



**ET ER NA**

# SUPPLIER CODE OF CONDUCT for ETERNA Mode GmbH partners

---

(April 2024/ Version 1.4)

## PREAMBLE

---

ETERNA Mode GmbH is committed to social responsibility, sustainability, environmental protection, and fair cooperation, maintaining strict standards in economic, ecological, and social aspects. We expect these principles to be upheld by our suppliers as well. Our Code of Conduct applies globally to all production facilities involved in fabric and clothing production, commissioned by us. This includes all factories, direct business partners, and other suppliers producing goods on behalf of ETERNA Mode GmbH. Business partners are obligated to adopt and adhere to the principles of this code. The code defines fundamental requirements for all suppliers that align with the standards of SteP, the Business Social Compliance Initiative (BSCI), the International Labour Organization (ILO), and the Universal Declaration of Human Rights by the United Nations. We also expect no violations of human rights and environmental commitments in the upstream supply chain. Suppliers are to communicate these principles as binding regulations to their business partners. If a supplier believes that it cannot meet a requirement of the code without violating applicable law, immediate notification to ETERNA Mode GmbH is required. Suppliers are also encouraged to highlight potential negative impacts on human rights and environmental concerns arising from their procurement and purchasing practices in the production of products for ETERNA Mode GmbH. We encourage our suppliers to go beyond these requirements and actively strive for continuous improvement and excellence in ethical practices.

## FAIR BUSINESS PRACTICES

---

ETERNA Mode GmbH prohibits bribery, extortion, and embezzlement for its own employees and expects the same from business partners. National and international anti-corruption regulations must be observed. The business partner acknowledges that ETERNA Mode GmbH cannot legally accept bribes. Therefore, the business partner refrains from offering advantages and interprets ETERNA Mode GmbH's rejection as not offensive. Gifts or invitations should have only minimal value, always be voluntary, and must never be offered as bribery, kickbacks, or compensation. Decisions of the supplier are based solely on objective criteria. Influences from personal, business, or other conflicts of interest are communicated to ETERNA Mode GmbH and avoided from the outset. The business partner operates in accordance with international standards against unfair competition and applicable antitrust laws.

### 1. Legal Compliance

At all production sites, the strictest national and international laws and regulations, ILO and UN conventions, industrial standards, and all other relevant guidelines must be adhered to. It is prohibited to circumvent compliance with this Code of Conduct and the mentioned regulations through manipulation of employment conditions or similar measures. The supplier is obligated to report any suspicion of a violation of the Supplier Code of Conduct. The report is made while safeguarding the legitimate interests of the supplier or its subcontractor and respecting the rights of its employees, especially the protection of trade secrets.

### 2. Discrimination, Bullying, Harassment, or Abuse

We prohibit any form of discrimination, bullying, harassment, or abuse in hiring and employment practices. This includes any distinction, exclusion, or preference based on color, race, caste, ethnic, national, or social origin, citizenship, gender, sexual orientation, age, political opinion, religious belief, membership in unions, physical or mental disabilities, or other personal characteristics. It is irrelevant whether such distinction, exclusion, or preference originates from the business partner. ILO conventions 100, 111, 143, 158, and 159 apply.

### 3. 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 education ends, whichever is higher. National regulations for the protection of child and adolescent workers must be respected, considering exceptions 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 should not be exposed to unsafe or hazardous conditions, in particular. In case of violations of this prohibition, corrective measures must be promptly taken by the business partner to protect vulnerable children 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 at-risk children. They should also ensure that these children can complete their education according to national regulations. ILO conventions 79, 138, 142, 182, and the ILO Recommendation 146 apply to these requirements.

#### **4. Forced or Compulsory Labor**

ETERNA Mode GmbH does not tolerate any form of forced or compulsory labor, indentured servitude, bondage, slavery, or similar conditions. Prison labor is also rejected. It is prohibited to force employees directly or indirectly into work through violence or intimidation. Instead, all employees must have sought their work voluntarily. ILO conventions 29 and 105 apply.

#### **5. Prohibition of Circumventing Labor and Social Security Regulations**

The SUPPLIER may not resort to the subcontracting of labor, supply agreements, home working arrangements, training programs, or other deviating procedures if these solely serve to avoid a permanent employment relationship that would entail labor and social security obligations for the Supplier. Formularbeginn

#### **6. Working Hours**

Working hours must comply with applicable laws, industry standards, or relevant ILO conventions, whichever regulations are more stringent. The maximum allowable weekly working hours according to national law must not be exceeded. Typically, an employee's weekly working hours should be limited to 48 hours, with a maximum of 60 hours, including overtime, being permissible. Individual business and employment models are subject to relevant national and international regulations, including exceptions granted by the ILO. The same principles apply in the case of significant disruptions to regular business operations. After six consecutive workdays, employees must be granted at least one rest day. Employees must not be compelled to work overtime. Separate compensation, as required by national regulations, is mandatory for overtime worked. ILO conventions 1 and 14 apply to these requirements.

3

#### **7. Freedom of Association and the Right to Collective Bargaining**

If the law imposes restrictions on freedom of association or the right to collective bargaining, employees must have the alternative option to freely and independently organize for collective bargaining. ILO conventions 87, 98, 135, and 154, as well as ILO Recommendation 143, apply to these requirements.

#### **8. Establishment of Complaint and Remediation Mechanisms**

The supplier is obligated to establish mechanisms for the prevention, investigation, limitation, and remedy of harm to employees, meeting the following criteria in particular:

- Easily accessible, trustworthy, and fair complaint mechanisms
- Informing all employees about the existence of complaint mechanisms
- Transparent process for handling complaints
- Possibility for anonymous complaints by employees
- Written documentation and involvement of employee representatives when necessary
- No sanctions against employees who have filed a complaint.

Compensation: Damage resulting from violations of human rights or environmental commitments in the supplier's business area must be remedied by the supplier. This applies especially (but not only) to employees whose rights have been violated. The supplier must compel its direct and indirect suppliers to provide compensation for damages arising from such violations in their respective business areas.

#### **9. Disciplinary Measures**

Respectful treatment of employees is fundamental and should be inherent. Sanctions, fines, and other penalties or disciplinary measures must comply with applicable national and international regulations and be conducted according to internationally recognized human rights standards. Employees should not be subjected to verbal, psychological, physical, sexual, or any other form of abuse, coercion, or harassment.

## 10. Health & Safety

Business partners are responsible for providing a safe and healthy working environment. They must take necessary measures to prevent accidents and health hazards associated with the work 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 measures, maintaining proper documentation of such training. Employees should have access to clean toilets and an adequate supply of drinking water. If sleeping accommodations are provided, they must be maintained in a clean and safe condition, meeting basic needs. ILO Convention 155 applies to these requirements.

## 11. Subcontracting

Subcontracting always requires the approval of ETERNA Mode GmbH. If subcontracting becomes necessary, the business partner must ensure that this Supplier Code of Conduct is implemented by all subcontractors.

## 12. Documentation of Employment Relationship

Business partners acknowledge that the working conditions for their employees (such as the start and end of the employment relationship, working hours, wages, and incentives) for relevant production stages are documented in writing. This documentation should include, among other things, the names of employees, birthdates, and, if possible, residential addresses. Direct business partners are responsible for ensuring that such written documentation is also provided by each of their suppliers. Circumvention of regulations for national labor and social security is strictly prohibited.

## 13. Environmental Protection

The protection of nature and the environment is an integral part of the business practices of ETERNA Mode GmbH. Business partners are obligated to comply with all applicable environmental regulations. They should also continuously strive to prevent and reduce pollution. Procedures and standards related to waste management, handling and disposal of chemicals and hazardous substances, as well as the treatment of emissions and wastewater, must be strictly adhered to. A particular focus should be on the protection and preservation of natural resources such as drinking water, and the promotion of environmentally friendly and socially responsible production processes. The SUPPLIER must obtain, retain, and renew all necessary environmental permits and certifications according to local regulations, as well as comply with operational requirements and reporting obligations therein.

## 14. Compensation

Business partners are responsible for ensuring that wages paid to employees comply with the legally prescribed minimum wage or applicable industry-specific standards, whichever is higher. Suppliers should also consider the wage level necessary to cover the purchase of goods essential for daily life (the "living wage"). 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 form convenient for employees, such as in cash or by check. Employees should also be provided with comprehensive and regular information on the breakdown of their wages in sufficient detail. ILO conventions 26 and 131 apply to these requirements.

## 15. Living Wages

We place great importance on our supplier actively engaging with the issue of living wages. We expect systematic efforts from the supplier to promote the payment of living wages and consider this as a conducive foundation for a successful business relationship. It is crucial that the supplier considers regional benchmarks. Communication and transparency regarding these efforts are anticipated.

## 16. Information and Communication

All employees and business partners must have free access to the Code of Conduct, which must be visibly displayed in the appropriate language. Individuals who cannot read must have the Code of Conduct explained to them orally.

## 17. Bribery and Corruption

ETERNA Mode GmbH maintains a zero-tolerance policy towards bribery and corruption, and it is expected that all business partners and their employees behave in a manner that avoids personal dependencies, obligations, or interventions. We expect everyone to maintain a professional approach characterized by

fairness and full compliance with applicable national and international regulations. Additionally, business partners are expected to introduce anti-bribery and anti-corruption policies that are followed across all business areas. If gifts are exchanged in accordance with the customs or etiquette of a particular country, care should be taken to ensure that such gifts do not create mandatory dependencies and that applicable domestic regulations are followed. Information about corrupt practices should be reported to ETERNA Mode GmbH (especially the Group Auditing or Corporate Investigation departments) or to the independent external ombudsman (see point 18).

### **18. Management Systems**

To effectively implement, ensure compliance with, and monitor the principles of 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 set forth in this Code of Conduct must be documented. Primary business partners are responsible for ensuring that other suppliers operating on their behalf also adhere to the guidelines outlined in this Code of Conduct.

### **19. Monitoring of the Code of Conduct**

ETERNA Mode GmbH is responsible for the implementation of the guidelines in this Code of Conduct. For this purpose, business partners commit to subjecting production facilities to social audits upon ETERNA Mode GmbH's request. Direct business partners guarantee that ETERNA Mode GmbH itself or third parties authorized by ETERNA Mode GmbH may verify the compliance of business partners with the principles set forth in this Code of Conduct for direct business partners or other suppliers operating on their behalf.

### **20. Sanctions and Remedial Measures**

ETERNA Mode GmbH has the authority to monitor and enforce compliance with the principles of this Code of Conduct. In the event of non-compliance, business partners are obligated to take immediate remedial action. ETERNA Mode GmbH supports this process and allows sufficient time for such measures. It is important to note that ETERNA Mode GmbH retains the right to terminate the business relationship with business partners, whether direct partners or other suppliers operating on their behalf, if they violate the principles outlined in this Code of Conduct. This right remains in force despite any remedial measures.

### **21. Complaints Procedure**

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

Complaints can be submitted via email, mail, phone, or through the whistleblower system on our website.

Submitting a complaint should not result in reprisals or disciplinary actions by business partners. Whistleblowers and individuals reporting violations must be protected from negative consequences.

- Address: ETERNA Mode GmbH  
Medienstraße 12  
94036 Passau  
Germany

Email: [csr@eterna.de](mailto:csr@eterna.de)  
Tel: +49 851 9816-0

Representing ETERNA Mode GmbH



Dirk B. Heper  
CSO



Fritz Terbuyken  
CEO

**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.**

6

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company name and stamp