

RESPONSIBLE SUPPLIER GUIDELINES - 11.03.2024









This Responsible Supplier Guidelines (RSG) replaces and cancels any previous versions of RSG signed between the Etam Group and the Supplier.

Effective date: March 11th, 2024



IObjectives

The Etam Responsible Supplier Guidelines is completing the General Buying Terms. If any contradiction is occurring between the RSG and the General Purchase Terms, the General Purchase Terms shall prevail.

This Responsible Supplier Guidelines are an operational guide to help Etam Group suppliers understand their requirements regarding Social and Environmental performances and minimum requirements to start a commercial relation with the Etam Group.

Our strategy and related requirements are based on 5 pillars which are key to build a strong partnership:

Principle 1 - Factory Safety

Principle 2 - Workers Health & Well Being

Principle 3 - Environmental Protection

Principle 4 - Supplier Transparency

Principle 5 - Supply-Chain Traceability

Our target is to spread those good practices in our entire supply-chain in a win-win partnership philosophy to make products together in a sustainable way, while keeping in mind customers' satisfaction.



How to become an Etam Group Supplier

Key Steps

Goals

Actions

Documents

Step 1
Identification



To ensure the legal existence of the company. Overview of the supplier's capability to do export business, evaluation of the manpower & labor force of each factory.

Fill in the Etam Group Supplier/Factory profile and send it back to us. Supplier/Factory profile (Excel Document)

Step 2 Social compliance



To assess the factory compliance on social and safety regulations.

Share your valid social audit report.

Social Audit Report

Step 3
Technical audit



To ensure the factory has technical capability to deliver compliant, risk-free, and qualitative products on time. A technical audit can be requested.

Etam Group technical audit report

Step 4
Environmental audit



To inquire about the environmental actions carried out by the factory: energy consumption, water and waste management...

An environmental audit can be asked. For Chinese factories, register the factory in IPE platform.

Environmental audit report or IPE registration

Step 5
Specification sharepoint



To understand and agree on Etam Group Sustainable Sourcing Standards.

Follow the sharepoint link to read, sign and fill in different documents.

ETAM GROUPE -Cahiers des Charges (Specifications) / English / Policies and Guidelines Documents listed in P9

Step 6
Quality requirements



To understand and agree on Etam Group Quality Standards.

Follow the sharepoint link to read, sign and fill in different documents.

ETAM GROUPE -Cahiers des Charges (Specifications) / English / Product Specifications



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- 2. Social Compliance
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Supplier continuous improvement

- 1. Social Compliance Continuous Improvement
- 2. Re-auditing Procedure



Etam Responsible supplier principles

- Principle 1 Factory Safety
 - a. Chemical Safety
 - b. Building & Fire Safety
 - c. Production Safety
- Principle 2 Worker's Health & Well Being
 - a. Fair remuneration
 - b. Decent working hours
 - c. Freedom of association
 - d. Health & Safety
- Principle 3 Environmental Protection
 - a. Environmental compliance
 - b. Chemical compliance
- Principle 4 Supplier Transparency
 - a. Factory Information
 - b. On-site controls
 - c. Transparent communication
- Principle 5 Supply-Chain Traceability
 - a. Traceability transactions
 - b. Risk commodities



Step 1 Identification



Before starting any business with Etam Group, suppliers must fill in the Supplier/Factory profile.

The excel file will have to be sent back to us in order to review the supplier situation and keep record of the factories working for the Group.



Date:

Please complete the following form with actual informations. Add X in the cell if applicab X

and complete requested informations in the charts and fields

FA	CT(OI	RY	Ы	R	O	H	LI	E

COMPANY NAME AND CONTACT	
FACTORY NAME	MAIN ACTIVITY
BUSINESS REGISTRATION NOADDRESS	YEAR ESTABLISHED
CITY/PROVINCE	COUNTRY
OWNER / AUTHORIZED PERSC	E-MAIL ADDRESS
SALES / CONTACT PERSON	E-MAIL ADDRESS
QUALITY MANAGER	E-MAIL ADDRESS
COMPLIANCE MANAGER	E-MAIL ADDRESS

Step 2 Social compliance



Only garment making factories with a valid and non expired social audit report will be able to collaborate with Etam Group. As BSCI member, the commitment of Etam Group is to cooperate only with factories rated A, B or C according to BSCI standards.

We recommend factories to apply for a BSCI audit in case they have other standards.

If a factory has been rated D, no new orders will be placed in this factory. The factory should complete their Corrective Action Plan (CAP), correct non conformities and share its proof of remediation based on the timing set per social audit chapters (see part III.1 on Social Compliance Continuous Improvement) in order to start business again with the Etam Group.

If the factory has been rated E, there will be no new orders for 6 months, whatever the result of the Corrective Action Plan.

In case of Zero Tolerance Issue identified in the factory, the BSCI Zero Tolerance Protocol will have to be followed.

In order to give flexibility in our social compliance management, we are accepting other standards as ICS (rating A, B or C), SMETA, SA8000 and WRAP.

Etam Group reserves the right to do a factory visit to assess the social and technical parts without notifying the factory of their visit. This control will be conducted by Etam QC team following our internal template.

Garment maker is responsible to urge their subsuppliers to pass a social audit. Etam Group goal is to work only with fabric suppliers who have a valid social audit report.





Sourcing in Myanmar

Etam Group has implemented an action plan in Myanmar in order to guide factories and secure working conditions of the workers.

Instructions are explained in the document "Myanmar Strategy".

Auditing standards and Pricing

Etam group accepts the following social audit standards: BSCI, ICS, SMETA, SA8000, WRAP.

The audit will be at supplier's cost.

Request for a BSCI audit

There are different ways to launch a BSCI audit according to the status of the factory. Please follow the process on below chart:

Factory Status	Process	Contact
Already registered as BSCI producer	Apply for BSCI audit via AMFORI BSCI portal	Contact your RSP to plan the audit
Non BSCI producer	Apply for BSCI audit via Etam Compliance manager	Contact socialcompliance@etam.com

Summary

Audit type	Result	Action	Collaboration
D001 0 100	A or B	Audit every 2 years	\odot
BSCI & ICS	С	Audit every year	\odot
BSCI ICS	D	No new orders will be placed until CAP is met	×
	E	No new orders will be placed for 6 months	×
	Zero Tolerance (only for BSCI)	Zero Tolerance Protocol to follow	×
SMETA?	Valid for 1 year (risk country amfori)	Audit every year	\odot
	Valid for 2 years (low risk country amfori)	Audit every 2 years	\odot
SA8000	Valid for 2 years	Audit every 2 years	\odot
WRAP TO THE PROPERTY OF THE PR	Platinium	Audit every 2 years	\odot
	Gold	Audit every year	\odot

Step 3 Technical Audit



Etam Group can request a technical audit to ensure factories have strong and reliable production process to meet our quality standards. These audits will be conducted by Etam QC team following our internal template.

The objectives will be:

- To assess whether there is an effective and efficient Quality Management System of the factory.
- To assess whether this factory is able to meet our production requirements.
- To assess the risks we may face.

Step 4 Environmental Audit



Etam Group can collect an environmental audit certificate to be informed about the actions carried out by factories. We are interested in the following 8 environmental performance areas listed by Amfori:

- Environmental Management System
- Energy and Climate
- Emissions to Air
- · Water and Effluents
- Waste Management
- Biodiversity
- Chemicals
- Nuisances

By 2025, it will be mandatory for all garment makers to provide a valid environmental audit certificate.

Here are the environmental standards currently accepted by Etam Group:

- Higg FEM
- Amfori BEPI
- ISO14001
- IPE (only for China)
- ICS environmental audit

Step 5 Specification Sharepoint



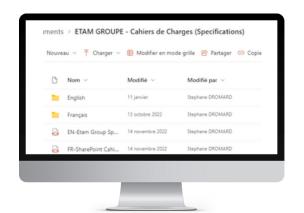
The specification sharepoint is the link between supplier and the Etam Group. The buyers will send to the supplier an explanatory email with the specification sharepoint link called "Cahiers des Charges-Groupe ETAM".

In the section "English", the supplier will have access to different documents regarding Policies and Guidelines but also Product Specifications.

Policies and Guidelines

Under section "Policies and Guidelines", the latest version of the documents below has to be read very carefully by the supplier:

- Responsible Supplier Guidelines (this document)
- Ethical Code
- General Purchase Terms
- Animal Welfare and Biodiversity Policy
- REACH & Prohibited Substances
- AGEC law requirements
- Cotton process
- Confirmatory Act of Copyright Assignment
- · Canopy Letter of Support
- Nominated and Forbidden Cellulosic Producers



The supplier will also need to fill in the document "Vendor Master Data Creation Form".

Product specifications

Under section "Product specifications - brand", The Etam Group Quality Requirements are available and must be read very carefully.

Once supplier has read and understood all the documents from both sections, he will sign the documents "Responsible Supplier Guidelines" and "Supplier Attestation", attesting that he commits to follow all the documents requirements.



Supplier continuous improvement

Suppliers are accountable to maintain a good Social and Technical level in their factories. In case of failure in Audit, a case by case decision will be taken based on the problems highlighted:

Improvement plan defined as below

- A Corrective Action Plan (CAP) will be agreed between Supplier and Etam Group Team with clear deadlines.
- A Full Re-audit / re-assessment will be performed within agreed deadlines.

Failure to implement the CAP and/or pass the re-audit will lead to business termination unless a derogation is granted (derogation = 1 more chance to pass the audit).

Business termination

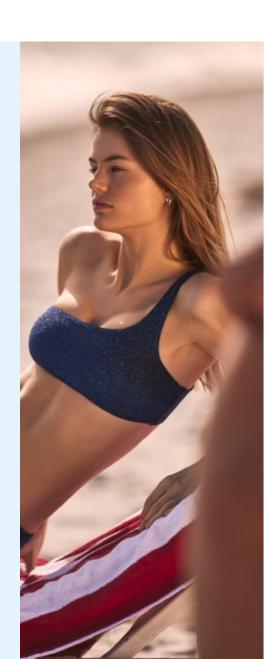
Suppliers should ensure during the whole duration of the commercial partnership a high level of compliance on all 5 principles of the Responsible Supplier Guidelines. A violation or partial violation of the Responsible Supplier Guidelines is a motive of business termination.

1. Social Compliance Continuous Improvement

There are different kind of non-compliances that can be highlighted in a social audit report, based on the criticality of these non-compliances, suppliers, as stated in the BSCI code of conduct, must show continuous improvements in reaching 100% compliance.

Here are the classification of non-compliances and advised timing to remediate to them:

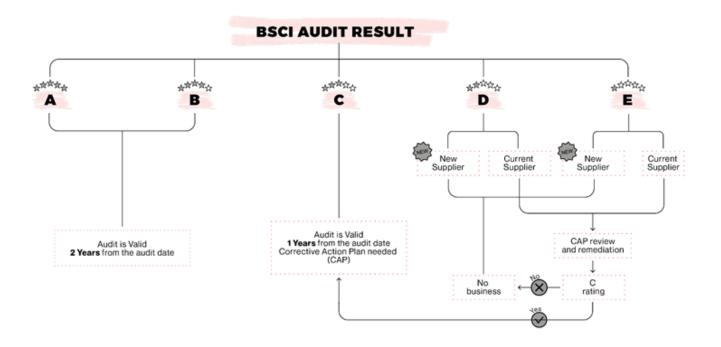
- Special Protection for Young Workers Immediate Action
- No Bonded Labour Immediate Action
- Ethical Behaviour Immediate Action
- No Child Labour Immediate Action
- The rights of Freedom of association & Collective Bargaining – 15 days
- Workers Involvement & Protection 15 days
- Occupational Health & Safety 15 days
- No Precarious Employment 15 days
- Environmental Protection 15 days
- No Discrimination 15 days
- Social Management System & Cascading Effect 4 months
- Decent Working Hours 4 months
- Fair Remuneration 4 months



2. Re-auditing Procedure

Once the non-compliances have been reviewed and corrected the supplier can launch their re-audit process based on their BSCI grading. The re-audit scope will be only focusing on failed points of the first audit.

Here are the detailed results and according validity granted:









The 5 Responsible Supplier Principles

The Etam Group has determined 5 key principles that a responsible supplier and partner having a commercial relation with the Group, shall respect and ensure. These principles are based on the Group Sustainable Strategy. It is our ambition to work only with suppliers able to reach a high level on social, environmental and traceability aspects.



Factory Safety

Product Chemical Safety

Ø ZDHC REACH

Building & Fire Safety



Production Safety





Worker Health & Well Being

Fair Remuneration



Decent Working Hours



Freedom of Association



Health & Safety





Environmental Protection

Environmental Compliance



Production Chemical Management





Supplier Transparency

Factory Information



On-site Controls



Transparent Communication





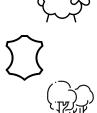
Supply Chain Traceability

Traceable Transactions



Risked Commodities





Principle 1 - Factory Safety

Scope

PRODUCT CHEMICAL SAFETY

Ø ZDHC

REACH

Topic

ZDHC (Zero Discharge of Hazardous Chemicals)

Hazardous chemical substances for the environment cannot be used in wet processing units (textile, leather...). Factory must work only with wet processing units using chemicals compliant with the ZDHC MRSL, list of substances to be banned.

REACH

Reach & Prohibited Substances Specifications includes the list of substances that must not be found on products delivered to an Etam Group Brand. This is in addition to MRSL ZDHC.

Building & Fire Certificates

Provide to the Etam Sourcing or Commercial teams a valid Building and Fire certificate.

Bangladesh

To ensure factory building is safe (Structural & Electrical & Fire). Please send reports from Accord, Alliance inspections or RSC (RMG Sustainability Council).

Valid Certificate

Resources

Manufacturing

Restricted

Substances List

(MRSL) from ZDHC

www.roadmaptozer

o.com/input

Reach & Prohibited

Substances

Specifications



Shared-Building

If your factory is located in a shared building here are the 4 requirements to be producing Etam Group goods:

- Valid Building certificate
- Valid Fire certificate
- Joint Fire Drill (done once per year)
- Centralized fire alarm system (in good working conditions)



BUILDING

Leisure shared-building

Do not allow any production in leisure type shared-building. (Definition: production in a building shared with leisure activities open to public and people who are not working in one of the production site of the shared-building).

Mixed-Used Building

Do not allow any production in mix-use buildings, where factories and/or storage are in building which are not dedicated to production purposes (e.g. dormitory, shopping center, etc.).

Building Change & Storage

It is mandatory to inform your Etam contact point if there is any modification of the facility plan (ex: new construction) or if the production site is being moved to a new location. It should also be notified if the storage of the goods is located at a different address than the one of the production site. If failing to do so, goods will be considered as sub-contracted and therefore violating our agreement.

Topic

Resources

Appointment and training of a CSR representative

Ensure a well-trained social compliance representative and a safety officer who are available at any time.

PRODUCTION SAFETY

Risk Analysis

A risk analysis should be performed by the factory to anticipate and prevent potential safety, legal and/or quality risks



Critical Issues

Any Social or Safety critical problem found during factory visit can lead to immediate business termination.

Principle 2 - Worker Health & Well Being

Minimum Wage Calculation

Business partners should respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted. Suppliers should calculate the Living Wage amount based on local basic expenses for a workers family in the factory localisation.

Living Wage Calculator Amfori BSCI Platform

FAIR REMUNERATION

Piece Rate Remuneration

Piece rate remuneration should guarantee the minimum wage for workers, independently of the performance of the worker.



Regular Payment

Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours.

BSCI Code of Conduct

Wage Deduction

Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement. BSCI Code of Conduct

Topic

Resources

Maximum Working Hours

A maximum of 64 working hours per week should be done by workers. Additional hours should be agreed by a collective bargaining agreement and validated by local authorities.

BSCI Code of Conduct

DECENT WORKING HOURS



Overtime payments

Premium should be paid at the right amount for all overtime work performed as per local law.

BSCI Code of Conduct

Rest days

One rest day should be granted every 6 days of consecutive work, any change should be agreed by collective bargaining agreement and validated by local authorities.

BSCI Code of Conduct

Independent Workers Committee

An independent workers committee allowed in the factory (free to associate and collectively bargain).

BSCI Code of Conduct

FREEDOM OF ASSOCIATION



Grievance Mechanism

A fully functioning and accessible to all grievance mechanisms should be implemented and answers should be collected and studied on a regular basis. BSCI Code of Conduct

Fire Fighting Equipment

The supplier should follow the following requirements:

- Fire drills should be organized by the local Fire department.
- Water pressure in the factory should be sufficient to ensure hydrant good working conditions.
- Fire hydrant should be complete and in good working conditions.
- Fire extinguishers are accessible, free from any goods and on every floor of the facility.

BSCI Code of Conduct

HEALTH & SAFETY



Emergency Exit

The supplier should follow the following requirements:

- Evacuation plan should be in local language, showing escape routes, firefighting equipment, first aid kits on every factory floor.
- Emergency lighting should be in good working condition.
- Smoke detector & sprinkler should be installed.

BSCI Code of Conduct

Topic

Resources

First Aid

The supplier should follow the following requirements:

- First aider should be trained and their information should be publicly disclosed and communicated to workers.
- First aid box is available and secured by the first aid team at each workplace.
- First Aid kits are complete and regularly checked.

BSCI Code of Conduct

HEALTH & SAFETY

Workers Health

The supplier should follow the following requirements:

- Drinking water facility is clean and in good working condition.
- Ban of production operations having a negative impact on workers' health (ex: sand blasting).

BSCI Code of Conduct

Principle 3 - Environmental Protection

Environmental Audit

Etam Group can collect an environmental audit certificate to be informed about the actions carried out by factories. Etam group strongly recommends their suppliers to pass an environmental audit. It will give them a better ranking in Etam Group internal suppliers scoring. By 2025, it will be mandatory for all garment makers to provide a valid environmental audit certificate.

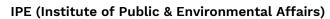
ENVIRONMENTAL COMPLIANCE

Environemental Policy

Each factory should implement and monitor an environmental policy covering the following areas and appoint a trained manager responsible for:

- Environmental Management System
- Energy and Climate
- Emissions to Air
- Water and Effluents
- Waste Management
- Biodiversity
- Chemicals
- Nuisances

For other countries than China, we accept following environmental standards: Amfori BEPI Higg FEM ISO 14001, ICS environmental audit



For China production and manufacturing it is mandatory to screen, in the IPE platform, your direct factories & yoursubcontractor's environmental performance to eliminate all non-conformities in regards to China Environmental Law.

Register on the IPE
Website under
PRTR platform &
proceed to data
disclosure:
www.ipe.org.cn/en/
member/login.aspx



Topic

Resources

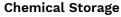
Chemical Audit

Chemical Management Audits can be requested for vertically integrated factories or for sourcing factories using wet processing facilities in the same group of factories.

Chemical Training

The factory should perform trainings on chemical management and use of hazardous substances for their employees working in this section.

PRODUCTION CHEMICAL MANAGEMENT



Hazardous substances should be stored in a separated and dedicated storage room which is well ventilated.

Chemicals should be stored with a second container to prevent leakage.



Chemical compatibility charts should be available, updated and displayed. Chemicals are well labelled (name, risk) and there are MSDS indicating how to handle chemicals properly and risks translated into local language.

Chemical treatment (ETP)

To be allowed to produce Etam Group brands products, an ETP is compulsory for all dyeing, printing, washing and finishing units.

Principle 4 - Supplier Transparency

Factory Profile

Our suppliers must declare 100% of the factories they are working with for Etam group and ensure complete transparency of the documentation: any inconsistency or hiding of information will not be accepted.

Supplier/Factory profile

FACTORY INFORMATION



Non-Declared Factory 🗸



It is strictly forbidden to do any production in a non-declared factory. It will be considered as a critical violation which leads to immediate business interruption. Suppliers should communicate to the Etam Group teams the factory or the list of factories involved for each production.

Change of Factory

Any change of factory and/or production line must be notified to Etam Group at least 1 month before production starts.



Topic

Resources

Factory Visit

Factories should allow the entrance to Etam teams and external audit companies and/or organism into the audited factory without prior announcement and should cooperate with them in order to facilitate their work during the audit (in particular by giving access to all relevant documents), with or without the presence of the Etam Group employees.

BSCI Code of Conduct

ON SITE CONTROLS



Social Audits

Factories authorized to produce Etam Group production should have a valid social audit assessing social and safety compliance from below audit standards:

- BSCI (A, B & C rating accepted)
- ICS (A, B & C rating accepted)
- SMETA
- SA8000
- WRAP

Transparency Videos

In order to provide additional information regarding the production of Etam Group products, factory will be asked to take videos of the factory production site based on Etam Group requirements.

Confirmatory act of copyright assignment

TRANSPARENT COMMUNICATION



OSH (Open Supply Hub)

The Etam Group has partnered with the OSH to publicly disclose all his tiers 1 GPS coordinates and basic information (factory name & address) to increase its transparency.

Open Supply Hub Map opensupplyhub.org

Principle 5 - Supply Chain Traceability

Scope

Topic

Resources

Tier 2 to Tier 5 Management

The supplier must verify that all his "subcontractors" (printing units, tanneries, packaging, etc.) respect the Etam Responsible Supplier Guidelines and cascade the additional Etam Group requirements when necessary. Etam Group team must be authorized to visit subcontractors at any time and the address and GPS coordinates of those units must be shared.

The supplier must be able to demonstrate his controls to verify the proper level of Social and Environmental compliance of his own suppliers before they get involved in the Etam brands production.

TRACEABLE TRANSACTIONS

Scope & Transaction Certificates

For WeCare products production, the Etam Group is using the Chain of Custody management system based on Scope and Transaction certificates. Prior to the product production, the garment maker must provide their Scope Certificate. For a period of 30 days after shipment, the factory must provide the Transaction Certificates of the shipped products to the Etam Group.

Penalties will be applied if TC is not received on time.

Certification of WeCare sustainable products



Traceability Plateform

The Etam Group is working towards a better traceability of its supply-chain to ensure a complete respect of Human Right principles and environmental protection on its direct and indirect activities. Thus, the Etam Group has partnered with a traceability platform to collect and verify products transactions from garment manufacturing units up to the raw material stage. Suppliers must cooperate in sharing their supply-chain information.

AGEC law

AGEC law imposes French brands to provide the countries of the 3 main production steps and the recycled materials percentage over the total product weight. Suppliers must provide accurate and reliable information on the production countries, weight and composition of every components of Etam Group products. The information will be collected with an Excel file and an AGEC calculator. For more information, please ref to AGEC law Requirements.

AGEC Law Requirements

AGEC Calculator Lfst / AGEC Calculator Lingerie

Topic

Resources

Cotton Sourcing

The authorized cotton sourcing countries and regions are:

If my product is :	ASIA	AMERICA	EUROPE	AFRICA	OCEANIA
OCS / Convention al	India Pakistan Bangladesh Kazakhstan			Tanzania Uganda	
GOTS	India Pakistan Bangladesh Kazakhstan China: Shandong Hubei Anhui Hebei Gansu	United States Brazil Mexico Argentina Peru	Turkey Greece Spain	Benin Burkina Faso Egypt Ethiopia Mali Kenya	Australia

RISKED COMMODITIES







The sourcing or use of "Organic Cotton" must be checked from the source with GOTS or OCS certificate. The GOTS/OCS certification and traceability must be from the garment makers to the ginner(s). In addition to GOTS/OCS certification, supplier is responsible to demonstrate his due diligence to ensure the integrity of the Organic cotton. Evidence of control and testing properly implemented can be required by the Etam Group. The supplier must make sure, before placing order, that the cotton fiber will come from an authorized area. If we find out that the fiber comes from an unauthorized area, the goods will be withdrawn from the shops at the supplier's expense, who will have to refund the amount of the order, and pay a penalty equal to the loss of the turnover caused. For more information, please refer to the Cotton Process.

In the case of GOTS-certified products, fiber suppliers must ensure that the cotton used does not come from crops using GMOs or pesticides not authorized for organic farming (ie complying with IFOAM standards). Pre-processing tests must be carried out on the fiber to ensure compliance with this rule.

Latest Cotton Process

Supplier Declaration of Traceability

Topic

Resources

Leather

All leather being used by the Etam Group should be coming from Leather Working Group (LWG) certified Tanneries and the certification should be shared prior to the order. This is compulsory to produce leather for Etam Group but it doesn't make the product WeCare.

LWG Website

Cellulosic Sourcing

Etam Group has engaged in supporting approaches and systems to build a future that does not use ancient and endangered forests in the packaging, paper or in man-made cellulosic fabrics, including rayon, viscose, lyocell, modal and other trademarked brands. We require that all fabrics, packaging and papers sourced from forests are from responsibly managed forests, certified by the Forest Stewardship Council (FSC) certification system and/or Programme for the Endorsement of Forest Certification (PEFC).

Canopy Letter of support

Nominated and Forbidden Cellulosic Producers

Etam Group only accepts cellulosic fibers coming from the nominated cellulosic producers list.

Animal Fibers

Etam Group has decided to strictly prohibit the use of Exotic Skins, Real Fur and raw materials coming from endangered species based on UICN list and CITES Conventions. Supplier must declare and guarantee that all validated animal fibers used for Etam Group brands product development are sourced from farmers who prohibit the below techniques during the breeding of animals:

Animal Welfare and Biodiversity Policy

- Sheep, Lambs, Goats, Alpaca: Mulesing techniques
- Rabbit: Coat peeling
- Goose, Duck, Ostrich: Raw Plumage
- · Angora goat: Dehorning

Supplier Accountability

Signed	at	
dated		

Supplier	
represented	by



