



ET ER NA

SUPPLIER CODE OF CONDUCT

(July 2023/ Version 1.3)

We, ETERNA Mode GmbH, are committed to promoting social responsibility, sustainability, environmental protection, and fair cooperation with our partners and employees. We uphold high standards in terms of our economic, ecological, and social responsibilities.

This Code of Conduct establishes the fundamental requirements for all our suppliers. These regulations align with the requirements of Step and the Business Social Compliance Initiative (BSCI), as well as the Conventions of the International Labor Organization (referred to as 'ILO') and the United Nations Universal Declaration of Human Rights.

We encourage our suppliers to go above and beyond these requirements, striving for continuous improvement and excellence in ethical practices.

1. Scope of application

This Code of Conduct is applicable to all production sites involved in fabric and garment production that are contracted by ETERNA Mode GmbH. It applies globally to all ETERNA Mode GmbH plants, direct business partners, and any other suppliers working on behalf of ETERNA Mode GmbH for the production of merchandise (referred to collectively as 'Business Partners'). The Business Partners are required to ensure the acceptance and compliance with the principles outlined in this Code of Conduct.

2. Legal compliance

The strictest applicable national and international laws and regulations, ILO and U.N. conventions, industrial standards, as well as all other relevant policies, must be adhered to at all production sites. It is prohibited to circumvent adherence to this code of conduct and the aforementioned regulations by manipulating the terms of employment or employing similar measures.

3. Discrimination, harassment or abuse

We prohibit any form of discrimination, harassment, or abuse in attitudes and employment practices. This includes 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. It is irrelevant whether such a distinction, exclusion, or preference originates from the business partner. The ILO Conventions 100, 111, 143, 158, and 159 apply.

4. Child labor

Child labor or any form of exploitation of young workers is not tolerated by ETERNA Mode GmbH. The minimum age for employment must be 15 years or the age at which compulsory schooling ends, whichever is higher. National regulations regarding the protection of children and working youth must be respected, subject to any exemptions provided by the International Labour Organization (ILO).

Strict compliance with the prohibition of child labor and restrictions on the employment of young workers must be ensured. Young workers, in particular, should not be exposed to hazardous or unsafe conditions. If this prohibition is violated, immediate corrective measures must be taken by the business partner to protect children at risk and other young employees. These measures should be documented.

Additionally, the business partner must implement necessary measures and processes to ensure the rehabilitation and social integration of children at risk. They should also facilitate their completion of schooling in accordance with national regulations.

The ILO Conventions 79, 138, 142, 182, as well as ILO Recommendation 146, apply to these requirements.

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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 discountenances 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 comply with applicable laws, industry standards, or relevant ILO Conventions, whichever is more stringent. The maximum number of weekly hours permitted by national law should not be exceeded. Typically, an employee's weekly hours should be limited to 48 hours, with a maximum of 60 hours including overtime. Individual business and employment models are governed by relevant national and international regulations, including exemptions granted under the ILO. The same principles apply in the event of significant disruptions to regular business operations.

After six consecutive days of work, employees must be provided with at least one day of rest. Employees cannot be compelled to work overtime. Separate compensation, as mandated by national regulations, is mandatory for any overtime worked.

The ILO Conventions 1 and 14 are applicable to these requirements.

7. Freedom of association and collective bargaining

If the law imposes restrictions on the freedom of association or collective bargaining, workers must, as an alternative, be allowed and enabled to freely and independently organize themselves for the purpose of collective bargaining.

The ILO Conventions 87, 98, 135, and 154, as well as ILO Recommendation 143, are applicable to these requirements.

8. Disciplinary measures

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

Employees should not be subjected to verbal, psychological, physical, sexual, or any other form of abuse, coercion, or harassment.

9. Health & safety

Business Partners are responsible for providing a safe and healthy working environment. They must implement necessary measures to prevent accidents and health hazards associated with the work being performed.

To fulfill this obligation, Business Partners should establish systems capable of identifying, avoiding, and addressing potential health and safety risks. Additionally, they must ensure that employees receive regular updates and training on relevant health and safety regulations and precautions, and maintain proper documentation of such training. Employees should have access to clean toilets and an adequate supply of drinking water. If dormitories are provided, they must be maintained in a clean and safe condition, meeting basic needs.

The ILO Convention 155 is applicable to these requirements.

10. Subcontracting

Subcontracting always requires approval from Mode GmbH. If subcontracting becomes necessary, the business partner must ensure that this supplier code of conduct is implemented by all subcontractors as well.

11. Documentation of employment relationship

The Associate Partners confirm that the terms of employment for their employees (such as start and end dates of employment, working hours, wages, and incentives) pertaining to relevant production stages are documented in writing. This documentation should include, but is not limited to, employee names, dates of birth, and, whenever possible, residential addresses.

Direct business partners are responsible for ensuring that such written documentation is also provided by each of their suppliers. Avoiding compliance with domestic labor and social insurance regulations is strictly prohibited.

12. Protection of Environment

Conserving nature and the environment is a crucial aspect of ETERNA Mode GmbH's business practices. Business Partners are required to comply with all applicable environmental regulations. They are also expected to continuously strive to prevent and reduce contamination.

Procedures and standards related to waste management, handling and disposal of chemicals and hazardous substances, as well as treatment of emissions and wastewater, must be strictly followed. Special emphasis should be placed on protecting and preserving natural resources such as drinking water, and promoting environmentally friendly and socially responsible production processes.

13. Compensation

The Business Partners are responsible for ensuring that the wages paid to employees meet or exceed the minimum wage mandated by law or applicable industry-specific standards, whichever is higher. The paid wages should be sufficient to cover the basic needs of the employees.

It is strictly prohibited to make illegal and unjustified wage deductions, including those imposed through direct or indirect disciplinary measures. Wages should be paid in a manner that is convenient for employees, such as in cash or by check. Employees should also be provided with comprehensive and regular information about the breakdown of their wages in sufficient detail.

The ILO Conventions 26 and 131 are applicable to these requirements.

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 has a zero-tolerance policy towards bribery and corruption, and it is expected that all Business Partners and their employees conduct themselves in a manner that avoids personal dependencies, obligations, or interventions. We require everyone to maintain a professional approach characterized by fairness and full compliance with applicable national and international regulations. Additionally, Business Partners are expected to establish anti-bribery and anti-corruption policies that are adhered to across all business divisions.

If gifts are exchanged in accordance with the customs or etiquette of a particular country, caution should be exercised to ensure that such gifts do not create obligatory dependencies and that applicable domestic regulations are respected.

Any information regarding corrupt practices should be reported to ETERNA Mode GmbH (specifically the Group Auditing or Corporate Investigation departments) or to the independent external ombudsman (refer to item 18).

16. Management systems

In order to effectively implement, ensure compliance with, and supervise the principles outlined in this Code of Conduct, Business Partners must establish a management system. This system should include clear responsibilities, defined processes, and appropriate documentation. Continuous monitoring of the implementation, enforcement, and improvement of the principles stated in this Code of Conduct is required, and such monitoring should be documented.

Primary business partners are responsible for ensuring that any other suppliers operating on their behalf also adhere to the policies stated 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 has the authority to monitor and enforce compliance with the principles stated in this Code of Conduct. In the event that instances of non-compliance are identified, Business Partners are required to take immediate remedial action, with ETERNA Mode GmbH providing support and allowing sufficient time for such actions.

It is important to note that ETERNA Mode GmbH reserves the right to terminate the business relationship with Business Partners, whether they are direct partners or other suppliers operating on its behalf, if they violate the principles outlined in this Code of Conduct. This right remains intact despite any remedial actions taken.

19. Procedure for complaints

Grievances or information regarding violations of this Code of Conduct can be reported anonymously and at any time to ETERNA Mode GmbH (see below for contact information). When filing a complaint, it is important to provide only true and accurate information.

Filing a complaint should not result in any reprisals or disciplinary actions from the Business Partners. Whistleblowers and individuals reporting violations must be protected from any negative consequences. Contact address related to all CSR topics:

- Division: Supply Chain Corporate Responsibility
 - Address: ETERNA Mode GmbH
Sonja Ruppert
Medienstraße 12
94036 Passau
Germany
- Email: csr@eterna.de
Tel: +49 851 9816-150

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Representing ETERNA Mode GmbH

As a partner of ETERNA Mode GmbH, I acknowledge, confirm, and agree to abide by the ETERNA Mode GmbH Code of Conduct. I understand that ETERNA Mode GmbH reserves the right to determine consequences within the partnership if there is a violation of this policy. This agreement remains valid for the duration of our partnership.

Signature

Date

Company name and stamp