

STATEMENT ON XINJIANG UIGHUR AUTONOMOUS REGION (XUAR)

18.09.2020

We acknowledge that issues related to treatment of Uighurs and other ethnic and religious groups have been reported in Xinjiang Uighur Autonomous Region (XUAR) and we share the concerns that have been raised through a broad range of organizations and nations (including Norway). We also acknowledge that the issues have been connected to forced labour practices in the cotton and textile sector in the region.

We condemn all practices of repression, forced labour and discrimination in any country or region as these are in violation with international conventions and national regulations. Our hopes are that the UN High Commissioner for Human Rights will get access to do an independent investigation of the situation in XUAR.

We adhere by the *UN Guiding Principles on Business and Human Rights* and the *OECD Due Diligence Guidance for Responsible Supply Chains*. As a company we have responsibility to ensure that our products are produced respecting human rights and decent working conditions as per our [Code of Conduct](#), with no use of forced labour or discriminating practice. This is further addressed in the [Varner Policy on Modern Slavery](#). Due to risk related to these elements in XUAR and limitations in sufficiently assessing and mitigating the risk we suspended the use of all raw materials, processing, and any other input materials from the province in 2019. Our suppliers were informed of this in December 2019. We have in parallel to this been actively engaged in finding alternative sources outside Xinjiang. Whilst we have never had any direct garment production in XUAR province we did previously have some input materials such as cotton, yarn and fabric sourced from the region.

As more information is surfacing we have decided to update our policy with additional measures and specifications as specified below.

IDENTIFY & MAP

We continue to assess risk of forced and involuntary labour throughout our supply chains. We target risk areas based on elements such as geographical locations, product types, production process, input materials, and stakeholder consultations. To the best of our abilities we continue to map links that we may have to XUAR through our value chains, from raw materials to finished products. We are committed to take appropriate action (as per below mentioned restrictions) if links are identified. We are continuously monitoring factories that are being utilized in production of our goods (through announced and unannounced audits and visits) and work actively to prevent, identify and use of forced labour or discriminating practice in any form.

RESTRICTIONS & REDUCING RISK

We continue to prohibit any production and processing of goods in Xinjiang. We also continue to suspend all use of inputs or materials (including processing of such inputs or materials) originating from XUAR. Cooperation with suppliers and sub suppliers that have textile industry subsidiaries in XUAR will be suspended as soon as possible and at most within 12 months. We will continue to have zero tolerance for production of goods in factories where work is in any way involuntary or forced, whether enforced through private or governmental programs.

PREVENTION & REMEDIATION

We will work to build awareness and competence needed to prevent and address forced labour in our supply chains, and we are committed to cooperate in remedial actions where it is appropriate and possible.