
SOCIAL COMPLIANCE POLICY



1. Introduction

The Etam Group, aware of the significant social risks affecting fashion supply chains worldwide, has made respect for human rights and high social standards a priority, driven in particular by its CSR strategy.

As part of this approach, the Group is committed to taking action at every stage of its supply chain. The Group's Suppliers are key partners in this regard and must ensure compliance with the criteria and principles set out in the *Supplier Code of Conduct*.

This document, intended for Suppliers, formalises the Group's social standards and requirements and aims to support Suppliers in their operational implementation.

2. Scope

This Social Compliance Policy applies fully and mandatorily to all Tier 1 suppliers of the Group's merchandise.

Suppliers are responsible for cascading and enforcing these requirements throughout their supply chain.

Any updates to this document will be notified by the Group and shall be applied immediately.

3. Our standards

Human rights

- The Supplier must adopt and implement a human rights policy integrated into its corporate policies, in particular those relating to human resources.
- The Supplier must clearly communicate this policy to all workers, in a language they understand, and display it permanently in a location accessible to workers.
- The Supplier must provide, upon request, supporting evidence of the existence, effective implementation, and communication of this policy to all its workers:
 - Human rights policy
 - Communication materials for workers
 - Photographic evidence of display in accessible areas

Child labour and young workers

- The employment of children under the age of 15 is prohibited. Where national legislation provides for a higher minimum age, the higher age shall apply.
- The Supplier is prohibited from assigning a young worker (aged 15 to 18) to hazardous or strenuous tasks, night work, or overtime.
- The Supplier must implement a robust age verification procedure during recruitment and carry out regular documentary checks.

- The Supplier must provide, upon request, supporting evidence of the existence and effective implementation of these measures.

Forced labour

- The Supplier must guarantee that each worker is free to choose their employment, to remain in it or to leave voluntarily, in accordance with the laws and regulations in force in the countries where it operates.
- The Supplier is prohibited from using physical or mental coercion to force workers to work.
- The Supplier is prohibited from withholding all or part of wages, personal belongings, or official documents (e.g. passport, residence permit, driving licence, etc.) of workers.

Wages and decent work

- The Supplier must comply with minimum wages, social benefits, and overtime rates as defined by applicable national legislation or, where applicable, by industry standards or collective agreements. This applies to all workers, including those paid on a piecework basis, regardless of performance.
- The Supplier undertakes to assess living conditions in its operating area in order to determine the *living wage* (i.e. the wage that enables workers to ensure a decent standard of living for themselves and their families). The Supplier undertakes to work towards ensuring that workers receive a living wage.
- The Supplier must provide workers, before they start work, with clear and understandable information, in a language they understand, regarding their rights, responsibilities, and terms of employment, including working hours, wages, and payment terms.
- The Supplier must formalise all employment relationships through an employment contract.
- The Supplier must provide, upon request, tangible evidence of the existence and implementation of these measures:
 - Sample offer letter or employment contract
 - Living wage assessment
 - Share of workers earning above the living wage

Rest day

- The Supplier must grant workers one day of rest for every six consecutive working days. Any changes must be agreed through collective bargaining and approved by local authorities.
- The Supplier must provide, upon request, supporting evidence of the existence and effective implementation of these measures.

Freedom of association

- The Supplier must allow the formation of independent worker organisations and ensure their right to associate freely and bargain collectively in a free and democratic manner. Trade unions are free to operate in accordance with applicable procedures, without interference from the authorities.
- The Supplier must respect workers' right to strike.

- The Supplier must implement an effective grievance mechanism accessible to all workers. It must regularly collect and review grievances.
- The Supplier must provide, upon request, supporting evidence of the existence and effective implementation of these measures.

Harassment, abuse, and discrimination

- The Supplier must ensure that workers are not subjected to any form of violence, harassment, or abuse, including corporal punishment, verbal, physical, sexual, economic, or psychological abuse, mental or physical coercion, or any other form of harassment, threat, or intimidation.
- The Supplier must implement written disciplinary procedures and communicate them to workers in terms and in a language they understand. Disciplinary measures must comply with applicable national legislation.
- The Supplier must provide, upon request, supporting evidence of the existence and effective implementation of these measures.

Women's rights and gender equality

- The Supplier must implement concrete policies and initiatives to support women's empowerment and promote their representation at all levels of the organisation.
- The Supplier must measure the gender distribution by level or grade.
- The Supplier must assess and monitor compliance with equal pay between men and women.
- The Supplier must provide, upon request, supporting evidence of the existence and effective implementation of these measures:
 - Women's rights policy
 - Data on gender distribution by level or grade
 - Gender pay gap assessment

Health and safety

- The Supplier must comply with national legislation or international standards on health and safety. The highest applicable standards shall apply.
- With regard to fire safety equipment, the Supplier must comply with the following requirements:
 - Fire drills must be organised by the local fire department.
 - Water pressure in the factory must be sufficient to ensure that the fire hydrants function properly.
 - Fire hydrant must be fully equipped and in working order.
 - Fire extinguishers must be accessible, unobstructed, and available on all floors.
- With regard to first aid, the Supplier must comply with the following requirements:
 - First-aid responders must be trained and known to all workers; their contact details must be made public.
 - First-aid kits must be available and managed by the first-aid team at each workplace.
 - First aid kits must be complete and regularly checked.

- With regard to worker safety, the Supplier must comply with the following requirements:
 - All machinery and equipment used must be equipped with safety devices and properly maintained.
 - Safety instructions and warning signs must be clearly visible in hazardous areas.
- With regard to workers' health, the Supplier must comply with the following requirements:
 - Water supply systems must be in good working order to provide clean, drinkable water.
 - Production processes that have a negative impact on workers' health are prohibited.
- The Supplier must provide, upon request, supporting evidence of the existence and effective implementation of these measures.

4. Evidence

To demonstrate compliance with this policy, the Supplier must provide the Group with the supporting evidence specified in the sections above. The Group reserves the right to request additional supporting evidence.

5. Controls

The Etam Group monitors compliance with its Social Compliance Policy through social audits. In addition, further controls may be carried out by the Group or by a third party appointed by it to verify that the Supplier's practices comply with this policy. These controls may be conducted at any time, in particular at the Supplier's premises and/or those of its own suppliers.

Audit

The Supplier must hold a valid social audit report covering the entire duration of production for the Group's brands. The standards accepted by the Group are as follows:

- BSCI (grades A, B, and C accepted)
- ICS (grades A, B, and C accepted)
- SMETA
- SA8000
- WRAP

No orders will be placed with a Supplier that does not hold a valid social audit report.

Audit renewal frequency



Organisation	Note	Renewal frequency
BSCI and ICS	Grade A or B	2 years
	Grade C	1 year
SMETA	-	1 or 2 years, depending on the country's risk level in the current amfori-BSCI classification
SA8000	-	1 year
WRAP	Gold	1 year

For SMETA audit, the renewals frequency is determined based on the country risk assessment established by amfori-BSCI. This classification is available on the amfori Insights platform (<https://www.amfori.org/amfori-insights/>) for amfori members, and can be provided by the Group upon request for non-members.

Controls

Controls may take various forms, including (non-exhaustive list) unannounced factory visits, document reviews, or interviews.

The Supplier must provide access to all relevant documents and information. During on-site controls, the Supplier must grant full access to its facilities to the Group's teams and/or to any third party appointed by the Group.

6. *Non-compliance and sanctions*

Non-compliance and continuous improvement of social rules and standards

Following the inspection or audit, the Supplier must implement the recommendations provided as soon as possible. In the event of identified non-compliance, the Supplier will be required to develop a corrective action plan, which will be monitored and verified as part of the Supplier's continuous improvement process.

When implementing a corrective action plan, the Supplier must agree with the Group on clear remediation deadlines, based on the timetable below, and on a full reassessment at a defined date. The Supplier must provide all requested evidence of remediation in order to resume the business relationship with the Group.

Remediation timetable in the event of non-compliance

Non-compliance	Remediation timeframe
Employment of young workers and non-compliance with regulations governing their employment	Immediate action

Use of forced labour	Immediate action
Unethical behaviour	Immediate action
Use of child labour	Immediate action
Violation of the rights to freedom of association and collective bargaining	15 days
Failure to protect workers	15 days
Breach of occupational health and safety measures	15 days
Use of precarious employment	15 days
Environmental damage	15 days
Discrimination	15 days
Failure to comply with social management system requirements and the cascade principle	4 months
Excessive working hours	4 months
Inadequate pay	4 months

Once the non-compliances have been remedied, the Group reserves the right to request a new audit. No orders will be placed with the Supplier without proof of compliance with the Group's standards.

In the event of non-compliance, the Group will take a decision on a case-by-case basis. This decision may result in the termination of the business relationship.

Sanctions

In the event of a breach of this policy, and depending on its severity, the Group reserves the right to take one or more of the following measures:

- **Suspension of orders until remediation is completed.**
- **Formal notice / exclusion:** depending on the severity of the breach, the Supplier may be formally notified and, where appropriate, excluded from the Group's list of suppliers.
- **Termination of the business relationship in the event of serious or repeated breaches,** without prejudice to any claim for damages.

7. Appendix