Responsible Business Conduct Euretco B.V.

Euretco B.V., May 2021

As a major retail service organisation in Europe, it’s our job to pursue a profitable and sustainable retail industry. We care for our collections, the materials and the full supply chain related to our carefully selected garments. We aim for long term relations with our business partners to co-create the most beautiful product, but also to take care of the people involved. We want to get insight in the social and environmental impact of our products and work on improvement where needed. Transparency of production places and circumstances are of great importance.

Euretco has a responsible purchasing policy based on social and environmental criteria for the supply chain based on international standards, conventions and guidelines. Working in compliance with all applicable laws and regulations on human rights, the environment and product safety is of great importance, but international standards are leading if they are more stringent.

We ask all our suppliers and subcontractors, from raw material to end product, to support us in our corporate responsibility program and to work according the standards below.

1. **Our common responsibility – Due diligence**

Under the UNGPs[[1]](#footnote-1) and OECD Guidelines[[2]](#footnote-2), enterprises bear a responsibility for preventing and reducing any adverse impact on people and the environment by their own operation or business relationships in the production or supply chain. This means acting in an ethical and transparent way that contributes to the health and welfare of society. This is the baseline for our Due Diligence policy integrated in our corporate responsibility program.

Euretco supports the Conventions of the International Labour Organisation (ILO) and expects suppliers to act in accordance with the conventions of the ILO. These conventions are, along with the relevant UN Declarations and the OECD guidelines, the basis for our responsible business conduct.

We have identified nine specific themes by mutual agreement and in discussion with stakeholders which currently merit the priority attention of enterprises in the garment and textile sector operating in the Netherlands in terms of international responsible business conduct (RBC). These themes are, in no particular order:

1. Discrimination and gender;

2. Child labour;

3. Forced labour;

4. Freedom of association;

5. Living wage;

6. Safety and health in the workplace;

7. Raw materials;

8. Water pollution and use of chemicals, water and energy;

9. Animal welfare.

We added, based on the ILO and OECD guidelines for the garment and footwear industry:

* Working hours
* Ethical trade, no bribery and corruption
* No Sexual harassment and sexual and gender-based violence (SGBV) in the workplace
* Grievance mechanism

We will do our due diligence and give particular attention on these themes and we expect this as well from our suppliers. This means that, with regard to these themes, suppliers will identify any possible adverse impact in the supply chain, set specific objectives and take measures which are suitable in the light of the insights resulting from their due diligence process.

We ask you to inform us about any possible risk regarding human rights violation, animal abuse and environmental hazards related to our products to cooperate to minimizing these risks. To identify these risks, we prepared a questionnaire and kindly ask you to fill out and send back to us.

**Our buying behaviour**

We are part of the value chain and therefore we want to take our responsibility regarding sourcing and buying. It is very important to inform us when our buying behaviour does not support the international social and environmental standards set below. We work according to the following buying strategy:

Forecasting:

We will particularly ask for long-term contracts to increase predictability and stability. This will also enable suppliers to plan for investments in machinery, equipment and human resources.

We will:

• work on a stable planning.

• Share forecast and purchasing plan with our supplier and, if possible book, capacity.

• Allow to start production early for NOOS styles

• Communicate changes in your forecast/purchasing plan on time.

Product development:

• provide clear technical specs and requirements

• Ask our supplier for feedback on new developments

• Review our sampling process with efficiency in mind

• Work with photo’s/online video when possible or consider virtual prototyping

• Supply a target price for the product

Price negotiation:

• Get insight in price calculations and the production process

• Calculate in cooperation with our supplier and getting help to get the best quality for the best price.

• Consider material cost, labour, transport, testing, audits and the profit for the supplier

Payment conditions:

• Pay on time

• Pay what we agreed on Order placement, production, lead time

• We have a time & action plan with deadlines for all contributors (buyer and supplier)

• We agree on realistic lead time

• We make an agreement on late style/order changes

• We work on understanding the local and cultural differences

1. **Social & Environmental Compliancy**

The responsible business conduct aims to attain compliance with certain standards. Supplier companies, in addition, must ensure that the responsible business conduct is also observed by subcontractors involved in production processes of final manufacturing stages. Within the scope of options for action and appropriate measures, supplier companies have to aim at the implementation and reporting of the following criteria in a development approach. Euretco declares that we will only work directly with subcontractors[[3]](#footnote-3) that are prequalified through the same rigorous processes to those used for direct contractors. Approved subcontracts may be reviewed on a semi-regular (e.g. annual) basis to remain approved. Workers of those sub-contractors should have access to grievance mechanisms, similar to those of direct contractors. We ask for transparency to know where our products are made and to be able to ask questions regarding social and environmental conditions.

**2.1 Social Compliancy**

Below written the most important ILO conventions related to human rights at the work floor.

**Prohibition Child Labour and working conditions of young workers** ILO Conventions 10, 79, 138, 142 and 182 and Recommendation 146.

There shall be no use of child labour. “The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Young workers [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." Children and young persons under 18 shall not be employed at night or in hazardous conditions.

Where young workers are employed, business partners should ensure that the kind of work is not likely to be harmful to their health or development; their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

**Child Labour Due Diligence Bill**

By signing this RBC you take part in our Due Diligence Policy and you approve that you will do anything you can to identify, prevent and if necessary address the issue of child labour in our supply chain.

We need to comply with the Dutch Law on Child labour Due Diligence on combating child labour in global supply chains, that comes into force as of January 2020. Dutch companies and their supply chain business partners will have to declare that they have addressed the issue of child labour in their supply chains. This law requires companies to identify, prevent and if necessary address the issue of child labour in their supply chains. We ask our suppliers to cooperate and be transparent about sub- contractors and sub-suppliers and possible risks within the supply chain of our products so we can cooperate in combating child labour. Risk studies show that the severe risks are mainly at cotton farming and wet processing (like spinning mill) stage.

Euretco’s CSR manager, needs to be informed in high risk situations, for example when cotton comes from countries or facilities where forced labour is required and so the risks on child labour occurs. Ask your suppliers about their social management systems, latest audit reports or certifications like WRAP, SA 8000, Fair Trade, GOTS, Better Cotton or Organic Content Standard, or any other standard that entails Child labour.

**Prohibition of Forced and compulsory Labour and Disciplinary Measures** ILO Conventions 29 and 105.

There shall be no use of forced, including bonded or prison, labour. All forms of forced labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden as is prisoner labour that violates basic human rights.

**Prohibition of Discrimination** ILO Conventions 100, 111, 143, 158, 159, 169 and 183.

No discrimination shall be tolerated in hiring, remuneration, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in workers’ organisations including unions, political affiliation or opinions, sexual orientation, family responsibilities, marital status, or any other condition that could give rise to discrimination.

**No Sexual harassment and sexual and gender-based violence (SGBV) in the workplace**

Our business partners are encouraged to adopt a zero-tolerance policy on sexual and gender-based violence and strict measures against sexual harassment in its own operations. The enterprise should articulate its expectations of suppliers and other business partners to likewise adopt a policy on sexual harassment and sexual and gender-based violence. Enterprises are encouraged to include the following in their internal policies

* a commitment to foster an environment at work free from harassment, bullying and violence
* clear consequences for breaking the enterprise’s standards
* a commitment to hear grievances, to provide a “reprisal-free” complaints mechanism (e.g. operational-level-grievance mechanism) and to maintain the confidentiality of workers or employees who raise complaints

**Freedom of Association and the Right to Collective Bargaining** ILO Conventions 11, 87, 98, 135 and 154

The right of all workers to form and join trade unions and bargain collectively shall be recognised. The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions.

**Payment of a living wage** ILO Conventions 26 and 131

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

Euretco works with its suppliers to make salaries transparent and to establish living wages that are paid to employees to provide for the basic needs of the employee and his family. Together, we formulate measurable goals and draw up an action plan.

**Working Hours** ILO Conventions 1 and 14 and ILO Recommendation 116.

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

**Safe and healthy working conditions** ILO Convention 155

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible. Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

**No Sandblasting**

Euretco does not accept the sandblasting process being used for our products, since this is affecting the health of workers.

**Legally binding employment relations**

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

**Ethical trade: no bribery and corruption**

Enterprises should consider the good practices put forth in the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance, which includes:

* Strong, explicit and visible support and commitment from senior management to the company's internal controls, ethics and compliance programmes or measures for preventing and detecting bribery, including the bribery of foreign public officials;
* A clearly articulated and visible corporate policy prohibiting bribery, including the bribery of foreign public officials; and
* Oversight of ethics and compliance programmes or measures regarding bribery, including the bribery of foreign public officials, including the authority to report matters directly to independent monitoring bodies such as internal audit committees of boards of directors or of supervisory boards, is the duty of one or more senior corporate officers, with an adequate level of autonomy from management, resources and authority.

**Grievance mechanism**

Euretco needs a commitment to hear grievances from workers, to provide a “reprisal-free” complaints mechanism (e.g. operational-level-grievance mechanism) and to maintain the confidentiality of workers or employees who raise complaints. For example Amfori has an online grievance mechanism at their [website](https://www.amfori.org/content/amfori-external-grievance-mechanism-form). It provides a platform for individuals and organizations to submit a grievance if they feel they have been negatively affected by amfori’s activities. The amfori secretariat will review the External Grievance Mechanism process where necessary to continuously improve the grievance handling procedure. We ask Amfori to remind workers of their rights and this online grievance mechanism.[[4]](#footnote-4)

**2.2 Environmental Responsibility**

Suppliers should assess significant environmental impact of operations and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimise adverse effects on the community, natural resources and the overall environment.

Euretco asks suppliers to have procedures and standards for the use of water and energy, handling and disposure of chemicals and other dangerous materials, waste management, emissions and effluent treatment. The procedures and standards must meet at least the minimum legal requirements.

**No use of energy of non-renewable sources and minimizing Green house Gas (GHG) emissions**

Suppliers shall keep records of the current energy sources and emissions and reduce the use of energy of non-renewable sources. Targets will be set to work with green energy sources and thus reduce emissions to air.

The consumption of energy of non-renewable origin is one of the main causes of greenhouse gas emissions. The production of textile and garments is an energy intensive process. Measuring GHG emissions is a critical first step to reducing the carbon footprint of an enterprise’s activities. It helps an enterprise to assess its impact on the climate and to design cost-effective emission reduction plans.

• Establish an energy management plan at the site-level that includes company-wide coordinated measures for energy management. We ask our suppliers to measure, report and minimize their energy consumption and GHG wherever possible.

• Also, we do encourage our suppliers to make use of renewable energy sources like wind- and solar energy. We ask our supplier to research and use technologies which use less energy, like LED lightning.

• Implement best available techniques (BAT) as defined by Best Available Techniques Reference Documents for the sector or sub-sector 3[[5]](#footnote-5).

Implement energy efficiency measures (e.g. energy conservation technology, optimization of steam generation and pressurized air, waste heat recovery from waste water and waste gas, process optimization, etc.)

* Implement energy conservation measures (e.g. implementation of energy saving through improvements in the process and reaction conditions)
* Increase efficiencies and quality so as to reduce need for re-processing due to failures
* Install and operate accurate meters and/or measuring software as a fundamental step to benchmarking performance and to initiating efficiency improvement

**Limitations to water use and clean waste water**

The supplier shall measure water use and determine whether it can source from water stressed areas responsibly – for example, by promoting water efficiency and/or reducing process dependence on fresh water amongst its suppliers. Waste water must be treated and tested before releasing to the environment. The supplier shall comply to national waste water legislation.

Throughout the production of textiles, a lot of water is used. In general, most water is used for cotton cultivation (2/3 or more of the total volume). Textile processing uses far less water but causes most water pollution. This puts great pressure on the availability and the quality of water in areas where cultivation and processing take place. Water use, the source and waste water in the wet processing also deserves serious attention, because of the local pollution impact.

* We ask our suppliers to deliver a (waste) water policy, testing procedure and/or a copy of one of the standards. We ask our suppliers to provide, (LCA) data on water, energy and chemicals and emissions. Use the ZDHC (Waste Water) guidelines and the Unido water calculator: <https://watercalculator.dnvgl.com/Home/Form>.
* We want to be informed about the water source (rain, groundwater, lake, etc)
* We would like to offer suppliers more information on a cleaner production process through the ZDHC, OECD guidance or MODINT Factsheets which we could provide to you.

**No hazardous Chemicals**

No hazardous chemicals shall be used in processing stage and released in water or air. Employees shall be protected and equipped with the right safety measures and appropriate training. Chemicals shall be stored and labeled accurately.

Chemicals are used everywhere in the production of goods. Apart from the pesticides and fertilizers in the natural fiber production, the ‘big’ issue, mainly in the textile chain, is the use of chemicals in bleaching, dyeing, printing and finishing and how it effects workers, water and air effluents.

* Design phase: The base of the use of chemicals use lies in the design choices. We ask our business partners to inform us if any design decision leads to the use of hazardous chemicals.
* Manage and report production phase: From there it is important for our company to know which specific chemicals are used (chemical inventory) and how they are used in the

processing. The use of harmful chemicals during these stages of production could be harmful for the environment and the workers and may leave traces in the final product and thus appear to the consumer.

* Make a Chemical Risk assessment: An environmental or human health risk assessment includes hazard identification, hazard characterization, exposure assessment and risk characterization.

The first two steps are regarded as the process of hazard assessment. The methodology of the environmental risk assessment should align with OECD guidance. See OECD Environmental Risk Assessment Toolkit[[6]](#footnote-6).

The methodology of the health risk assessment should align with the World Health Organization guidance. See International Programme on Chemical Safety, WHO Human Health Risk Assessment Toolkit: Chemical Hazards[[7]](#footnote-7). Health risks are also addressed in Module 5, Occupational Health and Safety.

**Restricted Substances List (RSL)/ Manufacturing Restricted Substances List (MRSL)**

The restricted substances list (RSL) in annex 1 is intended to inform our suppliers on international (upcoming) regulations restricting or banning the use of chemicals in apparel products including accessories attached to garments for example zip fasteners, buttons, etc. and packaging materials. The RSL takes most of the world’s regulations into account (incl. REACH, POP), as well as harmful chemicals listed by NGO’s.

* We ask our suppliers to purchase materials without harmful substances. Please inform your fabric- or yarn supplier about the RSL and risk matrix where chemicals are related to certain raw materials and processing steps and inform Euretco about test results based on risk assessments.
* If the supplier buys directly from chemical agencies make sure it are firms with a CR management system.
* Make use of the (ZDHC)MRSL (<https://www.roadmaptozero.com/mrsl_online>). It is there to provide suppliers with a harmonized approach to managing chemicals during the processing of raw materials into the readymade fabric within our supply chain. The MRSL achieves this by providing a clear list of priority chemicals and specifying the maximum concentration limit of each substance within commercial chemical formulations.
* We ask our suppliers to inform us about wet processing management (of sub suppliers) to eliminate hazardous chemicals from our products, to keep a chemical inventory and to work with Material Safety Data Sheets for workers. Inform us when you/sub suppliers cooperates with ZDHC, SAC (Higg Index) or Amfori BEPI.
* Implement best available techniques (BAT) as defined by Best Available Techniques Reference Documents for the sector or subsector. See Integrated Pollution Prevention and Control, Best Available Techniques Reference Document for the Textiles Industry, 2003)[[8]](#footnote-8).

**Valid Processing standards**

A valid health OEKO-TEX® Standard 100 product certificate covers most of legal requirements of this RSL. Processing standards are of higher value, like: GOTS, Blue Sign or Step (or similar). These standards, in the annex, make sure that that no harmful chemicals are used in processing.

* When commercially acceptable, we ask our suppliers to work as much as possible with one of the following or similar standards and to provide us with a copy of the scope and transaction certificates.
* It is important to work with accredited audit organisations ( e.g. by textile exchange.)

**Raw Material Policy**

Euretco wants to lower the impact of her raw materials. Cotton is one of the most polluting fibres and very important for our collections, therefore we want to work with the better, low impact options.

* We ask our suppliers to keep records on the content and source of our raw materials
* To source for sustainable or preferred raw materials (indicated in annex 3) and offer alternatives to conventional materials.
* It is important to measure, reduce and reuse material waste where possible.

In annex 4 we listed standards and certifications, related to sustainable raw materials like organic- or recycled cotton, which aims to reduce the impact during cultivation and/or processing of textile fibres. The standards and certifications cover the fibre production phase which impacts water-, chemical- and energy use, effluents and possibly labour conditions. They do not cover the finishing substances used, e.g. dyes that are included in the processing standards.

* We ask our suppliers to offer available sustainable raw materials and to use/ask for one of the following or similar standards and to provide us with a copy of the scope and transaction certificates or other proof of compliancy.

**Valid raw material certifications**

In annex 4 we listed standards and certifications, related to sustainable raw materials like organic cotton, aim to reduce the impact during cultivation and processing of textile fibres. The standards and certifications cover the fibre production phase that has impact on water, chemical and energy use and labour conditions. They do not cover the finishing substances used, e.g. dyes that are included in the processing standards.

* We ask our suppliers to use one of the following or similar standards and to provide us with a copy of the scope- and transaction certificates.

**Animal welfare**

We ask suppliers of wool, silk, leather, down and feathers and any other animal derived fibre:

* To prevent, reduce and eradicate animal suffering in the production or supply chain.
* To provide animal welfare guarantees when products of animal origin are used.
* To follow below provision guidelines where animals are concerned in our supply chain:

1. Freedom from Hunger and Thirst - by ready access to fresh water and a diet to maintain full health and vigour.

2. Freedom from Discomfort - by providing an appropriate environment including shelter and a comfortable resting area.

3. Freedom from Pain, Injury or Disease - by prevention or rapid diagnosis and treatment.

4. Freedom to Express Normal Behaviour - by providing sufficient space, proper facilities and company of the animal's own kind.

5. Freedom from Fear and Distress - by ensuring conditions and treatment which avoid mental suffering.

**Endangered Species Policy**

Euretco does not accept any raw materials from any endangered species as listed on the IUCN Red List [[9]](#footnote-9), as critical endangered, near threatened, endangered, extinct in the wild, or vulnerable on the IUCN Red List. Therefore, suppliers must provide animal welfare guarantees when products of animal origin are used.

Euretco does not accept Real exotic animal skins (incl. snake, alligator, crocodile, lizard and ostrich).

**Fur** -Euretco does not accept animal fur

**Silk** - Euretco does not accept silk from moth that have been boiled alive.

**Animal hair** (e.g. Cashmere, Angora, Mohair) - Euretco does NOT permit that hairs are collected from animals in an animal-unfriendly manner (see guideline above).

* We ask our suppliers to provide a third party certificate that proofs good animal husbandry.

**Leather** - Real leather and suede from sheep, pigs, goats and cattle reared for meat production & synthetic leather are accepted. All other leather variations are NOT permitted!

* We prefer leather processed through facilities rate by Gold, Silver, Bronze by the Leather Working Group or facilities STeP by OEKO-TEX certified.

**Down Feathers Policy** - Euretco does not accept Down/Feathers from live-plucked birds and from force fed birds. Euretco only accepts Down/Feathers from meat production and prefers Down/Feathers that are certified to the Textile Exchange Responsible Down Standard.

* Our business partners must submit a declaration or certificate guarantee that all Down filled garment/items are Non-live plucked down.

**Wool & Mulesing Policy** - We endorse the IWTO- standards for animal welfare and demand that the Five Freedoms for Animal Welfare must be respected. Mulesing is a surgical procedure carried out on (mainly Merino) sheep to prevent flystrike.

* Euretco only accepts wool from sheep that have not been mulesed and prefers wool that is certified to the textile Exchange Responsible Wool Standard. Recycled wool, certified according to the recycled wool standard could be a solution to prevent mulesing.

**Man-made Cellulosic Fibres Policy** - Euretco does not accept products (Viscose, Rayon, Modal and Lyocell) deriving from illegally logged sources, ancient and endangered forests, as listed in the IUCN Red list as critical endangered, near threatened, endangered, extinct in the wild, or vulnerable. Euretco prefers sustainably certified wood products (e.g. FSC)

**Packaging** - Since plastic is non-[biodegradable](https://en.wikipedia.org/wiki/Biodegradation), recycling is a part of global efforts to reduce plastic in the waste stream, especially the approximately eight million metric tonnes of waste plastic that enter the earth's ocean every year. Soft Plastics are also recycled such as [polyethylene](https://en.wikipedia.org/wiki/Polyethylene) film and bags.

* We ask our supplier to actively research and offer options which are a better choice for the environment: Reusable, recycled and/or reduction of packing materials.

**Plastic** - We ask our suppliers to use preferred plastics for our products and packaging like recycled plastics and biodegradable plastics (see GRS certification) of e.g. PLA (corn sugars).

**Cardboard** - We ask our suppliers to use recycled or FSC/PEFC certified cardboard. We aim to only use cardboard and paper packaging which consists of 100% recycled paper fibre.

**Waste reduction** - We ask our suppliers to reduce (raw) material wase as much as possible and preferably join a recycling program (packaging waste, material cutting waste etc.)

1. **Management System, Monitoring, documentation, verification**

The supplier company shall define and implement a management system to ensure that the requirements of the Responsible Business Conduct can be met. Management is responsible for the correct implementation and continuous improvement by taking corrective measures, as well as the communication of the requirements of the RBC to all employees and subcontractors. It shall also address employees’ concerns of non-compliance with this Code of Conduct. Euretco will be informed about non-compliances and follow up.

* If the buying behaviour of Euretco impacts the compliancy to this RBC we will be informed immediately.

In our accompanied questionnaire we will ask you to provide us with sufficient information to prove the origin and sustainability of our products. If you have any questions please let us know.

The requirements in the Responsible Business Conduct are requirements that we want to achieve together. These are our common goals. We are open for discussion if suppliers are not capable to meet these requirements. We are certain that many of our suppliers have even higher demands of themselves. Therefore, we want you to provide us with the relevant certifications and reports to confirm this. By signing this RBC statement, you commit yourself to it.

The undersigned hereby confirms that:

We have read the Responsible Business Conduct (RBC) and accept the terms required of us as suppliers and will inform and cooperate with our subcontractors and sub suppliers working on products of Euretco. We will inform Euretco and discuss non- compliances and the issues involved in their product’s supply chain.

Signatures

Director Euretco Supplier/Subcontractor

**Annex 1 RSL/MRSL Pending**

See attachment in mail.

**Annex 2 Textile Processing certifications**

GOTS (Global Organic Textile Standard): Processing certificate🡪 Social accountability included

The standard covers the processing, manufacturing, packaging, labelling, trading and distribution of all textiles made from at least 70% certified organic natural fibres. The GOTS standard also includes requirements for the other steps in the supply chain, like the wet processing phase. GOTS is the worldwide leading textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain. On working conditions general provisions are required according the prevailing knowledge of the industry and of any specific hazards.

STeP by  OEKO-TEX®  (Sustainable Textile Production) 🡪  Social accountability included

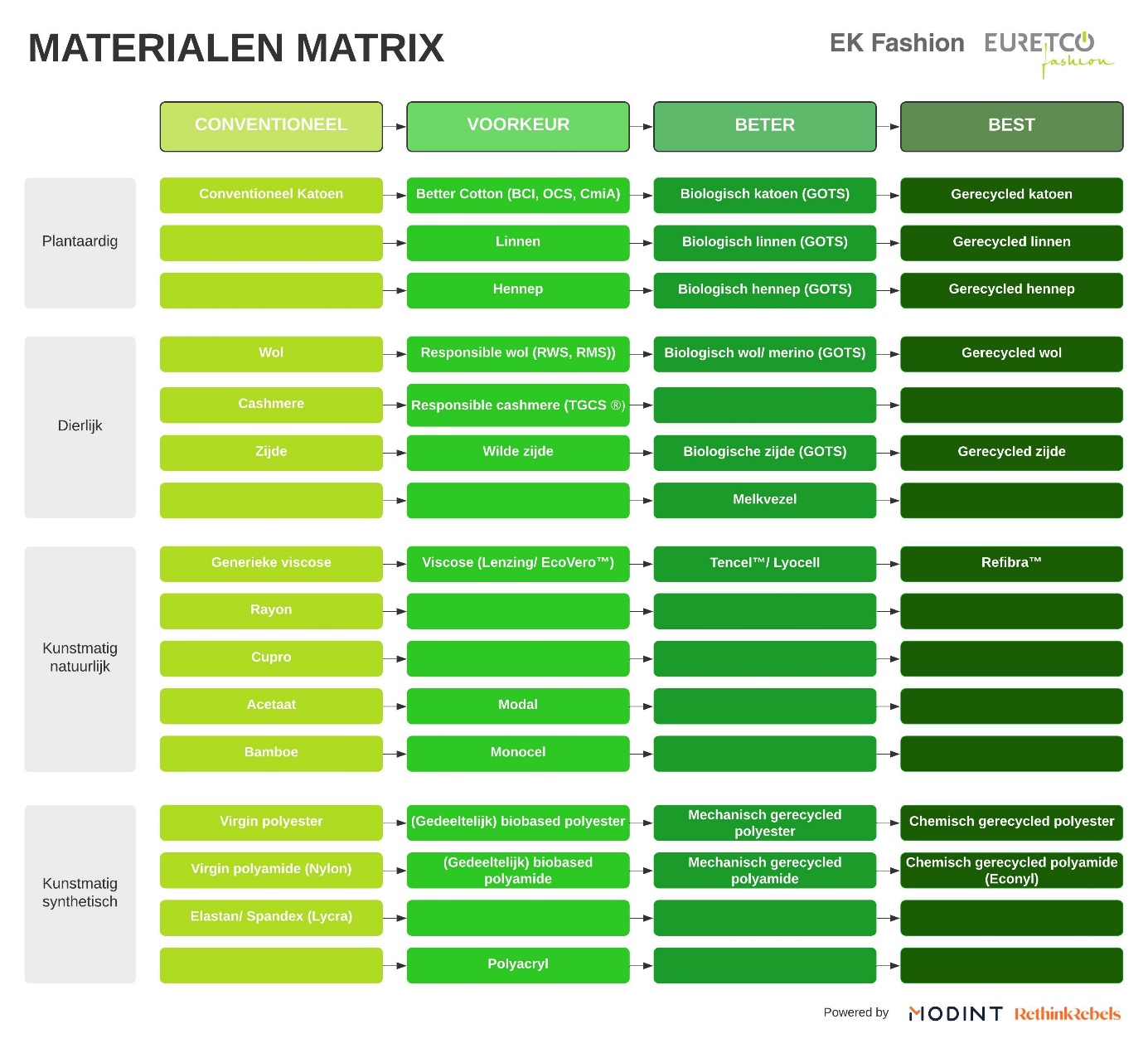
STeP is a certification system for brands, retail companies and manufacturers from the textile chain who want to communicate their achievements regarding sustainable production to the public in a transparent, credible and clear manner. Certification is possible for production facilities of all processing stages from fibre production to finishing facilities and manufacturers of ready-made textile items. The objective of STeP certification is the permanent implementation of environmentally friendly production processes, optimum health and safety and socially acceptable working conditions. To learn more, visit: [www.oeko-tex.com/step](http://www.oeko-tex.com/step)

Bluesign®

The bluesign® system focuses on resources, people and the environment. With its holistic approach based on Input Stream Management, the bluesign® system reduces the impact on people and on the environment, ensures responsible use of resources and guarantees the highest level of consumer safety. The most stringent criteria and monitoring of on-site implementation encourage companies along the entire textile value chain to improve their sustainability performance. To learn more, visit: <http://www.bluesign.com/>

**Annex 3 Preferred materials Euretco**

Whereas Class IV is least preferred and Class I is most preferred



**Annex 4 Raw Material Certifications (ex animal related)**

Organic (natural materials)

Certified organic materials are produced in accordance with specific country-level or international organic agricultural standards, integrating ecological processes, and avoiding the use of toxic and persistent synthetic pesticides and fertilizers as well as genetically modified (GMO) seeds. To maintain certification throughout processing to final product, the organic cotton must be kept separate from non-certified cotton and be traceable from the farm to the finished product.

The EU regulation 834-2007 is developed for organic farming within and beyond the European Union. It can be applied if 95% or more of the content of a product is derived from organic agricultural ingredients.

GOTS: It is a certification for the raw material as well as the processing, so you can find the information at the valid processing standards.

BCI (Better Cotton Initiative) 🡪 Social accountability included

‘BCI is a multi-stakeholder initiative that works to bring together cotton’s complex supply chain, from farmers to retailers, to improve cotton growing conditions globally. BCI has over 850 member organisations representing cotton producers, civil society, suppliers and manufacturers, retailers and brands whose membership fees help to support farmer capacity building. BCI aims to establish Better Cotton as a mainstream sustainable commodity, accounting for 30% of global cotton production by 2020. To learn more, visit [www.bettercotton.org](http://www.bettercotton.org)

OCS (Organic Content Standard)

The Organic Content Standard (OCS) is a third-party verified standard that replaces the previous OE Blended and OE 100 from the same organization. The standard provides chain of custody through the requirements of the Content Claim Standard for raw material inputs certified to national organic regulations. The OCS includes a consumer-facing label to provide better information to consumers. A list of suppliers may be found on the OCS webpage. To learn more, visit: <http://organiccontent.org>   
  
Cotton in Conversion

This type of cotton is grown by farmers that are switching from growing conventional cotton to growing organic cotton; they are ‘in conversion’. This means that the cotton itself is organic, but the soil is not totally clean yet. That’s why it cannot be labelled as organic as yet; there is a 3-year period under the NOP standard, and a 2-year period under the EEC 2092 directive. Labelling for in conversion cotton is only allowed in the EU. When buying cotton in conversion, you support the organic grown production.

CCS (Content Claim Standard)

The Content Claim Standard (CCS) is a third-party verified chain of custody standard that provides companies with a tool to verify that one or more specific input materials are in a final product. It requires that each organization along the supply chain takes sufficient steps to ensure that the integrity and identity of the input material is preserved. To learn more, visit: [http://contentclaim.org/](https://mail.modint.nl/owa/redir.aspx?C=04ayO52iqqIxGdpNrjVnBQQvd9lW5TQ9BAEBc1rXH6T_VVdhjfLTCA..&URL=http%3a%2f%2fcontentclaim.org%2f)

CmiA (Cotton made in Africa) 🡪 Social accountability included

CmiA is a strategic alliance of partners from trade and industry, the public sector and NGOs which contribute to the fight against poverty and environmental degradation in Africa by activating market forces for sustainable cotton. CmiA wants to help local smallholder cotton farmers and their families to raise their own standard of living by building up an alliance of international brands and retailers who use the sustainable African cotton for their products and pay a licensing fee back to CmiA. The licence earnings are reinvested in the African project regions to help smallholder farmers help themselves through trade and to improve the social, ecological and economic living conditions of smallholder cotton producers and their families. To learn more, visit: <http://www.cottonmadeinafrica.org>

Fair Trade 🡪 Social accountability included

Fairtrade’s goal is to approach to the entire value supply chain for e.g. textiles to address the challenges in the textile industry. This comprehensive approach engages producers and workers in the chain to bring about better wages and working conditions, and engages brands to commit to fair terms of trade. Fairtrade standards include environmental criteria, which generally require farmers to work toward best environmental practices, through the use of “Integrated Crop Management” systems, which seek to minimize the use of agrochemicals, and prohibit the use of the most hazardous pesticides. Nonetheless the use of pesticides and synthetic fertilizers is still allowed, as many poor farmers, without strong support to learn organic methods, would not be able to join the scheme if chemicals were completely prohibited, and therefore as a result, Fairtrade certified cotton is not necessarily organic. The Fairtrade mark on cotton guarantees that the fibre was grown in the developing world, in a country such as India or Africa, where it had the greatest positive impacts on the producers involved. To learn more, visit: <http://www.fairtrade.org.uk>

GRS (Global Recycle Standard)

The Global Recycle Standard (GRS) is a full product standard that incorporates recycled material verification, chain of custody verification through the requirements of the Content Claim Standard, and processing requirements.  The standard includes social and environmental responsibility criteria, as well as chemical management. The website of GRS provides a list of GRS certified products. To learn more, visit: <http://globalrecycled.org>

1. The UN Guiding Principles on Business and Human Rights are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations. http://www.ungpreporting.org/ [↑](#footnote-ref-1)
2. The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. http://www.oecd.org/corporate/mne/ [↑](#footnote-ref-2)
3. Subcontracting to third parties is a fairly common practice at many stages of the garment supply chain. Subcontracting enables an enterprise to respond quickly to short lead times and changes in orders, to specialize in certain tasks. Outsourcing, however, can also decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights and labour abuses and environmental impacts in higher-risk contexts. Therefore the due diligence measures that Euretco should take to mitigate these risks should be increased. Source: OECD due diligence guide [↑](#footnote-ref-3)
4. <https://www.amfori.org/sites/default/files/amfori%20External%20Grievance%20Mechanism%20policy-.pdf> [↑](#footnote-ref-4)
5. <https://eippcb.jrc.ec.europa.eu/reference/> [↑](#footnote-ref-5)
6. <https://www.oecd.org/env/ehs/risk-assessment/environmental-risk-assessment-toolkit.htm> [↑](#footnote-ref-6)
7. <https://www.who.int/ipcs/methods/harmonization/areas/ra_toolkit/en/> [↑](#footnote-ref-7)
8. <https://eippcb.jrc.ec.europa.eu/reference/BREF/txt_bref_0703.pdf> [↑](#footnote-ref-8)
9. ## IUCN Red List: Union for Conservation of Nature’s Red List of Threatened Species has evolved to become the world’s most comprehensive information source on the global conservation status of animal, fungi and plant species. See <https://www.iucnredlist.org/>

   [↑](#footnote-ref-9)