

RESPONSIBLE MANUFACTURING

VARNER AS

DRESSMANN, DRESSMANN XL, CUBUS, CARLINGS, BIKBOK, URBAN, VOLT, WOW, DAYS LIKE THIS.

INTRODUCTION

Responsibility as a core value

Varner is a value driven company. Responsibility is one of our core values.

We keep the highest focus ensuring the products we sell are of good quality and do not pose any risk for the consumer. We strive to ensure the production of our goods does not negatively affect neither individuals working in our supply chain nor the environment and make great effort in acting responsibly in all areas touched by our business.

The Sustainability department is responsible for setting and developing the Sustainability policies and procedures. This manual presents policies and requirements our suppliers need to follow. It applies to all suppliers and factories producing goods for any Varner Brands. We require suppliers to go through this manual before starting up with any sampling or quotations with our buyers to ensure the standards we have set are understood and will be met. As a supplier to Varner you are responsible to implement these policies and requirements in all of your supply chain.

Good Business Practice and Anti-Corruption

An important key to our success is building strong and long-term relationships with our suppliers founded on mutual respect and dialog. We expect suppliers to be self-reliant and believe traceability, transparency and openness throughout the entire value chain is important.

Corruption in any form is unacceptable, including bribery, extortion, kickbacks and improper private or professional benefits, gifts, loans, fees or reward to customers, agents, contractors, laboratories, suppliers in all tiers, Varner Production Offices, or employees of any such party or government officials. Policies for anti-corruption should be established and implemented at all levels of the business.

In the event of any act of corruption or bribery, or the attempt of such activities, please contact concern@varner.com. The information will be handled with confidentiality.

Good Management Systems

Suppliers are responsible for implementing the requirements in this Sustainability Manual to their organisation, to all of their operations, and to units outside their organisation that are affected by the requirements, covering the full supply chain. This also includes Test Programs and procedures in collaboration with Varner Production Offices.

Suppliers shall maintain appropriate records to demonstrate conformance to the requirements of this manual, and shall be able to provide necessary information and give access to parties approved by Varner seeking to verify conformance.

Supplier Code of Conduct

At Varner, we promote decent working and environmental standards in our supply chains. We cooperate closely with our suppliers and business partners in pursuit of this aim. Accordingly, we have prepared this code of conduct to illustrate what we expect of our suppliers and business partners. The code of conduct covers fundamental requirements for human rights, workers' rights, the environment and anti-corruption in our supply chains.

We expect our suppliers to communicate the requirements of this code of conduct to all sub-suppliers and work towards compliance with the requirements, in addition to own efforts to be compliant.

Varner will continuously work to improve our own policies and practices, including our purchasing practices, to support our suppliers in complying with our code of conduct. We will do this in dialogue with our suppliers and other stakeholders.

Varner will avoid partners that operate in countries subject to international boycott by the United Nations or Norwegian Authorities.

Compliance with Laws & Regulations

Varner's Ethical Trade Principles are founded on key UN and International Labour Organization conventions and documents. Suppliers and manufacturers must comply with national laws and regulations related to their industries and with international conventions concerning social and working conditions. In case of disparity between valid laws and regulations and the Varner Supplier Manual, the strictest standard shall prevail. It is the duty of suppliers to inform Varner should such a disparity arise.

In the event of a breach of the code of conduct a contingency plan for correcting and remedying the breach shall be made. Improvements and remediation shall take place within a reasonable period of time, as mutually agreed. Lack of progress in accordance with agreements may result in termination of cooperation.

Definitions

In order to avoid any misunderstanding or interpretation of our requirements below, please note our definitions of key terms.

- A **supplier** refers to the organization that has a direct contractual agreement with Varner delivering products, components, materials or services.
- The terms **factory, manufacturing unit, production facility, production unit** means any unit used for any production process.
- Please refer to *Appendix 1 - Supply Chain Tiering* for how Varner defines **production tiers**.
- **Unauthorized outsourcing** or **unauthorized subcontracting** is defined as the practice of carrying out production operations in a manufacturing unit that has not been approved by Varner, regardless of whether the unapproved production unit is owned or controlled by the supplier.
- By **worker** or **employee**, we mean every person employed at any production units including temporary workers, piece-rate workers, contract workers, trainees, trial workers, period workers and migrant workers.

Factory Approval

All factories intended for Varner production must be registered and receive approval in written form before any sampling starts. No orders can be placed unless the factory has been assessed and accepted for our production. Requests for approval of new factories must be sent in writing to the regional Varner Production Office. Unauthorized outsourcing is as a severe breach of our requirements.

The contact information of all factories, including second and third tier, shall be provided. Varner reserve the right to initiate assessment activities at factories in all tiers of the supply chain (including announced, semi-announced and unannounced audits).

Labour Standards

Forced and Compulsory Labour

ILO Conventions N° 29 and N° 105

- There shall be no use of forced, bonded (including debt bondage) or involuntary prison labour, slavery or trafficking in any form.
- All work shall be voluntary. No workers shall be kept in employment against their will and all workers must be free to leave work or terminate their employment without reprisal.
- Workers shall not be required to leave deposits, identification papers or the original copy of their work permit to the employer.
- Workers shall be free to vacate the workplace premises at the end of a regular workday of 8 hours.

Regular Employment

ILO Conventions N° 95, 158, 175, 177, 181

- To every extent possible work performed must be on the basis of recognized employment relationship established through national law and practice.
- Obligations to employees under international conventions, national law and regulations concerning regular employment and social security laws shall not be avoided through the use of short term contracting (such a contract labour, casual labour or day labour, use of labour agencies) sub-contracting or other labour relationships. All elements of the Code of Conduct apply for workers that are employed through employment agencies or contractors by necessity.
- All workers shall be entitled to a written contract of employment in a language they understand. The contract should at minimum include: name of employer and employee, starting date, birth date, position, regular wage, overtime compensation, benefits, notice period, and all legal requirements for employment contract relevant to the country.
- The duration and content of apprenticeship programmes must be clearly defined.
- A documented process for recruitment and on-boarding of workers shall be established.

Humane Treatment and Zero Tolerance for Harassment

UN Covenant on Civil and Political Rights Art. 7

- All employees shall be treated with respect and dignity. Physical abuse or discipline, harsh or inhumane treatment, sexual or other harassment, verbal or mental abuse of workers, including the threat of such treatment, as well as other forms of intimidation, is strictly prohibited.
- Measures must be established to protect workers from all forms of harassment and gender-based violence, both physical and psychological, including sexually intrusive, threatening, insulting or exploitative behaviour. Disciplinary policies and procedures in support of these requirements must be clearly defined and communicated to all workers and employees.

Non-Discrimination

ILO Conventions N^o 100 and N^o 111 and the UN Convention on Discrimination against Women

- There shall be no discrimination at the work place in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, skin colour, caste, nationality, religion, age, health-related issues, disability, gender, marital status, sexual orientation, union membership or political affiliation, or any other condition that could give rise to discrimination.
- Measures must be established to protect workers from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.
- Non-discrimination policies for hiring, promotion and disciplinary practices must be clearly defined and communicated to all workers and employees.
- A record of all terminated contracts should be kept for at least 24 months. The reason for termination of contract should be clearly stated in the records.
- Migrant workers shall have the same rights and entitlements and be covered by the Varner Code of Conduct in the same manner as local employees. All elements relevant to the employment must be communicated in a language understood by the worker.
- Female workers shall be given equal opportunities and be entitled to the same benefits as men in the workplace. There shall be no distinction, exclusion, or restriction based on gender.

Child Labor Prevention

UN Convention on the Rights of the Child, ILO Conventions N^o 138, N^o 182 and N^o 79 and ILO Recommendation N^o 146

- The minimum age for workers shall not be less than 15 years of age and comply with (i) the national minimum age for employment or (ii) the age for completion of compulsory education, whichever of these is the higher. Exceptions may be considered where ILO Convention N^o 138 is applicable.
- There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above. The manufacturer must have a certified copy of an official document indicating the worker's date of birth. In countries where this is not possible, the factory shall implement an appropriate method to confirm the age of its workers.
- Children visiting their parents at the workplace must be registered and there shall be a designated and appropriate meeting place.
- Policies and procedures for remediation of child labour prohibited by ILO conventions N^o 138 and N^o 182, shall be established, documented, and communicated to personnel and other interested

parties. Adequate support shall be provided to impacted children to attend and complete compulsory education.

- No person under the age of 18 shall be engaged in labour that is hazardous to their health or safety, including night work, or that is damaging to their education.
- Young workers (defined as workers above minimum age but below the age of 18) shall be given the opportunity to participate in education and training programmes.

Freedom of Association and the Right to Collective Bargaining

ILO Conventions N° 87, N° 98, N° 135 and N° 154, C131 – Workers Representatives Convention (1971), R143 – Workers Representatives Recommendation (1971), C154 – Collective Bargaining Convention (1981)

- Workers, without distinction, shall have the right to join or establish unions of their own choosing, and to bargain collectively. The employer shall not interfere with, or obstruct, the formation of unions or collective bargaining.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of independent and free workers representation and negotiations.
- There shall be no discrimination, threats, intimidation or harassment of workers' representatives. The worker representatives shall have access to carry out their representative functions in the workplace without any obstruction.
- Worker representatives must be democratically elected by the workforce. Where labour unions are established representatives must be from unions following all applicable regulations for labour union activity.
- A framework for regular communication between worker representatives and management representatives about matters relevant to workers shall be established. The identity and contact details of all representatives shall be kept available.
- Bargaining or dialogue between workers and management shall happen in good faith.
- The right to engage in legal strike activities shall be respected and there shall be no unlawful retaliation against individuals engaging in legal strikes.

Wages & Benefits

ILO Convention N° 131

- Wages and benefits paid for a standard working week shall at minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should be enough to meet basic needs, including some discretionary income.
- All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.
- Wages shall be paid directly to the worker preferably by a traceable digital payment system (such as bank transfer). Payments shall be done in a timely fashion and in full. Workers must sign for any payments received in cash.
- The piece rate shall be calculated so that those producing the lowest amount receive *at least* minimum wage within regular working hours.
- At each payment workers shall be provided with comprehensible information for concerned pay period in writing, including but not limited to: number of working days, wage/piece rate calculation, overtime hours and overtime pay, bonuses.

- Holiday pay, sickness allowance, maternity leave compensation, as well as other compensated absences or fringe benefits established by law shall be covered by the manufacturer pursuant to the particular country's laws and regulations.
- Salary deductions as a disciplinary measure is not permitted.
- Systems shall be established to record wages and benefits systematically in a transparent and reliable manner. Records shall at minimum include name of worker, regular working hours, overtime hours, bonuses, allowances, applicable deductions, and net wages. Payment records with all details shall be kept available for at least 24 months.

Maternity Protection

C183 – Maternity Protection Convention (2000) N° 183.

- Maternity rights and benefits shall be granted and compensated according to national law as a strict minimum.
- Appropriate measures shall be adopted to ensure that pregnant or breastfeeding women are not obliged to perform work determined as a risk to the health of mother or child.
- A period of parental/maternal leave of no less than 14 weeks shall be provided, or at minimum as per legal requirement where the requirement is higher than 14 weeks.
- On production of a medical certificate, leave shall be provided before or after the maternity leave period in the case of illness, complications or risk of complications arising out of pregnancy or childbirth. The nature and the maximum duration of such leave may be specified in accordance with national law and practice.
- It is not permitted for an employer to terminate the employment of a woman during her pregnancy or absence on leave, except on grounds unrelated to the pregnancy or birth of the child and its consequences or nursing.
- A woman is guaranteed the right to return to the same position or an equivalent position paid at the same rate at the end of her maternity leave.
- A woman shall be provided with the right to one or more daily breaks or a daily reduction of hours of work to breastfeed her child.
- The period during which nursing breaks or the reduction of daily hours of work are allowed, their number, the duration of nursing breaks and the procedures for the reduction of daily hours of work shall be determined by national law and practice. These breaks or the reduction of daily hours of work shall be counted as working time and remunerated accordingly.

Working Hours

ILO Conventions N° 1 and N° 14

- Working hours shall comply with national laws, benchmark industry standards, collective agreements, whichever affords greater protection. Standard weekly working hours should be no more than 48 hours (8 hours per day).
- Workers shall be provided with at least one day off for every 7 day period.
- All overtime shall be limited and voluntary. Overtime shall be used responsibly, taking into account the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment.
- Recommended maximum overtime is 12 hours per week i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this may be accepted when regulated by a collective bargaining agreement that is negotiated with an organisation representing the majority

of the workers; appropriate safeguards are taken to protect the workers' health and safety; and it can be demonstrated circumstances such as unexpected production peaks, accidents or emergencies.

- Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see above). As a minimum, overtime shall be compensated in accordance with relevant national legislation.
- All working hours (both regular and overtime) shall be recorded systematically in a reliable and transparent manner. Working time shall be recorded individually by every worker in an electronic recording system. Working time records with all details shall be kept available for at least 24 months.

Occupational Health & Safety

ILO Convention N° 155 and ILO Recommendation N° 164

Occupational Health and Safety Management

- Working conditions shall at a minimum comply with national occupational health and safety regulations, and with international standards where domestic regulation is insufficient or unspecified.
- The working environment must be safe and hygienic. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising the causes of hazards inherent in the working environment.
- Responsibility for health and safety shall be assigned to a management representative.
- The factory shall carry out risk assessments on a regular basis to identify conditions that are or could be hazardous to the health and safety of the workers. Such risk assessments should produce corrective action plans to prevent and address identified issues.
- Active cooperation between management and workers, and/or their representatives, is essential in order to develop and implement systems for ensuring a safe and healthy work environment. Occupational Health and Safety Committee (or similar function) shall be established with representatives from workers and management.
- All workers shall receive regular health and safety training in a language they understand, and such training shall be repeated for new or reassigned workers. Training must be documented.
- There shall be sufficient number of persons trained in first aid in each section of a factory and at each shift. Training records shall be kept available. In addition, there shall be routines for handling serious injuries requiring outside medical attention.

Safety Devices

- Machines and equipment shall have appropriate and functional safety devices which shall be maintained and inspected on a regular basis by certified persons. Safety instructions relevant to the machinery shall be available and be followed at all times. Valid certificates and permits must be available for equipment such as boilers, elevators, generators, pressure vessels and other relevant equipment. Operators of such equipment shall have relevant operator permits or certificates. Pressure equipment shall be isolated from other working areas.
- Workers shall be equipped with appropriate personal safety equipment (PPE) free of charge. Training shall be provided on proper use of such equipment.

- Risk areas and potential hazards must be clearly marked by warning signs in appropriate languages with pictograms where relevant.
- There must be sufficient first aid equipment and supplies in each section of the factory. Inventory lists of supplies shall be kept and equipment and supplies shall be checked regularly.

Healthy Working Environment

- There shall be proper ventilation, windows, fans, air conditioning and /or heating in the workplace so that requirements on air quality, ventilation and temperature requirements are met.
- The factory shall ensure that the noise level is acceptable in all areas.
- The lighting must be sufficient to ensure a safe working environment.
- There must be adequate space in the factory to accommodate the safety and welfare of the workers. Adequate cleanliness should be maintained in all areas.
- There shall be access to clean toilet facilities in sufficient number and to potable water. Toilets shall be accessible during all working time and during breaks. Workers shall be allowed reasonable time to use the facilities, and the use of such facilities shall not be recorded or monitored.
- If the factory provides food for its workers, the canteen, in which food is stored and prepared, must be located separately from the production area and also be clean and in good condition. Adequate storage for food shall be available to workers.
- Sandblasting shall not be used for any production. Factories shall not have any sandblasting equipment available for use.

Building & Fire Safety¹

- The factory must be able to display relevant permits that production buildings and installations in such buildings are of an appropriate standard for how they are being utilized.
- There must be a management system to ensure that operational loads do not at any time exceed the factory floor loading limits.
- There shall be an automatic and centralized fire detection and fire alarm system covering all areas of the facility. Fire drills, evacuation and testing of emergency systems shall be conducted on a regular basis. Evacuation drills shall be documented at a minimum with date/time, evacuation time achieved, observations of improvements needed.
- Firefighting equipment shall be maintained in sufficient number and in proper working order. It shall be easily visible and accessible to all workers.
- Buildings shall be provided with a means of egress system for all occupants to safely evacuate, that includes (but is not limited to) a sufficient number of clearly marked, unlocked and unblocked exits, and safe and unobstructed exit pathways leading out of the premises. Evacuation plans shall be in place and shall be posted at the entrance to each exit stair.
- Exit doors shall be side-hinged swinging type. Roll-down and sliding gates and shutters are not allowed. Doors shall swing in the direction of travel. Doors cannot be locked in the direction of travel unless the latch and lock can be disengaged with one motion or a panic bar is installed.
- Electrical systems, equipment, panels, outlets and wiring must be installed by a certified electrician, and must be properly placed, grounded and documented. All electrical features must be maintained in good working order and must be inspected on a regular basis.

¹ These requirements are also applicable to dormitories and housing where provided to workers and employees. See section 10. Accommodation Requirements for specification for housing requirements.

Accommodation Requirements

Please note the requirements under section 9 “Building & Fire Safety” are also applicable to dormitories and housing where provided in a direct or indirect manner to workers and employees.

- a) The standard of the accommodation shall be with reasonable levels of decency, privacy, security and hygiene with regular upkeep and improvement to meet basic needs.
- b) Dormitories shall be located separately from production buildings, storage areas or warehouses.
- c) Dormitories shall be single sex.
- d) The space for each worker must be in compliance with local laws.
- e) Everyone shall have their own, individual ground pads or beds.
- f) All workers are to have their own lockable storage spaces for clothes and personal belongings.
- g) There shall be access to potable water.
- h) There shall be proper ventilation, windows, fans and/or air conditioning/heating apparatus in all dormitories so as to ensure proper circulation, ventilation and temperature.
- i) The dormitories shall have adequate lighting.
- j) There must be a sufficient number of toilets and showers (single sex). These must be maintained, easily accessible, safe, and hygienic.
- k) Washing facilities shall be available for workers who live on the premises.
- l) If available, the canteen and the food which is prepared and stored there must be kept clean and in good condition.
- m) Freedom of movement cannot be restricted. Those living on the premises must be able to come and go as they please in their own time, within reasonable limits due to security and comfort.
- n) The use of provided accommodation facilities must be optional.
- o) If the workers must pay for their housing, the cost should be commensurate with the standard of the accommodation, not exceed local average, and be reasonable in comparison with provided wage levels.

For more on housing conditions refer to the ILO Factsheet No. 6 on workers’ housing.

Marginalized Populations

UN Covenant on Civil and Political Rights, art. 1 and 2

- Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

Chemical Handling

Chemical Knowledge and handling in production

Minimizing the use of chemicals is important and should be a top priority. This is an important measure to deliver safe products and to preserve the environment.

Varner environmental concern are in accordance with current national legislation, EU legislation, and also voluntary schemes. Our requirements reflect an awareness of how chemicals affect human health and the environment and constantly increasing quality demands of consumers. We expect supplier and sub-suppliers to have adequate knowledge of chemical handling and stay updated on the best available technologies in order to reduce the health and environmental risk of the use of chemicals in the supply chain.

By using the Best Available Technology (BAT) you will be able to reduce the use of harmful chemicals and also save costs. In order to achieve low environmental and health impacts, BAT is to be combined with Best Environmental Practice, abbreviated as BEP. Read more here:

<http://eippcb.jrc.ec.europa.eu/reference/txt.html>

We expect the chemical handling units involved with Varner products to only use and purchase chemicals in compliance to the CLP regulation 1272/2008.

A list of all involved units in the production chain of Varner products shall be available upon request. Together with this we expect that a chemical inventory for a specific product is available upon request for all units involved in the processing of the specified product.

Material Safety Data Sheets (MSDS / SDS)

The European Union's CLP Regulation (EC No 1272/2008) concerns the classification, labelling and packaging of substances and mixtures. Manufacturers, importers, distributors, and downstream users must make sure their current and future safety data sheets for substances, preparations, and mixtures comply with the CLP Regulation and REACH Regulation (1907/2006/EC) SDS requirements to keep their products on the EU market.

Therefore all chemicals must be purchased from companies that provide an MSDS in English. There must be an easy access for updated MSDS / SDS for all chemicals used and stored. Always check that the chemicals being purchased are allowed in our production.

We require that as a minimum point 2 and 3 needs to be filled out correctly, and that CAS-no. needs to be provided. Only when the below list in *complete* is a MSDS (SDS) regarded as adequate:

1. Identification of the substance CAS number / preparation and of the company / undertaking
2. Hazards identification
3. Composition / information on ingredient
4. First aid measures
5. Fire- fighting measures
6. Accidental release measures
7. Handling and storage

8. Exposure controls / personal protection
9. Physical & chemical properties
10. Stability and reactivity
11. Toxicological information
12. Ecological information
13. Disposal consideration
14. Transport information
15. Regulatory information
16. Other information

Competence and Training

Employees that procure, store, handle and use chemicals must have the correct knowledge and be sufficiently trained for this task. This is the responsibility of the supplier, and records from training shall be kept. There should be appointed responsible persons for chemical handling that is made aware of their responsibility and properly trained.

Adequate Personal Protection Equipment (PPE) shall be available near the chemicals free of charge. Eye washing station and shower facilities should be available nearby in case of an emergency. Emergency procedures must be clearly communicated and be displayed on posters.

All employees shall receive training in Chemical Handling. The training should include the following:

- How to read and understand Material Safety Data Sheets (MSDS)
- How to use PPE and health risk of not using PPE.
- How to handle chemicals with specific emphasis on hazardous chemicals.
- Emergency plans

Chemical Storage

Suppliers shall have a written procedure for the procurement, storage, handling and use of chemicals.

- A qualified person in the company shall be responsible for chemicals, contact details shall be sent to Sustainability@varner.com and local QA-specialist at the Varner Production Offices.
- The supplier must keep a register of all chemicals they have purchased, used and disposed of.
- All chemicals shall be handled, stored and transported as instructed in MSDS / SDS.
- Chemical containers shall be labelled with MSDS both at the storage space and in the workshop where the chemicals are used.
- Chemical storage areas shall be separated and have functional equipment such as lighting, ventilation and fire extinguishers. The storage area must have first aid kits and eyewash equipment.
- The supplier shall prevent chemicals from leaking to air, ground and water.
- All chemical containers must be labeled with the chemical name and appropriate danger symbol to minimize the potential risk. The responsible person shall control the containers for leakage of chemicals during storage and use.
- Chemicals that are hazardous shall be separated and handled with extra care.

Chemical Waste

All suppliers need to have routines for disposing hazardous chemical waste and shall comply with national laws and as informed in MSDS. Please map your waste streams in order for our inspectors to review any risk associated with the waste.

Chemical waste must be stored at a dedicated, locked area, separated from other waste and under roof protected from rain and weather.

Hazardous waste must not be allowed to accumulate in nature. The disposal of hazardous waste must be arranged through certified firms. Suppliers shall keep a record of all waste collections. Hazardous waste must be stored in a responsible manner and disposed of according to regulations. Receipts of waste disposal should be available. Follow local regulations regarding waste spillage into water effluents.

Personal Protection Equipment (PPE)

PPE shall be used when working with chemicals. PPE include equipment such as gloves, masks, aprons, safety goggles and rubber boots. The factory shall provide necessary PPE and must be available at all times, for each employee in the factory. The PPE must be free of charge and must at all times be in proper condition.

Use appropriate PPE depending on the risk of a specific chemical which can be found in MSDS. While working with chemicals, a first aid kit and emergency eye wash must be in place.

Environmental Requirements

All manufacturing processes shall be compliant with regulations and internal systems must be established to ensure the environmental impact is limited as much as possible. Always strive to follow Best Available Technology (BAT) and Best Environmental Technology (BET) according to the EU's guidelines (BREFs): http://eippcb.jrc.ec.europa.eu/reference/BREF/txt_bref_0703.pdf

Suppliers must have documentation of an established Environmental Management System. Each production facility should be able to show documentation that they have some kind of environmental system and/or certification to safeguard the environment.

General Environmental Requirements in the Manufacturing Units

- The supplier and manufacturer shall respect national and international environmental legislation and regulations.
- The supplier shall use management systems to ensure I improvement and compliance with environmentally beneficial policies and practices, and encourage own suppliers to implement and adhere to the same standards.
- The supplier shall seek to reduce negative impacts on resource consumption (e.g. energy and water), emissions and waste.
- Environmental measures shall be taken into consideration throughout the production and distribution chain; starting from the production and supply of raw materials through to the consumer sale. Local, regional and global environmental aspects shall be considered. The local environment at the production site shall not be exploited or degraded by pollution.
- Relevant discharge permits shall be obtained where required.
- Hazardous chemicals and other substances shall be carefully managed and the use of chemicals in the production of goods is regulated by Varner Restricted Substances List.

Water

Considerable amounts of water are used in the production of textiles, and proper treatment of discharged water it is essential. If your company uses wet processing (e. g., desizing, bleaching, mercerizing, dyeing, printing and other specific treatments where waste water occurs) you must treat the waste water to prevent ground water pollution and for pollution control according to national legislation.

There shall be a continuous water flow in the waste water treatment. The treated waste water must meet legal requirements. Waste water treatment may produce sludge. This should be monitored and the sludge should be treated in a proper manner.

Any water treatment plant located at the production facility must be approved by authorities. Effluent Treatment Plants (ETP) must be properly documented. An installation manual should be available. ETP

operators must be competent to manage the plant. Training and instructions must be available to the people responsible for the plant.

You must develop measures for reduction of water consumption and/or water reuse and document achieved impact. Water flow meter must at minimum be in place for inlet and outlet. The annual average water consumption in litres for each treatment and finishing shall be available upon request. Water usage and discharge must be tracked systematically and properly documented. Test reports of water quality must be available. The quality of the water must meet legal requirements.

COD emissions (Chemical Oxygen Demand) in effluent from wet processes that do not go to municipal or other external purification plants, may be a total of 20g/kg fibre. COD content shall be tested in accordance to ISO 6060. The report shall contain a calculation which shows the COD emissions in g per kg textile. The requirement can be documented by COD emissions on an annual basis. Measuring of PCOD, TOC or BOD can also be used if a correlation to COD is shown.

The pH value of the waste water released into surface water shall be 6-9 (unless the pH value of the recipient is outside this range), and the temperature shall be below 40°C (unless the temperature of the recipient is higher).

Energy

Factories must have a program dedicated to reduce emissions and strive to optimize the use of resources. Progress should be documented and a system for measuring achievements must be in place.

Details on the consumption of electricity (in kWh), procurement of fuel and a conformation from the factories – together with a copy of an invoice showing consumption and procurement shall be available upon request.

Emissions to air

Factories must apply appropriate emissions control techniques for any of the manufacturing operations that generate air pollutants. Control techniques include: ventilation, absorption, physical and chemical scrubbing, closed-loop-systems for recovery of solvents, noise/odour and vibration reduction equipment. Significant sources of air pollutants are:

- Coating and dyeing operations
- Printing
- Drying (fabric, yarns and print)
- Fibre processing generating dust (bale breakers, automatic feeders, separators and openers, mechanical conveyors, pickers, cards) and spinning
- Combustion sources for power generation and process heating
- Weaving