EXCLUSIVE MERCHANDISE PRODUCTS

GOOD HOUSEKEEPING

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Contents

1 Introduction

1.1 Why Good Housekeeping?

In these guidelines, EMP Merchandising Handelsgesellschaft mbH ('EMP') sets out its expectations and requirements of its business partners with respect to the environment. These guidelines do not replace any applicable legal requirements. Each company should make itself aware of and fulfil the local legal requirements.

1.2 EMP Code of Conduct

The EMP Code of Conduct (CoC) is one of the core documents regarding corporate responsibility at EMP and should be understood to be a part of the criteria for the selection of and work with our suppliers.

1.3 The principles and function of these guidelines

Various environmental aspects are central to these guidelines, which set out applicable policies for these. Each section follows a structure of key points according to the following standard pictured below:

1.4 Environmental strategy as a goal

We empower our suppliers to carry out evaluations of their manufacturing processes with regard to environmental impact and risks, in order to recognise opportunities to develop a strategy.

This should make the following possible:

1. The fulfilment of fundamental legal and technical requirements
2. Risk management
3. Recognition and follow-up on development possibilities

The company should deal with the relevant points based on their priority according to importance and relevance, but should at least monitor them depending on the type of issue.

2 Reporting on environmental effects

Meet reporting requirements
It must be ascertained that all requirements for reporting for environmental permits are met.

Regularly monitor the most important environmental effects
Priority environmental effects should be regularly monitored and reported to EMP on request.

Set goals for improvement
Goals should be set by each company so as to improve priority environmental impacts.

Assign to a team
Reporting must be carried out by specially trained and assigned teams, whereby management involvement is recommended.

Check that goals have been achieved
It is important to check that the goals and guidelines have been met; if necessary, amendments should be made.

3 Good Housekeeping: Fundamentals

3.1 Waste management

- Develop a routine cleaning process for all factory equipment
- Formulate a waste policy
- Define separate waste categories (hazardous/ non-hazardous)
- Assign all waste to the above categories
- Define waste disposal guidelines for the waste types in accordance with legal requirements

3.2 Servicing of machines

- Take an inventory of machines and tools, carry out regular inspections and document them accordingly
- Create and maintain a training plan for employees on machine operating procedures; conscientiously keep training documents
- Ensure that only trained employees operate the machines and tools

3.3 Safe handling of chemicals

It must be ensured that only appropriately trained employees handle chemicals.

4 Sustainable use of resources

4.1 Energy consumption

Ensure that legal regulations are adhered to

- Monitor permits and authorisations, take remedial actions

Measure and evaluate

- Document energy sources and the highest energy consumers

Set goals and targets

- Identify ways to reduce energy consumption and set reduction targets as well as evaluating cost savings

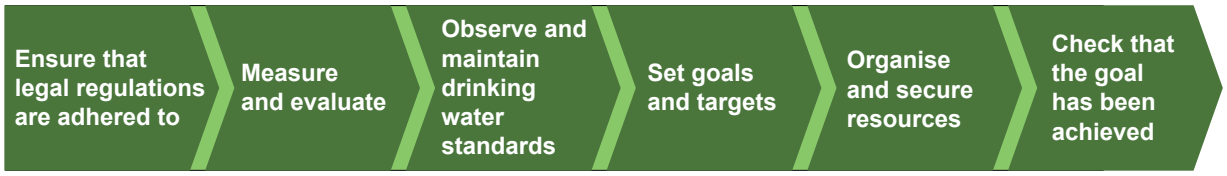
Organise and secure resources

- Assign a team: Implementation, training, communication

Check that the goal has been achieved

- Investigate whether the goal has been achieved and correct if needed

4.2 Water consumption



Ensure that legal regulations are adhered to
Attention must be paid to the availability of relevant permits and compliance with all monitoring measurements; maintenance work must be carried out regularly.

Measure and evaluate
Water flows should be classified and recorded according to usage purpose (process water, heating, cooling, drinking and sanitation) and source (e.g. communal, surface water, ground water, recycled water, etc.). The respective quantities should also be documented and the biggest water consumers should be identified.

Observe and maintain drinking water standards
Local water quality standards must be observed, or alternatively refer to the World Health Organization (WHO) guidelines.

Set goals and targets
Identify possible ways to reduce water consumption and set reduction goals. Evaluate cost savings.

Organise and secure resources
A team should be formed or assigned for this purpose and should be trained in processes. Communication should be ensured.

Ensure that goals have been achieved
Ensure that the goals and targets have been met; make adjustments if necessary.

4.3 Material usage

4.4 Packaging

4.5 Paper usage

Measure and evaluate
The usage of paper within the company should be checked. In addition, the quantities should be documented and the highest consumers identified.

Set goals and targets
Possible ways to reduce the usage of paper should be identified and reduction goals set. Cost savings should be evaluated.

Organise and secure resources
A team should be formed and assigned to this task and should be trained accordingly. Communication should be ensured.

Check that goals have been achieved
Ensure that the goals and targets have been met and make adjustments if necessary.

5 Chemical management

Ensure that legal requirements are adhered to
All legal requirements and permits for the use, storage and disposal of chemicals must be known and adhered to.

Monitoring
Compliance with the legal limit values for compounds used or produced as well as the regulated emissions themselves must be monitored.

Storage
Hazardous chemicals must be stored in accordance with legal requirements. The disposal of used or waste chemicals must also be carried out in accordance with local regulations.

Yearly health checks
Annual health checks must be carried out for employees who work at workplaces with (potential) hazards

Measure and evaluate
All chemicals used on site must be documented in an inventory list.

Set goals and targets
Wherever possible, chemicals should be replaced by safer alternatives and reduction targets should be set. Cost savings should be assessed here. Resources are to be organised and secured and responsibilities must be clearly assigned.

Prohibited chemicals should not be used. In addition, the presence and correctness of **labels** and SDS (safety data sheets) should be ensured.

Training
Any staff who handle chemicals must be specially trained on this.

Safety infrastructure
First aid kits, eye wash stations and showers must be available and spatial separation of production lines and mixing areas for chemicals must be guaranteed. Secondary containment must be available for the storage of dangerous liquids.

Ensure that goals have been achieved
The achievement of the goals and specifications must be checked; adjustments must be made if necessary.

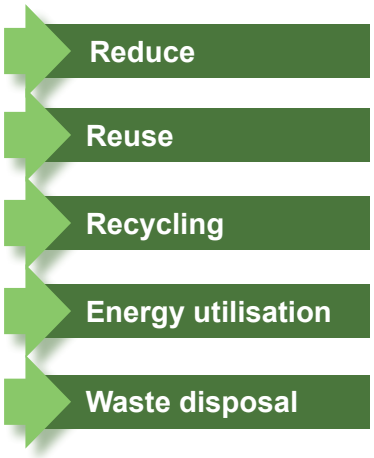
6 Emissions

6.1 Waste management

Permits and licenses
Compliance with laws must be ensured. Permits must be available, and monitoring and compliance must be guaranteed. The existence of all necessary permits and licenses at companies entrusted with the handling and disposal of hazardous waste must be ensured.

Measure and evaluate
All waste streams as well as quantities and sources should be classified and documented. Hazardous waste should also be identified (including ongoing processes).

Set goals and targets
Waste can cause soil and groundwater contamination (see 6.6. soil and groundwater contamination). In each case, the waste hierarchy on the right should be observed and used (starting from the top). Reduction targets should be set. Cost savings should be evaluated.



Organise and secure resources
A team should be formed and assigned to this task and should be trained accordingly. Communication should be ensured.

Ensure that goals have been achieved
The achievement of the goals and specifications must be checked; adjustments must be made if necessary.

6.2 Waste water drainage

Ensure that legal requirements are adhered to
Permits must be obtained for the discharge of wastewater and for wastewater treatment facilities. Monitoring and taking of measurements must be guaranteed and adherence to all requirements must be ensured. In the event of non-compliance, immediate remediation must follow.

Measure and evaluate
Wastewater flows and their sources, impurities and quantities must be identified and documented. Each wastewater stream is to be classified into categories depending on the wastewater treatment. A distinction must be made between the following processes in wastewater treatment:

1. Pre-treatment
2. Primary treatment
3. Secondary treatment
4. Tertiary treatment
5. Sludge treatment

Wastewater is to be separated according to the respective source. The treatment of the wastewater flows must be documented. Biological and physical-chemical treatment are available as treatment methods for textile wastewater. In order to comply with the legal limit values for the discharge, a combination of both methods is usually necessary. In any case, the quality of the processes must be monitored for compliance with the regulations. The effects and risks of the wastewater must be assessed.

Set goals and targets
Es gilt, Möglichkeiten zur Verbesserung der Abwasserqualität und zur Reduzierung der Abwassermenge zu erkennen und zu nutzen. Grundlage dafür ist die Aufstellung eines Abwasserreduzierungsplans mit klar definierten Zielen und Vorgaben. Hierbei sind Kosteneinsparungen zu bewerten.

Organise and secure resources
A team should be formed and assigned to this task and should be trained accordingly. Communication should be ensured.

Ensure that goals have been achieved
The achievement of the goals and specifications must be checked; adjustments must be made if necessary.

6.3 Airborne emissions – general

Ensure that legal requirements are adhered to

- Monitor permits and approvals while staying informed about limit values and requirements; Carry out monitoring measurements, check compliance, take remedial action if necessary

Measure and evaluate

- Document all air emissions (controlled and uncontrolled) as well as sources and amounts of pollution; record how each controlled air emission is treated prior to discharge in order to ensure compliance with the limit values

Set goals and targets

- Identify ways to reduce air pollution and evaluate cost savings

Organise and secure resources

- Team zuweisen: Implementierung, Schulung, Kommunikation gewährleisten

Ensure goals have been achieved

- Investigate whether goals have been achieved and correct if needed

6.4 Airborne emissions – GHG greenhouse gas emissions

Solar energy, wind energy, hydropower, bioenergy and geothermal energy are available as renewable energy sources.

6.5 Factory noise emissions

Ensure compliance with legal regulations
Updated permits and approvals for noise emissions must be available as well as an overview of legal limit values and requirements. Monitoring measurements must be taken; compliance and remedial action in the event of non-compliance must be ensured. For example, the legal limit values for external noise in Bangladesh for industrial areas are set as follows: 75 dBa (day) and 70 dBa (night).

Measure and evaluate
Noise sources and corresponding noise levels are to be identified and documented.

Set goals and targets
Possibilities for reducing factory noise emissions are to be determined. Cost savings should also be assessed.

Organise and secure resources
A team should be established and assigned for this purpose and should be trained in the processes; communication must be ensured. The aim is to ensure that goals and targets are achieved. If necessary, adjustments must be made.

Ensure that goals are achieved
The achievement of the goals and specifications must be checked; adjustments must be made if necessary.

6.6 Soil and groundwater contamination