to those made through direct or indirect disciplinary action, are forbidden. Wages must be paid in a manner that is convenient for employees (e.g.

in cash or by check). Those must be provided information about the composition of their wages in a comprehensive manner, in regular intervals and in sufficient detail.

ILO Conventions 26 und 131 apply.

14. INFORMATION AND COMMUNICATION

All employees and Business Partners must have free access to the Code of Conduct, which has to be visible in the appropriate language. To persons, who cannot read, the Code of Conduct must be clarified by word of mouth.

15. BRIBERY AND CORRUPTION

ETERNA Mode GmbH does not tolerate any form of bribery or corruption, and all Business Partners and their employees must behave in such a way that personal dependencies, obligations or interventions are avoided. We expect everyone specifically to exhibit a professional manner, that is informed by fairness and full compliance with applicable national and international regulations. Besides, Business Partners are expected to introduce policies against bribery and corruption to be observed by all business divisions. If gifts are presented in compliance with the individual customs or etiquette of a country, care must be taken to ensure that such gifts do not give rise to obligatory dependencies and applicable domestic regulations are observed.

Information on corrupt practices must be indicated to the ETERNA Mode GmbH (divisions Group Auditing or Corporate Investigation) or to the independent external ombudsman (see item 18).

16. MANAGEMENT SYSTEMS

In order to implement, guarantee compliance with and supervise the principles set forth in this Code of Conduct, the Business Partners shall insert a management system, which must include clear responsibilities and processes as well as appropriate documentation. Continuous monitoring, which must be documented, is required for Documentation, implementation, enforcement and improvement of principles set out in this Code of Conduct.

Primary Business Partners shall ensure that any other suppliers operating in their name observe the policy set forth in this Code of Conduct.

17. MONITORING CODE OF CONDUCT

ETERNA Mode GmbH is accountable for the implementation of the policy of this Code of Conduct. For this purpose, the Business Partners are committed to subject the Production Sites to social audits at the request of ETERNA Mode GmbH.

Direct Business Partners guarantee that ETERNA Mode GmbH itself or third parties authorized by the ETERNA Mode GmbH may check the conformity of Business Partners with the principles set out in this Code of Conduct for direct business partners or other suppliers, who work on their behalf.

18. SANCTIONS AND REMEDIAL ACTIONS

ETERNA Mode GmbH is authorized to supervise compliance with the principles set forth in this Code of Conduct. With the ETERNA Mode GmbH providing support and allowing sufficient time for such actions, Business Partners are obligated immediately to take remedial action, insofar as instances of non-compliance are unearthed.

ETERNA Mode GmbH's right to end the business relationship with Business Partners is not impaired thereby, despite whether a direct business partner or other suppliers working on its behalf violated the principles set forth in this Code of Conduct.

19. PROCEDURE FOR COMPLAINTS

Grievances or information about violations of this Code of Conduct can be reported anonymously and at any time to ETERNA Mode GmbH (see below for contacts).

If you fill the complaint, please only report true information.

Filing complaints must not face any reprisals or disciplinary action by the Business Partners

Contact address related to all CSR topics:

Division:

Supply Chain Corporate Responsibility

Address:

ETERNA Mode GmbH

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Passau, 11 June 2021

representing ETERNA Mode GmbH

representing the Business Partner



ppa. Ralf Polito
Chief Operating Officer