SUPPLIER STANDARDS MANUAL

V3 | 2020

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NEW BALANCE CODE OF CONDUCT

This Code of Conduct sets forth the basic requirements that suppliers[1] must meet in order to do business with NEW BALANCE. This Code is based upon internationally accepted standards, including the International Labor Organization (ILO)'s core conventions, the Universal Declaration of Human Rights, and leading standards on occupational safety and health.

NEW BALANCE recognizes that different legal, political, economic, and cultural environments exist in countries around the world. NEW BALANCE is committed to doing business with suppliers who share our commitment to fair and safe labor and environmental practices.

At NEW BALANCE, we are catalysts for movement. We seek to work with suppliers which recognize that these standards are a baseline from which to move forward and are willing to commit to a program of continuous improvement. This is how we will evaluate supplier performance and determine who will help grow our business. This is how we build momentum for positive change in global working conditions. This is how we move.

NEW BALANCE MISSION

DEMONSTRATING RESPONSIBLE LEADERSHIP
NEW BALANCE BUILDS GLOBAL BRANDS
THAT ATHLETES ARE PROUD TO WEAR
ASSOCIATES ARE PROUD TO CREATE
AND COMMUNITIES ARE PROUD TO HOST

I. Compliance with Laws

a. Suppliers shall operate in full compliance with the laws of their respective countries and with all other applicable international, national, and local laws, rules and regulations.

II. Child Labor

a. No person shall be employed under the age of 16 (or 15, where the governing law allows) or under the age for completion of compulsory education, whichever is higher. All suppliers shall maintain official documentation allowing for verification of each employee's date of birth.

b. Suppliers must be in compliance with all laws and regulations regarding the employment of young workers. These regulations include but are not limited to types of work, work schedules and labor intensity.

III. Forced Labor

a. There shall no use of forced labor, including but not limited to prison labor, indentured labor, bonded labor and other forms of coerced labor.

b. Employees shall not be locked inside of factory premises for any reason.

IV. Humane Treatment

a. Employees shall be treated with dignity and respect. Employees shall not be subject to any physical, verbal, sexual or psychological harassment or abuse.

b. Employees shall not be subject to fines or penalties as a disciplinary measure.

c. Suppliers shall maintain and enforce a non-retaliation policy that permits employees to express concerns about workplace conditions directly to factory management, relevant government authorities, and/or New Balance without fear of retribution.

V. Nondiscrimination

a. No person shall be subject to any discrimination in employment, including but not limited to recruitment, hiring, compensation, promotion, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, marital status, pregnancy, parental status, political opinion, political affiliation, union membership, social group or ethnic origin.

b. Suppliers that recruit or employ foreign or migrant labor shall ensure that these employees are treated fairly and on an equal basis with local employees.

VI. Wages and Benefits

a. Suppliers shall pay employees in a timely manner for all work completed and shall pay at least the minimum wage required by law or the prevailing industry wage, whichever is greater, and shall provide legally mandated benefits.

b. Suppliers shall pay annual leave and holidays as required by law.

c. Suppliers shall not engage in false training or apprenticeship practices that are used to avoid payment of compensation.

d. We recognize that employees have the right to just and favorable remuneration for a regular work week that is sufficient to meet employees' basic needs and provide some discretionary income. Where these goals are not met, suppliers shall work with New Balance to take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services.

VII. Working Hours

a. Suppliers shall comply with all applicable laws, regulations and industry standards on working hours. Except in extraordinary circumstances, the maximum allowable working hours in a week shall be the lesser of what is permitted by national law or a regular work week of 48 hours plus overtime hours not in excess of 12 hours. Suppliers shall not request overtime on a regular basis.

b. Suppliers shall provide employees with at least 24 consecutive hours of rest in every seven-day period.

c. Employees may refuse overtime without threat of penalty, punishment or dismissal.

d. Overtime shall be compensated at a premium rate.

e. All hours worked must be fully and accurately documented.

[1] Suppliers include but are not limited to all licensees, vendors, manufacturers or businesses which produce products with the trademarks of New Balance and/or its brands.

VIII. Freedom of Association and Collective Bargaining

a. Suppliers shall respect the right of employees to freedom of association and collective bargaining. If freedom of association and/or the right to collective bargaining is restricted by law, employees shall be free to develop parallel means for independent and free association and collective bargaining.

b. Suppliers shall develop and implement effective mechanisms to resolve workplace disputes, including employee grievances, and ensure effective communication with employees and their representatives.

IX. Employment Relationship

a. Suppliers shall employ employees on the basis of a recognized employment relationship established through country law and practice.

b. Suppliers shall not employ people on a temporary contract basis for positions that are by definition permanent for the sole purpose of avoiding the provision of benefits.

X. Health and Safety

a. Suppliers shall provide a safe and healthy workplace setting to prevent accidents, illness and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of suppliers' facilities.

b. Suppliers shall adopt and implement systems that prevent, minimize, detect and respond to potential health and safety risks. These include but are not limited to fire protection, proper management and disposal of chemicals and hazardous waste, structural safety, electrical safety, personal protective equipment and adequate lighting, heating, cooling and ventilation systems.

XI. Environmental Protection

a. Suppliers shall comply with all applicable environmental laws and regulations, including but not limited to air emissions, solid and hazardous waste storage and disposal, energy usage and water consumption and discharge.

b. Suppliers shall adopt measures to mitigate negative impacts of operations on the environment.

c. New Balance encourages suppliers to make progressive improvements in the environmental performance of their operations, including but not limited to responsible use of natural resources, reduction of waste, energy efficiency, and cleaner production methods.

MONITORING, VERIFICATION AND ENFORCEMENT

Suppliers shall implement this Code of Conduct and all accompanying policies and procedures into their operations and submit to monitoring and verification.

This Code of Conduct applies to all subcontractors utilized by suppliers to New Balance. Suppliers shall take all necessary steps to ensure that their subcontractors and component suppliers adhere to this Code of Conduct. No subcontractors shall be used without prior approval from New Balance.

Suppliers shall post this Code of Conduct in the language(s) of their employees in visible and accessible locations in their facilities and train employees on their rights and obligations according to this Code of Conduct and applicable laws.

Suppliers shall allow relevant New Balance personnel and/or any of its authorized representatives or agents unrestricted access to all facilities and all relevant records at all time, whether or not notice is provided in advance.

Where suppliers provide residential and/or dormitory facilities to employees, all relevant legal and Code of Conduct standards apply.

To report any violations of this Code of Conduct or related concerns, please contact CSR@newbalance.com

NEW BALANCE COMPLIANCE

The New Balance Supplier Standards Manual describes New Balance's basic compliance requirements in relation to labor, health and safety conditions and environmental impact.

These requirements apply to all suppliers. Some indicators herein are considered zero tolerance requirements and not meeting these may lead to suspension or termination of the business relationship with New Balance.

These Standards do not necessarily reflect the national laws of the countries where suppliers are located, and it is the responsibility of the individual suppliers to ensure that they know and meet all legal requirements and obtain the necessary approvals, permissions and consents related to their operations.

Suppliers are responsible for the employment relationship with their employees and must comply with applicable laws or the New Balance Supplier Standards, whichever are stricter.

Suppliers must pass a New Balance compliance audit before they can begin manufacturing New Balance-branded products.

New Balance will periodically audit suppliers to ensure compliance with these standards. New Balance compliance audits may be conducted by New Balance staff directly or by a designated third-party auditing firm using the New Balance audit tool. Audited suppliers are rated on a scale from zero (fail) to 5 stars for their compliance performance. If a supplier fails an audit, it is required to implement a Corrective Action Plan (CAP) and undergo a follow-up audit at the supplier's expense, working with a New Balance designated third party.

Sourcing Restrictions

Suppliers are not permitted to source or manufacture New Balance-branded products in Bangladesh, Cuba, Iran, Myanmar, North Korea, South Sudan, Sudan, Syria, the Xinjiang Uyghur Autonomous Region of China, or any facility employing North Korean labor. This policy also applies to all subcontractors that may be utilized by a supplier.

ZERO TOLERANCE POLICY

New Balance has a zero tolerance policy for serious non-compliances. These are the minimum, non-negotiable New Balance supplier compliance requirements. Suppliers must promptly address and remediate any violations of these basic requirements. If a supplier fails to remedy any violation under the zero tolerance policy, New Balance may suspend or terminate production.

1. **Transparency and accuracy of records**
   Refrain from deceptive bookkeeping practices or fraudulent records.
2. **No bribery or attempts to bribe New Balance employees or auditors**
   Maintain integrity of the audit process so that compliance may be verified.
3. **No child labor**
   Do not employ workers under the age of 16 (or 15 where permitted by law).
4. **No employee movement restrictions**
   Do not restrict employees' free movement or ability to exit the facility at any time.
5. **Freedom to resign**
   Allow employees the right to resign freely and prior to contract expiration if they so choose.
6. **No retention of original employee identification documents**
   Employees should have possession or free access to their personal documents (e.g., passport, national I.D. card).
7. **No prison or bonded labor**
   Do not employ any form of forced, prison, indentured or bonded labor.
8. **No retaliation**
   Do not retaliate against employees who voice grievances or report labor and safety violations.
9. **No physical or sexual harassment**
   Ensure that management and employees refrain from actions that would result in an intimidating, hostile or offensive work environment.
10. **No discrimination**
    Ensure that the hiring, promotion and termination processes are free from discrimination based on actual or perceived membership in a certain group or social category.
11. **No pregnancy discrimination**
    Ensure that female employees or candidates are not tested for pregnancy, discouraged from getting pregnant or discriminated against for being pregnant.
12. **Legal wages**
    Pay wages of at least the minimum legal wage or prevailing industry wage, whichever is higher for regular work hours.
13. **Direct and in currency wage payments**
    Pay all wages directly to employees and in currency, not in kind.
14. **Preserve employees' freedom of association and collective bargaining**
    Refrain from interfering with freedom of association rights or engaging in any form of anti-union violence, harassment, discrimination or interference against employees' freedom of association.

15. **Open access to New Balance auditors**
    Allow open access to all facilities to auditors during inspection.

16. **Subcontractor disclosure**
    Disclose all contractors or subcontractors working on New Balance production on behalf of the supplier.

17. **Fire alarm and smoke detectors**
    Employ a distinct and functional fire alarm system and smoke detectors throughout the workplace and employee dormitories.

18. **Sufficient number of unlocked emergency exits**
    Ensure each level at each facility has enough unlocked and unobstructed exits for the number of occupants and degree of risk.

19. **No electrical hazards**
    Ensure the electrical wiring at the factory is in good condition and that there are no exposed wires.

20. **No other imminent safety hazards**
    Remove any hazards that present a risk of harm to the lives or health of employees.

21. **Free, potable drinking water**
    Provide free, clean and safe drinking water to employees.

22. **No unauthorized chemicals**
    Ensure that no unauthorized or restricted substances are used in the manufacture of New Balance products.

23. **No illegal or unauthorized dumping of hazardous waste**
    Discard all production waste in a responsible manner and comply with local environmental laws on hazardous waste disposal.

LABOR (L)

LEGAL/PERMITS (LP)

Suppliers shall operate in full compliance with the laws of their respective countries and with all other applicable international, national, and local laws, rules and regulations.

Legal/Permit Requirements (LP)

L-LP-1 PERMITS
L-LP-2 TRANSPARENT RECORDS
L-LP-3 NO OFFICIAL VIOLATIONS
L-LP-4 BRIBERY AND CORRUPTION

L-LP-1 Permits

Suppliers must maintain a valid business license and additional permits as required by law.

Suppliers must also monitor the validity of business licenses and permits to ensure they remain current.

Required permits may include:

- Garment manufacturer registration.
- Labor authority permit for hiring young employees.
- Work permit for foreign or migrant workers.

All current permits must be available for review at each facility during a New Balance audit.

L-LP-2 Transparent Records

Suppliers must be transparent and forthcoming with New Balance as it relates to compliance with New Balance Supplier Standards and must refrain from keeping multiple or false sets of records.

Suppliers must maintain on-site (at the contracted facility) all the documents and records necessary to demonstrate their compliance with these Standards and applicable laws. If a supplier maintains a double set of business or payroll records, in violation of this policy, it must provide the true copy to New Balance auditors.

L-LP-3 No Official Violations

Suppliers must address and resolve any labor disputes or complaints regarding its labor relationships.

Suppliers must comply with any official notices or prescriptive orders by legal authorities in their jurisdiction. If any violations have occurred, suppliers must promptly resolve these and be in compliance.

When assessing compliance with these Standards, New Balance will also consider and investigate complaints against suppliers made by current and former employees, labor groups and non-governmental organizations (NGOs) or the media.

L-LP-4 Bribery and Corruption

Suppliers must not bribe or attempt to bribe New Balance employees or designated third-party auditors.

Bribery will not be tolerated and may result in termination of the business relationship with New Balance.

Suppliers are also prohibited from directly or indirectly making, promising, authorizing or offering anything of value to a government official or third-party entity on behalf of New Balance to secure an improper advantage, obtain or retain business, or direct business to any other person or entity. Suppliers are responsible for complying with the New Balance Anti-Corruption Policy, as well as the US Foreign Corrupt Practices Act, the UK Bribery Act, and any other applicable anti-corruption laws.

Any supplier who has a question regarding the New Balance policy or who would like to report a potential violation of this policy may contact the New Balance Anti-Corruption Compliance Officer at

FCPA@newbalance.com

CHILD LABOR (CL)

No person shall be employed under the age of 16 (or 15 where the governing law allows) or under the age for completion of compulsory education, whichever is higher. All suppliers shall maintain official documentation allowing for verification of each employee's date of birth.

Suppliers must be in compliance with all laws and regulations regarding the employment of young workers. These laws and regulations include but are not limited to types of work, work schedules and labor intensity.

Child Labor Requirements (CL)

L-CL-1 No Child Labor
L-CL-2 Age Documentation
L-CL-3 Apprenticeships And Juvenile Work
L-CL-4 Written Policy
L-CL-5 Child Labor Response Procedure

L-CL-1 No Child Labor

Suppliers must not employ child labor.

Work performed by a person under 16 years of age (15 where permitted by law) is child labor. Work performed by a person between ages 16 (15 where permitted by law) and 17 is juvenile labor.

New Balance suppliers are strongly encouraged to hire adult labor (employees age 18 and above) and must not employ child labor under any circumstances.

L-CL-2 Age Documentation

Suppliers must retain copies of employees' official age documentation.

Suppliers must develop procedures to identify applicants who may use falsified, borrowed or altered identification at the time of hire. Where a job applicant is suspected of providing falsified documentation, suppliers must request additional forms of identification (e.g., drivers' license, passport, or other form of government issued identification).

Suppliers must not, however, retain employees' original identification documents (e.g., ID card, driver's license, passport, birth certificate), as document retention may limit employees' ability to travel or leave at will. (See L-FL-9 below).

L-CL-3 Apprenticeships and Juvenile Work

Suppliers employing juvenile labor or apprentices must comply with all legal requirements and New Balance Supplier Standards.

New Balance supports the development of legitimate workplace programs for the educational benefit of youths.

Juvenile employees must be hired in compliance with applicable laws, where permitted. In addition, New Balance suppliers must comply with the following requirements when hiring juvenile employees:

- Not assign juvenile employees to hazardous or high-risk positions.
- Limit juvenile employees' work hours as required by law.
- Provide juvenile employees with all the legally mandated breaks.
- Provide juvenile employees with preferred work hours and shifts (no night shift).
- Provide for juvenile employees' regular health checks, where required.
- Have appropriate permits, parent approval, or other required legal employment authorization if needed.

New Balance also supports lawful training, apprenticeship and work-study programs

for the benefit of employees. These programs must be implemented according to local law and in cooperation with an appropriate government agency or other organization, such as a technical school.

The following requirements apply to suppliers implementing apprenticeship programs:

- Maintain clear and complete records describing the program, how it is administered, its objectives and timeline, and which employees are enrolled in the program.
- Where required by law, the program must be approved by the appropriate authority.
- Employee wages during training must not be lower than the local minimum wage.
- Normal training periods for all jobs must be defined and incorporated into a written training policy.
- Training periods must not exceed one month, or 90 days where permitted by law.

L-CL-4 Written Policy

Suppliers must have a written policy on recruitment and hiring, indicating an official hiring age above 16 years (15 where permitted by law).

The policy must include a specific minimum hiring age and acceptable forms of identification to be produced before hiring. Where needed, the hiring procedure must include methods of identifying false or borrowed identification.

The policy must name the manager or department responsible for its implementation, and it must be reviewed regularly as legal requirements or business needs change.

To ensure that the recruitment and hiring policies are implemented consistently, all HR staff and hiring managers must be trained on the internal recruitment and hiring policy.

L-CL-5 Child Labor Response Procedure

Suppliers employing child labor must follow the New Balance child worker reintegration procedure.

If child labor is identified, suppliers must arrange transportation for child workers to return to their families or guardians and must continue to pay the child's wages and education expenses through the age of compulsory education or the minimum legal working age, whichever is greater.

Suppliers must follow this procedure when child laborers are identified:

1. Notify New Balance of each child worker identified and provide regular updates on the child's status and return.
2. Obtain contact information for the child's parents, or nearest relatives, and inquire whether there is a guardian or family member present at the factory or available nearby to collect the child.
3. Contact the child's family to inform them that the child will be returning.
4. Arrange transportation and costs for the child and a guardian to return home.
5. Take all necessary steps to enroll the child in a recognized school or educational facility upon his/her return home.
6. Follow-up regularly with the child's family and school to ensure the child's continued school attendance and maintain a record of the child's school attendance.
7. Continue to pay the child's salary through the age of compulsory education or the minimum legal working age, whichever is greater (the supplier may pay salary in exchange for the child's monthly school attendance report).
8. Take reasonable steps to ensure that the child does not seek other means of work while they complete his/her schooling.

9. Guarantee the child a job after he/she graduates from school or after they reach the age of compulsory education and are of legal working age.

References:

- ILO Convention No. 138, Minimum Age Convention, (1973)
- ILO Convention No. 182, Worst Forms of Child Labor Convention, (1999)

FORCED LABOR (FL)

There shall be no use of forced labor, including but not limited to prison labor, indentured labor, bonded labor and other forms of coerced labor.

Employees shall not be locked inside of factory premises for any reason.

Forced Labor Prevention Requirements (FL)

L-FL-1 Voluntary Employment
L-FL-2 Freedom Of Movement
L-FL-3 Work Leave
L-FL-4 Freedom to Resign
L-FL-5 Combating Trafficking in Persons
L-FL-6 Migrant Worker Policy
L-FL-7 No Recruitment Fees
L-FL-8 No Document Retention

L-FL-1 Voluntary Employment

Suppliers must not employ prison, indentured or bonded labor.

Involuntary or forced labor is prohibited.

New Balance does not engage suppliers who use forced labor, whether directly or through a subcontractor or third party. The use of any form of forced or involuntary labor is prohibited, including:

- **Prison Labor:** laborers whose freedom of movement is monitored or restricted for alleged or adjudicated criminal or political activity.
- **Indentured Labor:** employees who are offered to the employer by another person, possibly a parent or labor broker, in exchange for a sum of money. This includes employees who are victims of migrant worker trafficking by private or governmental recruitment agencies.
- **Debt-bonded labor:** individuals who pledge their personal services or those of a person under their control to work as security for a debt. This includes excessive recruitment or training fees that indebt employees for months or years.

L-FL-2 Freedom of Movement

Employees must be free to leave the facility during their lunch and unpaid breaks.

During work hours, employees must also be able to move freely within their designated work areas, including access to toilet facilities, drinking water and medical attention. Employees must also be free to leave or access their belongings during breaks or emergencies.

Moreover, suppliers must refrain from:

- Employing heavily armed security guards, including police or military personnel.
- Restricting employees from exiting the facility or production areas, or unreasonably restricting movement around the factory.
- Limiting employees' access to bathroom facilities, clean drinking water or any other basic need.

L-FL-3 Work Leave

Employees must be free to take their entitled leave without restriction.

Suppliers must honor employees' legally mandated work leave.

Employees must have the ability to take their entitled leave without restriction, including vacation time, holidays, sick days, bereavement and family leave, as applicable.

L-FL-4 Freedom to Resign

Suppliers must recognize the right of their employees to resign or leave their employment at any time, for any reason.

When employees are resigning, suppliers must:

- ✓ Refrain from charging employees fees or penalties outside of what is legally permissible.
- ✓ Refrain from pressuring employees to extend the employment relationship.
- ✓ Provide employees all benefits due.
- ✓ Provide employees with final payment for all work performed.
- ✓ Provide migrant workers with return travel expenses.

Migrant workers and contract employees must be free to leave prior to the expiration of their contract, at any time and for any reason. See L-FL-6 Migrant Worker Policy below for return fee requirements when migrant workers resign.

L-FL-5 Combating Trafficking in Persons

Suppliers must not engage in activities related to trafficking in persons.

Suppliers must not, directly or through an agent, engage in any of the following:

- x Engage in severe forms of trafficking in persons.
- x Procure commercial sex acts.
- x Employ any form of forced labor.
- x Destroy, conceal or otherwise deny access by an employee to the employee's identity or immigration documents.
- x Use misleading or fraudulent practices during the recruitment or hiring of employees or using labor brokers that do not comply with the laws where the recruitment is taking place.
- x Charge employees recruitment fees.
- x Fail to provide or pay the cost of return transportation to foreign migrant workers upon the end of their employment.

Suppliers must notify New Balance if they have directly, or through a third party, been engaged in or become aware of activities related to the trafficking of persons.

L-FL-6 Migrant Worker Policy

Suppliers must comply with New Balance policy when employing domestic or foreign migrant labor.

Migrant workers are workers who migrate within their home country, or outside of it, to engage in a remunerated activity.

Suppliers must meet the below requirements when employing migrant workers, regarding their contract terms, host country fees, living expenses, work authorization, return fees and recordkeeping.

Third-Party Labor Brokers

Suppliers are encouraged to recruit and employ migrant workers directly and not through a third-party labor broker. However, suppliers contracting with a labor broker must ensure that the broker operates ethically at all stages of the recruitment and hiring process, complying with the laws of the origin and host countries and the New Balance Supplier Standards.

Suppliers must monitor third-party labor brokers they contract with to ensure they comply with New Balance's Migrant Worker Policy and labor standards, including non-discrimination in hiring, legal wages, no recruitment fees and humane treatment.

In addition, suppliers must not solicit or accept improper payments from third parties involved in the recruitment of migrant workers or allow third parties acting on their behalf to do so. Suppliers shall ensure that any employee or third party interacting with government officials to facilitate the recruitment of migrant workers complies with applicable anti-corruption laws and regulations, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions.

Contract Terms

When recruiting migrant workers, suppliers must provide the workers with an employment contract in their native or primary language, at least five days prior to the worker relocating, specifying:

- Detailed description of the work to be performed.
- The location where the work will be performed.
- The term or duration of the contract.
- The regular and overtime wage rates to be paid.
- The maximum allowable overtime hours, consistent with the laws of the host country and the New Balance Code of Conduct.
- All of the benefits to be provided (e.g., medical coverage, holidays, annual leave, sick leave).
- All deductions that will be taken (e.g., food and/or housing).
- The estimated minimum net-pay that the employee can expect to receive per month.
- A summary of living conditions, including any curfews, where applicable.
- Detail the employer's grievance process.
- A statement on the prohibition on charging recruitment fees.
- Reference to applicable laws and regulations that prohibit trafficking in persons.
- The host country fees paid for by the supplier (visas and work permits for foreign migrant workers).
- Any fees the employee is responsible for and the supplier can legally charge.
- The return fee that the supplier will pay in the event a foreign migrant worker leaves prior to the termination of the contract.

The contract must also stipulate reasonable contingency measures for worker illness or injury, including supplier support for health fees or insurance not covered by standard benefits, and emergency repatriation in the event of an on-the job illness or other medical emergency.

Suppliers must not make changes to working conditions as outlined in the employment contract without the written consent of the employee. Consent must be obtained voluntarily and without threat of penalty. No changes shall be made to the employment contract without the employee's consent.

Host Country Fees

Suppliers must pay all the costs associated with the recruitment of migrant labor, and travel and work permit fees (where applicable) if workers are relocating.

Living Expenses and Deductions

Suppliers must ensure that authorized fees or wage-deductions for housing and food are consistent with market rates, not excessive and not intended to recover recruitment costs.

Foreign Worker Authorization

Suppliers must take measures to ensure that all foreign workers are legally able to work in the host country. These measures include, but are not limited to, verification that workers are of legal working age in both the home country and host country; are in possession of documentation allowing them to work in the host country; and ensure that visas and work permits are renewed as necessary.

Return Fee

If a migrant worker, who was recruited and relocated to work at the factory, leaves the factory for any reason and at any time and elects to return to his or her home town or country, the supplier must arrange and pay for the worker's airfare or other reasonable transportation costs home and without imposing any penalty. In addition to any wages, benefits or other amounts owed, the supplier must reimburse each worker

for any fees incurred in violation of these Standards, if they haven't already been reimbursed.

If the employee paid recruitment fees, but the actual amount is unknown, the return fee will include the estimated average recruitment fees paid by migrant workers from a similar location.

Worker Records

Suppliers must make available to New Balance, upon request, copies of all records including a current list of all migrant workers employed at each facility, detailing:

- Date of arrival.
- Contract term.
- Anticipated date of return.
- Whether this is the first contract of employment with the worker or if the contract has been renewed previously, and if so, how many times it has been renewed.

L-FL-7 No Recruitment Fees

Suppliers must ensure that employees do not pay any recruitment fees in exchange for employment.

Recruitment or work application fees can indebt employees for months or years and can be a form of debt-bonded labor.[1] Suppliers must not charge or receive fees or in-kind payments from any workers in exchange for employment, whether they are domestic or foreign migrant workers, student workers, temporary, contract or direct workers.[2] Suppliers must also ensure that workers do not pay any third parties in exchange for employment and must not use agents or other intermediaries to bypass this requirement.

The following recruitment and related costs are not to be paid by migrant workers[3]:

1. Pre-departure fees and costs, including:
    - skills tests
    - job training fees
    - medical exams or screenings
    - pre-departure training or orientation
2. Documentation and permits, and associated costs:
    - New or renewal passport needed for obtaining employment
    - Visas (including renewal)
    - Temporary work or residence permits (including renewal)
    - Police clearance fee
    - Birth certificate fee
3. Transportation and lodging costs
    - Transportation and lodging costs after the employment offer has been made and accepted, from the home to the point of departure
    - Transportation from home country to employer's country
    - Border-crossing fees
    - Relocation costs if required to relocate during employment
    - Return transportation to employee's home country at end of employment

1. See Recruitment Fees, Institute for Human Rights and Business Briefing, February 2018.
2. See **General Principles and Operational Guidelines for Fair Recruitment,** International Labour Organization, September 2016; See **Fact Sheet #78D: Deductions and Prohibited Fees under the H-2B Program**, U.S. Department of Labor, Wage and Hour Division, April 2015.
3. See RBA Trafficked and Forced Labor - Definition of Fees, Responsible Business Alliance, October 2017.

4. Arrival and on-boarding expenses:
    - o New-hire training or orientation
    - o Work tools and equipment
    - o Work uniform
    - o Personal protective equipment required to safely perform work
5. Other legal requirements
    - o Deposits and/or bonds

Any fee that facilitates an employee obtaining a visa to be able to work for a specific employer will be considered a recruitment fee.

A signed contract where the worker agrees to pay the fees does not excuse this requirement and does not establish that the fee is voluntary.

The following fees are permissible, without markup, and may be paid by the worker if noted in their employment contract and a receipt or record of payment is provided:

1. Basic expenses to prepare for the interview such as photos or copies of CV and existing documents and certificates.
2. Costs to meet minimum qualifications for the job, such as degree or certification.
3. Passport replacement cost due to employee loss or fault; this may also include cost of photos, copies and other required documents.
4. Dormitory and meals during employment (these must be fair market value and meet international health and safety standards).
5. Mandated government deductions or levies in the host country, such as employee income taxes or social security payments.

L-FL-8 No Document Retention

Employees must maintain possession of their passport and personal documents.

Suppliers must not prevent employees from leaving the facility, or the country where the factory is located, by retaining their passports, other personal documents or work permits.

Employers may keep copies of employees' personal identification documents, but not the originals.

- At the employee's written and voluntary request, the supplier may provide for the safekeeping of identity documents. However, employees must have immediate, 24-hour access to these documents without restriction. Safekeeping employees' documents must not be a condition of employment.

Where suppliers pay employee wages by bank transfer, employees must have unhindered access to their accounts, free of interference from the employer (e.g., retaining employees' bank or debit cards is prohibited).

References:

- ILO Convention No. 29, Forced Labour Convention, 1930.
- ILO Convention No. 105, Abolition of Forced Labor Convention, 1957.
- An Ethical Framework for Cross-Border Labor Recruitment, Verite and Manpower Group, 2016.
- RBA Trafficked and Forced Labor - Definition of Fees, Responsible Business Alliance, June 2015.
- Fact Sheet #78D: Deductions and Prohibited Fees under the H-2B Program, U.S. Department of Labor, Wage and Hour Division, April 2015.

HUMANE TREATMENT (HT)

Employees shall be treated with dignity and respect. Employees shall not be subject to any physical, verbal, sexual or psychological harassment or abuse.

Employees shall not be subject to fines or penalties as a disciplinary measure.

Humane Treatment Requirements (HT)

L-HT-1 Anti-Harassment and Abuse Policy
L-HT-2 Reporting Harassment and Abuse
L-HT-3 Complaint Investigation
L-HT-4 No Retaliation
L-HT-5 Documentation

L-HT-1 Anti-harassment and Abuse Policy

Suppliers must maintain a work environment that is free from physical, verbal, sexual or psychological harassment or abuse.

Suppliers must adopt a written policy against harassment and abuse, requiring that all employees and supervisors refrain from any action that would result in an intimidating, hostile or offensive work environment.

Physical Abuse

Suppliers must not use any form or threat of physical violence, including slapping, pushing or other forms of physical contact as a means to maintain labor discipline.

Sexual Harassment or Abuse

Suppliers must prohibit and refrain from any action which could result in a sexually intimidating, hostile or offensive work environment for their employees, including: inappropriate remarks, insults, insinuation and/or comments on a person's dress, physique, age, marital and/or family status, sexual orientation, etc.

Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitute sexual harassment when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

Examples of inappropriate behavior include, but are not limited to:

- A condescending or paternalistic attitude with sexual implications.
- Any unwelcome invitation or request, implicit or explicit, whether or not accompanied by threats.
- Any lascivious look or other gesture associated with sexuality.
- Any unnecessary physical contact such as touching, caresses, pinching or assault.
- Offering recruitment, continued employment, promotion, improved working conditions, preferential work assignments or other preferential treatment in exchange for a sexual relationship.
- Prejudicial treatment of any kind against employees in retaliation for refused sexual advances or inappropriate behavior.

Security Practices and Body Searches

All security practices must be gender appropriate and nonintrusive to protect the dignity of the employees searched. Body searches and pat-downs must only be conducted when there is a legitimate reason to do so and upon consent of employee. Further, body searches shall not be conducted in public and the person undertaking the search must be of the same sex as the person who is being searched.

Verbal Harassment or Abuse

Suppliers shall not use any form of verbal violence, including screaming, yelling or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.

Disciplinary violations and poor work performance are no excuse for supervisors to verbally abuse employees.

Psychological Abuse

Suppliers must not use any form of psychological abuse, including words or actions intended to hurt an employee's emotional wellbeing or diminish his/her self-esteem (e.g., forcing employees to sign letters of self-criticism or publicly shaming employees for poor performance).

L-HT-2 Reporting Harassment and Abuse

Suppliers must provide a clear process for employees to report harassment and abuse.

Grievance channels provide the means for employees to report harassment and abuse, as well as other violations of their rights. These channels also allow management to learn about employee concerns and respond to them quickly and effectively. Suppliers must adopt a clear procedure for employees to report harassment and abuse, providing employees with multiple channels for reporting complaints, and a confidential and responsive process.

See L-ER-4 below for additional guidance on grievance mechanisms.

L-HT-3 Complaint Investigation

Suppliers must promptly address and resolve all complaints of harassment and abuse.

Suppliers must not tolerate any instances of harassment or abuse, whether committed by an employee, supervisor or manager. Maintaining labor discipline is no excuse for managers to harass or abuse employees under their supervision.

Suppliers must develop procedures to discipline supervisors, managers or employees who engage in any physical, sexual, psychological or verbal violence, harassment or abuse. Corrective measures may include compulsory counseling, warnings, demotions and terminations, or a combination thereof.

Suppliers must notify local police authorities in the event of criminal activity and support individual workers' right to report the same.

L-HT-4 No Retaliation

Suppliers must not retaliate or tolerate retaliation against employees who voice concerns or report violations.

Suppliers must communicate a policy of "No Retaliation" to all employees so that they are comfortable using the grievance and complaint channels. If any case of retaliation is reported, the supplier must also take immediate disciplinary action.

L-HT-5 Documentation

Supplier must maintain records of all reported and investigated cases of harassment and abuse, or any other violation of employee rights.

Suppliers must document all reported cases of harassment and abuse, the findings of any internal investigation and final determinations made as a result.

All records of harassment and abuse must list the parties involved, and detail the transgressions reported and what follow up actions were taken.

NON-DISCRIMINATION (ND)

No person shall be subject to any discrimination in employment, including but not limited to recruitment, hiring, compensation, promotion, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, marital status, pregnancy, parental status, political opinion, political affiliation, union membership, social group or ethnic origin.

Suppliers that recruit or employ foreign or migrant labor shall ensure that these employees are treated fairly and on an equal basis with local employees.

Humane Treatment Requirements (HT)

L-HT-1 Anti-Harassment and Abuse Policy
L-HT-2 Reporting Harassment and Abuse
L-HT-3 Complaint Investigation
L-HT-4 No Retaliation
L-HT-5 Documentation

L-ND-1 No Discrimination

Suppliers must not discriminate against employees when making employment decisions.

New Balance recognizes and promotes the right of all employees to equal treatment in their employment opportunities.

Suppliers must not discriminate in their employment practices (including hiring, salary, benefits, advancement, discipline, termination or retirement) on the basis of gender, race, religion, age, disability, sexual orientation, nationality, marital status, pregnancy, parental status, political opinion, political affiliation, union membership, social group or ethnic origin.

All employment decisions, including hiring, promoting, disciplinary action, and termination must be objective and made on the basis of employment-related criteria alone.

L-ND-2 Equal Wages

Suppliers must pay equal wages for comparable work and responsibilities, regardless of an employee's personal characteristics, such as gender or ethnic origin.

Suppliers must refrain from practices that foster wage inequality in the workplace (e.g., hiring only men in higher wage departments, such as spinning, dyeing or cutting, or hiring only women for sewing).

L-ND-3 Protected Workers

Suppliers must not discriminate against female, pregnant, married or disabled employees.

Female and Pregnant Employees

Suppliers must not discriminate against employees based on their gender, marital or family status.

- Requiring employees to undergo pregnancy tests and/or mandating the use of contraception is prohibited under any circumstances, whether as a condition of hiring or of continued employment.
- Female applicants must never be asked about their pregnancy status.
- Where employers are legally required to administer pregnancy tests to employees, the result of these must not be used for the purpose of hiring a person or maintaining their employment.
- Suppliers must not threaten or penalize female employees who get married or become pregnant. Discriminatory action includes dismissal, loss of seniority or deduction of wages.

- Suppliers must meet all working environment legal requirements for pregnant, post-partum and lactating female employees.
- Where a foreign worker becomes pregnant and local law requires that she returns to her home country to give birth, suppliers must provide for the employee to return to work to finish her contract after giving birth, if the employee so choses, at the same rate of pay and conditions of work. Suppliers must also incorporate maternity benefits allowed by the laws of the worker's home country, the host country, or governing international norms and standards, whichever are of a higher standard.

Disabled Employees

Suppliers must not discriminate in the employment, job placement or promotion of disabled persons qualified to work at the facility.

- Where required by law, suppliers must hire qualified, disabled employees or contribute to the local disabled employees' fund.
- Suppliers must work with the local labor authority, or other relevant agency, to meet all hiring requirements and certifications for disabled employees.

L-ND-4 Foreign Workers

Suppliers must not discriminate in the employment of foreign workers, or place unwarranted restrictions on them.

Suppliers must provide foreign workers with the same wages and benefits as local workers and in accordance with local wage laws. Specifically, suppliers must ensure that all workers are paid according to the same pay scale, regardless of whether they are foreign or native.

The following requirements apply to suppliers employing foreign workers:

- Ensure that contracts provide foreign workers with the same holidays and leave as the host country workforce and assure that foreign workers receive all accrued vacation and leave; and that suppliers do not use medical screening to select candidates. Suppliers must use appropriate procedures for keeping all medical information confidential.
- Provide a system to address foreign workers' grievances and assure that there are no retributions for workers lodging complaints.
- Develop grievance procedures allowing employees to express grievances through multiple channels. Suppliers must have more than one person at the facility who can communicate with the foreign workers in their language and can bring grievances to senior management's attention.
- Where needed, seek help from outside groups, such as civil society organizations or religious institutions, to facilitate communication between foreign workers and factory management.
- Train supervisors to be sensitive in managing employees from different cultures.

L-ND-5 No Blacklisting

Suppliers must not create or share employee blacklists.

Suppliers must not use blacklists or exclusionary lists of persons who may not be hired based on non-job-related criteria, such as personal characteristics or religious, political or organizational affiliation.

References:

- ILO Convention No. 100, Equal Remuneration Convention (1951)
- ILO Convention No. 111, Discrimination (Employment and Occupation) Convention (1958)

WAGES AND BENEFITS (WB)

Suppliers shall pay employees in a timely manner for all work completed and shall pay at least the minimum wage required by law or the prevailing industry wage, whichever is greater, and shall provide legally mandated benefits.

Suppliers shall pay annual leave and holidays as required by law.

Suppliers shall not engage in false training or apprenticeship practices that are used to avoid payment of compensation.

We recognize that employees have the right to just and favorable remuneration for a regular work week that is sufficient to meet employees' basic needs and provide some discretionary income. Where these goals are not met, suppliers shall work with New Balance to take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services.

Wages and Benefits Requirements (WB)

L-WB-1 Legal Wages
L-WB-2 Timely Payment
L-WB-3 Overtime
L-WB-4 Benefits
L-WB-5 Back Pay
L-WB-6 Accurate Payroll
L-WB-7 Wage statements
L-WB-8 Direct Payment to Employees
L-WB-9 Deductions
L-WB-10 Severance Payments

L-WB-1 Legal Wages

Suppliers must pay employees at least the legal minimum wage or prevailing industry wage, whichever is higher, for regular working hours.

Suppliers must comply with all legal wage requirements and must pay all employees at or above the legal minimum. Suppliers must also pay all other wages according to law, including night-shift pay, holiday pay and vacation pay, where applicable. Minimum wage requirements apply to all employees, including trainees, those on piece rate or project-based pay.

Where the prevailing industry wage is higher than the legal minimum, suppliers must pay the prevailing wage. Further, in localities where there is no legal wage requirement, wages must be paid at the industry prevailing rate.

Suppliers must evaluate total employee compensation and strive to pay at a level that meets employees' basic needs and provides some discretionary income.

L-WB-2 Timely Payment

Suppliers must pay employees in a timely manner.

Suppliers must comply with any legal requirements for time and/or manner of wage payments. If a wage delay occurs, the supplier must follow the legal procedure to compensate employees appropriately with accrued interest.

L-WB-3 Overtime

Suppliers must compensate overtime work at the appropriate rate.

Overtime work, or work performed in excess of the regular working hours for the day, must be paid at a premium rate.

Where laws allow for employees to be compensated for overtime work with time-off, this arrangement must be done with employees' consent and any time-off in exchange for overtime work must be calculated at the premium rate of overtime compensation (e.g., employees would receive 1.5 hours off for every 1 hour of overtime worked).

L-WB-4 Benefits

Suppliers must provide employees with all benefits required by law.

Required benefits may include:

- Sick leave
- Annual leave
- Marriage leave
- Maternity/ paternity leave
- Bereavement leave
- Holidays
- Meals
- Retirement benefits
- Severance pay
- Child care
- Healthcare insurance

L-WB-5 Back Pay

Suppliers must pay all wages due.

Where the supplier has not properly paid an employee's earned wages, including erroneous accounting of wages or deductions, the supplier will be responsible for back payment of those wages from the time of the miscalculation, or as required by law.

Suppliers must pay employees' back wages within 30 days (or as required by law) after the miscalculation or error is identified.

L-WB-6 Accurate Payroll

Suppliers must maintain accurate and transparent payroll records.

Wage calculations, benefits and deductions must all be accurately computed and recorded in a clear manner.

All wages and benefits must be itemized, and all work hours accounted for. Records must be kept for three years, or longer if required by law.

Suppliers must have qualified payroll personnel on-site who are capable of explaining payroll calculations to employees and New Balance representatives upon request.

L-WB-7 Wage Statements

Employees must be provided with detailed wage statements with each wage payment.

Together with wage payments, suppliers must provide employees with wage slips showing their total wages and detailing hours worked, rate of pay and all deductions.

Suppliers must also ensure that employees are aware of their benefits and understand how their wages are calculated. All benefits and wages must be explained to employees during the hiring process.

Suppliers compensating their employees at a piece-rate or with additional production-based incentives must include a written description of the payment calculations and examples in the employee manual. A copy of this procedure should be provided to new employees upon hire and posted where employees can refer to it as needed.

L-WB-8 Direct Payment to Employees

Suppliers must pay their employees directly and in currency.

Wage payments must be in currency and not in-kind benefits (i.e., exchanging other goods or services for employees' labor).

New Balance encourages suppliers, as a best practice, to pay their employees through secure means, such as a check or direct deposit to the individual employee's account at a financial institution, and not in cash.

L-WB-9 Deductions

Suppliers must refrain from making unlawful or unreasonable deductions and apportion deductions properly.

Suppliers must not make unnecessary or unreasonable deductions from employees' wages and deductions must be limited to those allowed by law. Where a supplier deducts employee wages for tardiness, the deduction must not be greater than the actual work hours lost.

All wage deductions must be apportioned according to the intended purpose (e.g., taxes deducted must be paid to the government; loan payment deductions must be applied to the debt owed).

Suppliers may provide employee pay advances at their discretion. However, if interest is charged on the repayment, it must be reasonable and comply with local law.

Examples of unreasonable pay deductions:

- Cost of work-related personal protective equipment.
- Cost of work tools.
- Wiring charges or banking fees for wage deposits.
- Recruitment fees.

L-WB-10 Severance Payments

Suppliers must pay severance in accordance with local law requirements.

Where required by law, suppliers must pay at least the minimum required severance to employees dismissed without cause. Suppliers must not negotiate lesser severance payments with employees in exchange for their resignation.

In addition, suppliers must not engage in work arrangements intended to forego payment of severance. Where employees have a known representative (e.g., union representative), suppliers must not engage in severance negotiations without the presence of said representative.

References:

- ILO Convention No.95, Protection of Wages Convention (1949)

WORKING HOURS (WH)

Suppliers shall comply with all applicable laws, regulations and industry standards on working hours. Except in extraordinary circumstances, the maximum allowable working hours in a week shall be the lesser of what is permitted by national law or a regular work week of 48 hours plus overtime hours not in excess of 12 hours. Suppliers shall not request overtime on a regular basis.

Suppliers shall provide employees with at least 24 consecutive hours of rest in every seven-day period.

Employees may refuse overtime without threat of penalty, punishment or dismissal.

Overtime shall be compensated at a premium rate.

All hours worked must be fully and accurately documented.

Working Hours Requirements (WH)

L-WH-1 No excessive work hours
L-WH-2 Overtime Application for Footwear Suppliers
L-WH-3 Voluntary Overtime
L-WH-4 Work Hour Records
L-WH-5 Swap Days
L-WH-6 Days Off
L-WH-7 Work Hours for Special Employees
L-WH-8 Meal and Rest Breaks

L-WH-1 No Excessive Work Hours

Suppliers must keep work hours within the legal limit.

Suppliers must limit the workweek to 60 hours under all circumstances, including overtime work. If local law requires that work hours be kept less than 60 hours, suppliers must comply with the local requirement.

Where permitted, suppliers may obtain authorization from the local labor authority to work additional hours beyond those regularly allowed, provided they do not exceed 60 hours per week.

The preferred work schedule for suppliers is up to 48 hours of regular work per week (or lesser amount where required by law), plus up to 12 hours of occasional overtime when needed. Where the legal requirements are more stringent on regular hours or overtime, the local requirements must be met.

L-WH-2 Overtime Application for Footwear Suppliers

Footwear suppliers must submit an overtime application form before scheduling overtime work.

During peak periods of production and only for specific and limited periods of time, suppliers may request New Balance approval for work weeks exceeding 48 hours.

Under extraordinary circumstances, supplier factories may be compelled to exceed the overtime limit. In rare, highly exceptional cases, work hours of up to 66 per week may be approved following executive review by New Balance. To ensure that all overtime work is voluntary and to maintain transparency for all concerned parties (i.e., factory management, affected employees and New Balance), footwear suppliers must submit the Overtime Application Form (**See FORM – A**) to the New Balance Operations Manager for review, at least five

business days prior to the scheduled start of the overtime work. Suppliers must include a list of open purchase orders that will be impacted if overtime work is not granted, and the reason why the orders cannot be completed as per the original approved schedule.

L-WH-3 Voluntary Overtime

Employees must be free to reject overtime work without penalties, fines or employer pressure.

Suppliers must only assign overtime work to employees who have agreed to it voluntarily, whether at the time of hiring or when the need for overtime work arises.

Mandatory overtime is permissible only when employees have agreed to overtime work in writing or through a legitimate collective bargaining process.

To ensure responsible work scheduling, suppliers must develop a system for requesting and tracking overtime work. See Figure 1 for an example of an employee overtime request form.

OVERTIME REQUEST FORM

DATE _____

Employee's Name _____

Date Requested _____

Reason Overtime Needed _____

Hours Needed _____ Hours Approved _____

Approved by: _____

Figure 1 - Overtime Request Form

L-WH-4 Work Hour Records

Suppliers must have an accurate system to record employee work hours.

To ensure that work hours are recorded accurately, suppliers with 20 employees or more must implement a mechanical or electric time-keeping system to record work hours.

Additional requirements for recording work hours:

- Regardless of the time-keeping system that is used, employees must punch or swipe the time-clocks themselves or, where manual records are used, initial those records themselves.
- Suppliers must maintain the integrity of the time-keeping devices and ensure that they are working properly.
- The clock-in terminals must be placed at efficient locations (near entrance/exit) and numerous enough to ensure that all employees are able to clock-in and clock-out within 15 minutes of the beginning or end of the shift.
- Suppliers must compensate employees for all work performed. If employees enter the work area before the start of the regular shift in order to prepare their machines, get an early start, etc., or if they return to work early from breaks, they must be compensated for all time worked.
- Suppliers must round employee work hours fairly. If work hours are rounded up when accounting for employees who arrive minutes late, then suppliers must not round down work hours when employees leave minutes late due to delays in the clock-out or inspection line.
- The time-keeping system must account for employees who inadvertently forget to punch-in or punch-out, or those employees who forget their swipe card.

L-WH-5 Swap Days

Suppliers may swap days to make up for lost work days as long as they comply with the following requirements.

When expected or unexpected interruptions occur in a supplier's production schedule, two options may be utilized as "swap days" to make up the lost time:

- For any supplier working a standard five-day work week, the "lost" work day must be made up on the sixth day of the work week. This sixth day may be compensated at normal (non-overtime) rates. Please note, however, that any supplier which operates on a standard six-day work week may not make up the lost working day on the seventh day of the work week. Under no circumstances shall the one day off in seven requirement of the New Balance Code of Conduct be violated.
- If it is not possible to make up the lost work day on the sixth day of the week, any required additional hours must be added to regular work days and compensated at overtime rates. The New Balance overtime policy still applies, and any supplier which anticipates exceeding 60 hours during any single work week must notify its New Balance Operations Manager, explain the reason for the excessive overtime and obtain New Balance executive approval.

L-WH-6 Days Off

Suppliers must provide employees with all legally mandated holidays, rest days and vacation as required by law, and allow employees at least one consecutive 24-hour rest period in every seven-day work week.

Employees must also be notified in advance of planned changes to the work schedule, including rest days and overtime work.

L-WH-7 Work Hours for Special Employees

Suppliers must comply with legal requirements for working hours for certain protected classes of employees.

Most jurisdictions limit work hours for certain categories of employees. Suppliers must comply with all legal requirements in relation to working hours for protected employees, including young, disabled, elderly and pregnant or lactating employees.

Where female employees have the right to a paid lactation break, suppliers must compensate employees who choose to work through their lactation break.

L-WH-8 Meal and Rest Breaks

Suppliers must provide breaks during the work day as required by law.

Meal and rest break requirements:

- Suppliers must provide their employees with all meal and rest breaks during the work week as required by local law, or the collective bargaining agreement, if applicable.
- Suppliers must provide for regular breaks throughout the work day, allowing employees to pause work activities, stretch or rest before resuming work. Rest breaks must be provided relative to the number of hours worked and in compliance with local law.
- During work breaks, suppliers must actually relieve employees of all duty, relinquish control over their activities, and permit them a reasonable opportunity to take their meal and rest breaks uninterrupted. Moreover, suppliers must not discourage employees from taking their meal or rest breaks.

References:

- ILO Convention No. 14, Weekly Rest (Industry) Convention (1921)

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (FOA)

Suppliers shall respect the right of employees to freedom of association and collective bargaining. If freedom of association and/or the right to collective bargaining is restricted by law, employees shall be free to develop parallel means for independent and free association and collective bargaining.

Suppliers shall develop and implement effective mechanisms to resolve workplace disputes, including employee grievances, and ensure effective communication with employees and their representatives.

Freedom of Association Requirements (FOA)

L-FOA-1 Right to Associate Freely
L-FOA-2 No Anti-Union Behavior
L-FOA-3 Collective Bargaining
L-FOA-4 Employee Representatives
L-FOA-5 Right to Strike
L-FOA-6 Equal Treatment to All Unions
L-FOA-7 Additional Requirements

L-FOA-1 Right to Associate Freely

Suppliers must recognize employees' right to establish and/or join organizations of their own choosing, without previous authorization and subject only to the rules of the organization concerned.

In countries where local law recognizes employees' rights to form and join trade unions or other worker organizations of their own choosing and to bargain collectively, suppliers must recognize this right and comply with the applicable laws and New Balance Standards. Suppliers must also adopt policies recognizing employees' freedom of association and communicate the same to employees.

The right to freedom of association and collective bargaining begins at the time prospective employees seek employment and continues throughout the course of employment, including during termination of employment.

Alternative means

Where freedom of association and collective bargaining are restricted by law, suppliers must not obstruct legal alternative means of employee association. Suppliers should facilitate alternative means for management to engage with employees.

Worker-Management Committees may be an alternative means of employee organization. These committees can be an effective channel of communication between employees and management and allow employees to voice grievances and help identify areas of improvement in the workplace.

See APPENDIX – A, INDUSTRIAL RELATIONS GUIDELINES below for detailed guidelines on establishing and managing worker-management committees.

L-FOA-2 No Anti-Union Behavior

Suppliers must refrain from any acts of violence, harassment, discrimination, or other means that interfere with employees' rights to form or join lawful unions or employee associations.

Suppliers must not take any action to contravene the right to freedom of association, including:

- Dismissing, demoting or taking the rights and privileges of union members.
- Using or threatening acts of violence to prevent union activity.
- Offering severance payments or other forms of compensation to remove union members from the facility.
- Employing short-term contracts or other forms of working arrangements with the purpose of preventing the formation of a union.
- Entering into protection contracts, or one-sided contracts purporting to be collective bargaining agreements, so as to prevent employees from joining organizations of their choosing.

L-FOA-3 Collective Bargaining

Suppliers must respect employee rights to collective bargaining where permitted by law.

When negotiating a collective bargaining agreement, suppliers must not propose lesser rights or benefits than employees are entitled to by law. Furthermore, suppliers must not engage in unethical or unfair practices when negotiating with employees and their representatives (e.g., dismissing or threatening to dismiss union leaders during negotiations).

Where suppliers have entered into a collective bargaining agreement with the union or employee organization, suppliers must fully comply with the agreement. This includes negotiated benefits which go above and beyond what is provided by law.

L-FOA-4 Employee Representatives

Where there is a labor union or employee organization, employees and members must be free to elect their representatives.

The voting system must allow for free and confidential election and allow for any interested employee to be considered for the position.

Suppliers must comply with all relevant legal provisions providing for special protection to all employees and employee representatives engaged in union related activities, including union formation, board meetings, training, elections, union meetings, trade conferences, and related activities.

L-FOA-5 Right to Strike

Where permitted by law, suppliers must respect employees' right to legal strikes and peaceful employee demonstrations.

Suppliers must not threaten or use violence or the presence of armed forces to break up or disrupt lawful labor strikes or any peaceful exercise of the right of freedom of association. Employees must only engage in non-violent, lawful strikes, in compliance with local law.

In the event of a labor strike or work stoppage, suppliers must comply with the New Balance Industrial Relations Guidelines (Appendix A-II Strike Management) and notify New Balance immediately. Suppliers must notify New Balance in advance of planned labor strikes or work stoppages at CSR@newbalance.com.

L-FOA-6 Equal Treatment to All Unions

Where suppliers have more than one labor union, or employee organization, they must all receive equal benefits, treatment and accommodations.

Certain jurisdictions allow for multiple labor unions at a factory. Where multiple unions are established, suppliers must not show preferential treatment towards one union over another. All union representatives must be afforded the same rights, benefits and accommodations.

L-FOA-7 Additional Requirements

Where additional standards or requirements exist by law or have been agreed to by New Balance, such as the Freedom of Association Protocol in Indonesia, suppliers must comply with those additional standards or requirements.

References:

- ILO Convention No. 87, Freedom of Association and the Right to Organize Convention (1948)
- ILO Convention No. 98, Right to Organize and Collective Bargaining Convention (1949)
- ILO Convention No. 135, Workers' Representatives Convention (1971)
- Indonesia Freedom of Association Protocol

EMPLOYMENT RELATIONSHIP (ER)

Suppliers shall employ employees on the basis of a recognized employment relationship established through country law and practice.

Suppliers shall not employ people on a temporary contract basis for positions that are by definition permanent for the sole purpose of avoiding the provision of benefits.

Employment Relationship Requirements (ER)

L-ER-1 Employment Contract
L-ER-2 Temporary Employees
L-ER-3 Disciplinary Practices
L-ER-4 Grievance System
L-ER-5 Employee Termination
L-ER-6 Retrenchment Process
L-ER-7 Ancillary Service Contractors
L-ER-8 Home Work

L-ER-1 Employment Contracts

Employment contracts must comply with legal requirements and New Balance Supplier Standards.

Where legally required, suppliers must enter into written employment contracts with all employees.

Employment contracts must conform to all legal requirements and the following New Balance standards:

- Suppliers must negotiate employment contracts directly with employees (except where a collective bargaining agreement governs the employment relationship).
- New employees must read and sign the contract within the period defined by local law.
- The contract must be in a language the employees can read and understand.
- The terms of the agreement must comply with all local laws and regulations.
- Employees must be furnished with a copy of the signed contract.
- Employment contracts must be renewed and updated according to legal or contractual requirements.

L-ER-2 Temporary Employees

Suppliers are strongly encouraged to hire employees under regular, open-term employment contracts.

New Balance recognizes that, under certain circumstances, suppliers may need to hire employees on short term, temporary working arrangements in order to meet fluctuations in business needs.

Temporary employment is not permitted unless the nature of the work is truly temporary – even where such arrangements are allowed by law. Short-term contracts, even where legally permitted, must only be used in truly temporary situations, and not for the purpose of avoiding payment of employee benefits, including severance pay. Legitimate temporary situations include: employee trial periods, to meet unexpected order demands, peak season production requirements, to temporarily replace an employee, and/or to adjust for new processes or technologies.

Even if employees are hired through an outside recruitment agency, their employment relationship is subject to the same standards herein. Where temporary employees are hired, they must share at least the same wages, benefits and other conditions of employment as permanent employees, including the right to freedom of association as permitted by law.

When working with third-party employment agencies, suppliers must take reasonable steps to ensure that they only contract with licensed, reputable agencies that meet all employee labor obligations.

L-ER-3 Disciplinary Practices

When terminating employees for cause or fault, suppliers must follow a progressive disciplinary system.

Suppliers must adhere to a progressive disciplinary system which allows for employee appeals. Disciplinary actions must be consistent with established policy and progress as necessary, including:

1. Verbal admonishment.
2. Written complaint.
3. Suspension.
4. Termination.

All disciplinary events and investigations must be documented in the employee's file.

Where the employee being disciplined is a union member or has a legal representative, a representative must be present during any disciplinary proceeding.

L-ER-4 Grievance System

Suppliers must adopt employee grievance mechanisms that allow employees to escalate grievances and appeal resolutions where appropriate.

Suppliers must develop written grievance procedures that facilitate the communication and mediation of worker grievances. The grievance mechanism must allow workers to escalate their grievances one or more steps above their immediate supervisor, or appeal to a superior, depending on the nature of the grievance and the structure of the enterprise.

Grievance mechanisms must not replace government judicial systems, and suppliers must not discourage aggrieved employees from contacting the authorities or third parties for recourse where applicable. Suppliers must also report to local authorities in situations where required by law.

An effective employee grievance system must include:

- ✓ Multiple channels of reporting. Employee grievances may arise from disputes between employees, or between employees and their supervisors. Thus, employees must have means of reporting grievances to someone other than their direct supervisor.
- ✓ Clear directions. Workers must be made aware how grievances are filed, assessed, acknowledged, investigated and responded to.
- ✓ Confidentiality. Suppliers must maintain employee grievances confidential, unless agreed to in writing by the employee or required by law. Where employees submit anonymous grievances or complaints, management may respond publicly by posting on the employee bulletin board or discuss the response during regular employee meetings.
- ✓ Responsiveness. Suppliers must collect and respond to all individual employee grievances.
- ✓ Appeals and escalation. Suppliers must provide for recourse or the opportunity to appeal decisions if the initial process does not result in a satisfactory resolution to the worker.

Suppliers must communicate the grievance procedures and applicable rules to all workers and encourage their use.

In addition to the above, New Balance may require certain suppliers to maintain a confidential reporting mechanism in the workplace (such as a locked suggestion box or hotline) where workers can submit grievances directly to New Balance. Where this confidential reporting mechanism is available, and the supplier has been informed by New Balance, implementation is mandatory.

Factory workers, union representatives, or any civil society organization may also report grievances directly to the New Balance corporate office at: CSR@newbalance.com

L-ER-5 Employee Terminations

Suppliers must comply with legal requirements and New Balance Supplier Standards when terminating employees.
Employment terminations must not be discriminatory, and suppliers must fully document termination decisions when an employee is at fault.

Suppliers must also comply with the following guidelines when terminating employees:

- ✓ All employee terminations must be promptly reported to any union or organization representing the terminated employee.
- ✓ Suppliers must not negotiate lesser severance benefits in exchange for employees' false retirement or resignation.
- ✓ Terminated employees must be provided their due termination benefits and/or severance payments.
- ✓ Where it is a legal requirement, suppliers must notify the local labor authority and employee representatives of any terminations.
- ✓ Suppliers must notify New Balance when planning any significant changes to the workforce. A significant change would be termination of five percent or more of total employees.

L-ER-6 Retrenchment Process

Suppliers planning layoffs must comply with the retrenchment guidelines below.
Retrenchments occur when an employer has bona fide economic, technological, structural or similar reasons to reduce the size of the workforce.

- Economic reasons derive from the financial status of the enterprise and can include external factors such as shifts in trade patterns and major changes in market conditions.
- Technological reasons stem from the introduction of new technology which makes existing jobs redundant or necessitates a restructuring of the workplace.
- Structural reasons refer to a restructuring of the enterprise for legitimate business reasons resulting in redundancies.

In all cases of factory retrenchment, downsizing, closure, and/or layoffs, suppliers must fully comply with all relevant laws and applicable international standards. New Balance expects suppliers to consider all possible steps and actions to ease the impact on employees affected (e.g., extending employee access to factory dormitories for a reasonable period of time after the layoff).

Retrenchments under the above categories are "no fault" terminations – meaning, that the employee is not responsible for the termination. As such, the supplier has the following obligations:

- ✓ **Consultation**: Employee representatives – or where no formal representation is in place, the employees themselves – must be consulted in advance of termination of employment contracts. Suppliers must give serious consideration to any alternative measures to retrenchment or closure proposed by the employees.
- ✓ **Non-Discrimination**: The selection of employees for retrenchment must be done objectively and without regard to union membership or activity, pregnancy, race, sex, age, ethnicity, national origin, religion or any other designations protected by the New Balance Code of Conduct. Objective (permissible) criteria for selection include length of service, skills and qualifications.
- ✓ **Communication**: Suppliers must communicate to employees the current financial or other conditions motivating the downsizing, providing employees with enough information to enable them to protect their interests to a reasonable degree while bearing in mind the issues facing the supplier. Communication must include the anticipated layoff date and relevant factory policies and procedures about the employment termination, as well as employee rights and responsibilities under the process.

- ✓ **Notification**: Wherever possible, employees and their representatives must be notified in advance of the employment termination date orally or in writing.
- ✓ **Severance Payment**: Employees must receive full and timely payment of all monies owed to them (e.g., wages, unused leave, social security, holiday, retirement) by the date of termination in accordance with contract terms and conditions and all applicable laws.
- ✓ **Documentation**: Suppliers must ensure that the factory maintains all required and relevant documentation necessary to demonstrate and verify that any workforce reduction has been conducted in compliance with these standards, employment contract terms and applicable laws.
- ✓ **Rehire**: If it becomes possible to rehire new employees within 1 year after retrenchment, the jobs must be offered first to the employee(s) terminated from the job(s) in the same or similar categories before posting announcements for the job.

Advance Notification of Retrenchment to New Balance

If and when a factory retrenchment, downsizing or closure is planned, New Balance Compliance requires the following information to be prepared by the supplier and, unless prohibited by law, discussed with New Balance Compliance at least 60 days before the plan is implemented.

- 🗁 **List of Affected Employees:** A full list of employees who will be laid off. List must include name, age, length of service, trade union membership, and any special considerations including, but not limited to: injury information if the employee had any job-related injuries, pregnant or lactating employees, and/or married couples in which both spouses are affected by the layoff. This policy does not apply to exceptional cases where an employee is terminated for cause.
- 🗁 **Severance Plan:** A calculation of the pay and benefits to be paid to each affected employee on the proposed termination date, based at a minimum on legal requirements.
- 🗁 **Communication Plan:** A detailed plan outlining the consultation process with employee representatives (if applicable) on the retrenchment plan and how the employees will be notified of their termination. This plan must include the following:

o Define objectives for communications plan

Provide timely notice to employees and their representatives of planned layoffs or closure and comply with legal notice requirements in the jurisdiction (e.g., Worker Adjustment and Retraining Notification Act).

Provide employees with reasonable resources to prepare for the coming changes.

o Identify targeted audience

Inform all key internal (e.g., employees, representatives, union leaders, contractors) and external stakeholders (e.g., government agencies, civil society organizations, media, suppliers, customers).

o Message

Tailor all communications to the targeted audience, considering the message content, mood/tone, language, and channel:

- ✓ Content: Be specific, objective and transparent.
- ✓ Mood/Tone: Maintain a neutral, empathic tone.
- ✓ Language: Ensure the message is clear and in the local language.
- ✓ Channel: Use an appropriate channel to convey the message (e.g., town hall meeting, memorandum, email).

o Define Timelines
Set a clear timeline for when communications must be made, considering the date of the transition, layoffs, or closure and local notice requirements.

o Identify Spokesperson
Appoint an appropriate spokesperson to deliver the message to employees and other stakeholders.

The spokesperson must be prepared to answer questions related to the transition.

o Crisis Planning
Develop a crisis response plan in the event there is media coverage or the planned transition results in any unrest.

o Review and Evaluation
Solicit feedback from the affected employees to ensure they understood the message as intended.

o Document Action Plan
Create a written action plan outlining the elements above and identify the assigned staff.

Daily Reporting during Retrenchment

Suppliers must report a daily status update to New Balance while the retrenchment process is occurring. New Balance may choose to station a representative on site to monitor the process.

Media Policy during Retrenchment

In the event that there is media coverage (e.g., newspapers, television and internet) of the retrenchment process, New Balance must be informed immediately. Under no circumstances is any supplier representative authorized to talk to any media person on New Balance's behalf. All questions referencing New Balance (including but not limited to the nature of New Balance's business relationship with the supplier, production volumes, and the role of New Balance in the retrenchment process) must be referred immediately to the New Balance Media Relations: Media.Relations@newbalance.com

L-ER-7 Ancillary Service Contractors

Contractors working in supplier facilities must comply with the New Balance Supplier Standards.

Ancillary service contractors include any contractors providing administrative, custodial, security, maintenance, or food-preparation services at a supplier's facility. Suppliers may only contract service providers that meet all the Standards herein.

Contractors present in suppliers' facilities are also within the scope these standards and their employment and safety practices will be reviewed during New Balance compliance audits.

L-ER-8 Home Work

Suppliers must not use any form of home work in the manufacture of New Balance products, unless expressly approved by New Balance.

Employees must not perform New Balance-branded production work outside of the regular work place, unless expressly approved by the New Balance Vice President of Global Compliance.

Where New Balance suppliers have home working arrangements in place for other buyers, they must ensure that New Balance-branded products are not produced via home work. Suppliers must also ensure equal employment treatment between homeworkers and other wage earners.

References:

- ILO Convention No. 158, Termination of Employment Convention (1982)
- Fair Labor Association Retrenchment Guidelines http://www.fairlabor.org/sites/default/files/documents/reports/fla_retrenchment_guidelines.pdf
- Multi Fibre Arrangement (MFA) Forum Guidelines for Managing Responsible Transitions http://fladev.forumone.com/sites/default/files/documents/blog/legacy/responsible-transitions.pdf
- ILO Convention No. 177, Convention concerning Home Work (1996)

COMMUNICATION AND ACCESS (CA)

Suppliers shall make every effort to communicate employment rights to workers, as well as the New Balance Standards.

Communication and Access Requirements (CA)

L-CA-1 Laws and Regulations
L-CA-2 New Balance Code of Conduct
L-CA-3 Audit Access
L-CA-4 Remediate Violations

L-CA-1 Laws and Regulations

Suppliers must communicate basic labor laws and employee rights to all employees.

Basic information regarding employee rights and benefits should be available for employees to review at each facility, including:

- Current labor law poster, issued by the governing labor authority, listing the minimum wage and required employee benefits.
- Environment, health and safety regulations.
- Salary calculation (e.g. examples of salary calculation where employees are compensated by piece-rate or other incentive-based pay).
- Planned schedule changes.

L-CA-2 New Balance Code of Conduct

Suppliers must post the New Balance Code of Conduct prominently in the facility in the local language(s) of the employees.

The New Balance Code of Conduct must be communicated to all employees during their initial employee orientation and throughout their employment and posted in the work place in the local language(s) of the employees.

L-CA-3 Audit Access

Suppliers must provide New Balance and its representatives with complete access to their facilities, records and documentation without unreasonable excuses or delays.

All pertinent records and documentation must be available for review on-site during New Balance compliance audits, including audits by the Fair Labor Association.

L-CA-4 Remediate Violations

Suppliers must respond promptly to reported compliance violations and all corrective action recommendations.

Suppliers must cooperate with New Balance and its representatives and accept audit findings and recommendations without any attempt or suggestion of bribery or other inappropriate exchange for a more favorable audit result.

Critical or zero tolerance non-compliances must be remediated immediately or may result in termination or suspension of the business relationship with New Balance.

SUBCONTRACTOR MANAGEMENT (SM)

Suppliers must ensure that subcontractors comply with New Balance Supplier Standards.

Subcontractor Management Requirements (SM)

L-SM-1 Subcontractor Disclosure

L-SM-2 Subcontractor Compliance

L-SM-1 Subcontractor Disclosure

Suppliers must identify and disclose all subcontractors involved in the production of New Balance products.

Subcontractors consist of any person or entity that works on the production of New Balance products, on behalf of a supplier. Suppliers must disclose to New Balance the name and address of any subcontractor that will be working on New Balance products.

Suppliers are prohibited from subcontracting work on New Balance products without the express approval of New Balance.

Suppliers are also prohibited from subcontracting New Balance production to be done in workers' homes, or outside of the workplace, unless expressly approved by the New Balance Vice President of Global Compliance (see L-ER-8 Home Work).

L-SM-2 Subcontractor Compliance

Suppliers must have prior approval from New Balance when subcontracting any New Balance purchase orders.

Suppliers must take all necessary steps to ensure that their subcontractors adhere to the New Balance Code of Conduct and the Supplier Standards Manual, including New Balance's migrant worker policy.

Subcontractors shall undergo regular, independent audits to assess their compliance with New Balance Supplier Standards (audits may be performed by New Balance staff or an approved third-party auditor).

HEALTH AND SAFETY (HS)

Workplace health and safety are vitally important. New Balance expects all suppliers and subcontractors to maintain the highest standards of workplace health and safety, based on the US Occupational Safety and Health Act (OSHA) standards or equivalent international standards, combined with local laws and regulations.

To support the implementation of these workplace health and safety standards, New Balance expects its suppliers to develop professional health and safety policies and to implement effective management systems to ensure these standards are met on the factory floor from day to day. Management systems should include procedures for communicating standards and training employees to identify and deal with workplace hazards, reporting systems to manage problems as they arise, and methods for keeping up-to-date on best practices for minimizing the hazards inherent in the factory's specific manufacturing processes.

Suppliers are responsible for maintaining a safe and hygienic work environment at all facilities, and must comply with local health and safety laws, New Balance Standards or OSHA standards, whichever have the higher standard.

LEGAL/PERMITS (LP)

Suppliers must operate in full compliance with the laws of their respective countries and with all other applicable international, national, and local laws, rules and regulations.

Legal/Permit Requirements (LP)

LP-HS-1 Permits and Structural Safety

LP-HS-2 Violations

HS-LP-1 Permits and Structural Safety

Suppliers must have all legally required operating permits and certificates related to health and safety, and facilities must comply with building codes and structural safety regulations.

Permits and certifications should include:

- Certificate of occupancy and proof of fire-safety inspection.
- Construction permit.
- Permits for equipment such as boilers, generators, elevators, fuel and chemical storage tanks, and high-pressure vessels such as compressed air storage tanks and receivers.
- Chemical storage and use permits.

In addition, suppliers must develop procedures to keep up with changing health and safety laws applicable to their business.

All current permits must be available for review at each facility during New Balance audits.

Structural Safety

Suppliers must ensure all their buildings are safe for occupancy:

- ✓ Building design and construction must always comply with local building code and be suitable for the intended purpose.
- ✓ Building alterations must also comply with building codes and must be performed by qualified professionals.
- ✓ Mezzanine and/or shelf loads must not exceed capacity.
- ✓ Roof loads must not exceed capacity.

HS-LP-2 Violations

New Balance suppliers must be free from official notices or prosecution for non-compliance with respect to health and safety violations, including fire, chemical and structural or building code violations.

In the event that a supplier is subject to an official notice, or prosecution, it must diligently resolve the non-compliance.

Suppliers must also be able to demonstrate whether the violation has been resolved or provide a timeline for resolution.

FIRE SAFETY (FS)

Fire safety is a critical requirement for all suppliers and suppliers must have systems to detect, prevent and respond to fire hazards.

Fire Safety Requirements (FS)

HS-FS-1 Means of Evacuation
HS-FS-2 Emergency Exits
HS-FS-3 Evacuation Maps
HS-FS-4 Assembly Areas
HS-FS-5 No Smoking
HS-FS-6 Fire Hydrants
HS-FS-7 Automatic Sprinkler System
HS-FS-8 Fire Alarm System
HS-FS-9 Emergency Lighting
HS-FS-10 Fire Extinguishers
HS-FS-11 Emergency Response Procedures
HS-FS-12 Explosion-Potential Area
HS-FS-13 Fire Safety Training
HS-FS-14 Separate Production Areas
HS-FS-15 Fire Certification

HS-FS-1 Means of Evacuation

Exit paths must be clearly marked and unobstructed.

Supplier facilities must have adequate evacuation routes, stairways and exits, in accordance with local fire codes and health and safety regulations, allowing employees and occupants to safely and quickly evacuate the premises in the event of an emergency.

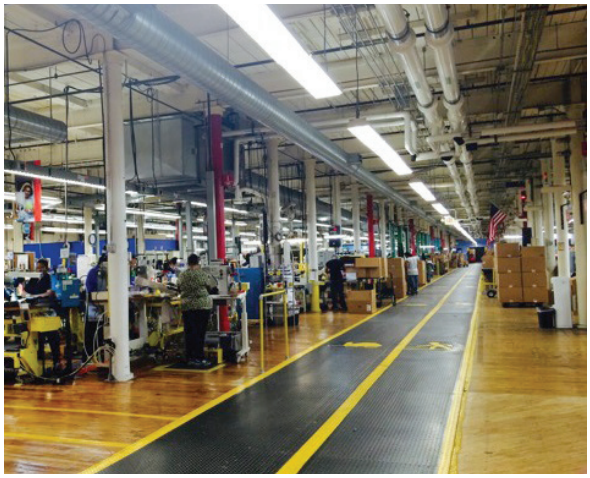

Figure 2 – Clearly Marked and Unobstructed Evacuation Routes

<u>Evacuation Route Requirements:</u>

- Aisles and corridors that serve as a means of emergency egress must meet the following requirements:
  - ✓ Route clearly marked.
  - ✓ Width must be >1.1 meters.
  - ✓ Head room must be >2 meters.
  - ✓ The floor surface must be slip-resistant.
  - ✓ Without obstructions.
  - ✓ There must be adequate clearance (>0.4 meters) between work stations and clear passage for employees.
- Means of egress must not pass through high hazard areas, such as chemical storage rooms, boiler rooms, etc. At least two stairways are required from each upper level of a building if the level has more than 30 occupants, unless legal requirements are more stringent.

HS-FS-2 Emergency Exits

All supplier facilities must have a sufficient number of unlocked emergency exits on each work floor that lead to a safe area.

Suppliers must have sufficient directional and exit signs to ensure that all egress routes and building exits are clearly indicated.

- ✓ All marked exit doors must be unlocked during regular working hours, or whenever the factory is occupied.
- ✓ Exit signs must be legible, in the local language and with pictograms.
- ✓ Exit doors must open outwards.
- ✓ Doors not serving as exits or means of egress must be marked “No Exit”.
- ✓ The walking surface at exits must be at the same height on both sides of the exit door or passage.
- ✓ All employees must be positioned within 60 meters from the nearest exit, except where the number of employees, the size of the building, its occupancy, or the arrangement of the workplace allows all employees to evacuate safely during an emergency.
- ✓ There must be an adequate number of exits of appropriate width.

Exit Requirements									
Number of Persons in Room	< 30	< 200	< 300	< 500	< 750	< 1000	< 1250	< 1500	> 1500
Number of Exits	1	2	2	2	3	4	5	6	6 or more
Total Escape Width	>0.75m	>1.75m	>2.50m	>3.0m	>4.5m	>6.0m	>7.5m	>9.0m	For each 250 persons add 1.5m

Table -1 Exit Requirements

The width and number of exit doors for a room or other section of the factory depends upon the number of employees in the room and not on the floor area. Smaller rooms may require larger exit doors if they hold more occupants. On the other hand, in larger rooms or areas with fewer employees (e.g., warehouses) fewer exits may be acceptable. Larger spaces may require a greater number of exits than listed above (e.g., a warehouse with fewer than 30 employees) if one exit does not allow for evacuation within a safe period of time.

HS-FS-3 Evacuation Maps

Suppliers must post floor plans or evacuation maps throughout the work floor at clearly visible locations.

- ✓ The following requirements apply to evacuation maps:
- ✓ Clearly show all emergency escape routes, exits, and assembly areas.
- ✓ Have a “you are here” marking, to help the reader identify the nearest or safest evacuation route.
- ✓ Location of fire extinguishers.
- ✓ Location of fire alarms triggers.
- ✓ Location of First-Aid Kits.

Prominently posted along emergency exits paths and in highly visible areas.

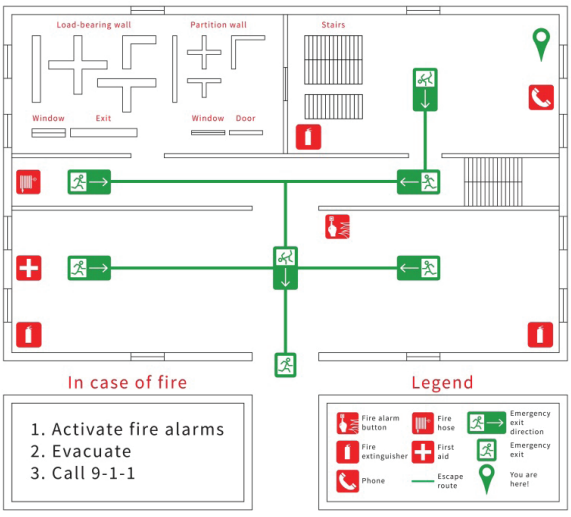

Figure 3 - Sample Evacuation Map

HS-FS-4 Assembly Areas

Suppliers must designate assembly areas at a safe location outside of the building which does not interfere with emergency service.

An "Assembly Area" signboard must be posted at assembly areas in a size and color that employees can easily see in the event of an emergency.

HS-FS-5 No Smoking

Smoking must be prohibited inside production facilities.

Suppliers must prohibit smoking inside their production facilities and post "No Smoking" signs prominently throughout the premises, including bathrooms, storage rooms and high-risk areas, such as chemical or fuel storage rooms.

HS-FS-6 Fire Hydrants

Suppliers must install fire hydrants and hoses throughout each facility, where necessary.

To ensure that the equipment is kept in good working condition, hydrants and hoses must be flushed twice per year, and visually inspected during fire drills. Each inspection must be documented on the attached control tags.

HS-FS-7 Automatic Sprinkler System

Suppliers must have a sprinkler system installed at designated high fire-risk locations (e.g., chemical, fuel, flammables storage, etc.), with an independent water or foam supply.

Sprinkler system requirements:

- ✓ Water pressure and storage must be checked and documented twice per year.
- ✓ Water level, water pumps and the general condition of related equipment must be visually inspected monthly.
- ✓ Pressure gauges must be installed in sprinkler system pipelines to help control and manage the water level and pressure.
- ✓ The water pump system must be set to auto status to maintain the water pressure in the pipeline system.
- ✓ Sprinkler heads must be kept clean and sensors must be maintained in good condition.
- ✓ Water flow through the sprinkler system must activate the building fire alarm.
- ✓ Sprinkler piping must not be used to support unrelated equipment or materials.
- ✓ There must be at least 0.45 meter clearance sprinkler heads and stored materials.

HS-FS-8 Fire Alarm System

Supplier facilities must have functional and distinct fire alarm systems, audible throughout the facility and acousto-optic in areas where employees wear ear protection.

Alarm system requirements:

- ✓ Installed by a qualified person.
- ✓ Equipped with working smoke and heat detectors.
- ✓ Disruptive enough to be perceived above ambient noise and normal light levels by all affected employees.
- ✓ Tested every three months by a competent, qualified person. Records must be kept for all tests, maintenance, repair or replacement of the alarm system.

HS-FS-9 Emergency Lighting

Suppliers must mark all exit points with clear, visible signs and functional emergency lighting.

Suppliers must install emergency lighting along egress routes, at exits, in stairwells and at other appropriate locations.

- ✓ Exit paths must have sufficient lighting and be clearly visible (>10 lux).
- ✓ Illuminated exit signs are required at exits and along egress routes.

- ✓ All emergency lighting and exit signs must have backup power supply with duration of at least one hour.
- ✓ Emergency lighting must be visually inspected and tested on a monthly basis. Inspections must be documented.

HS-FS-10 Fire Extinguishers

Suppliers must install sufficient and appropriate fire extinguishers at all facilities, considering the different fire-risk ratings and fire classifications.

EMERGENCY LIGHTING MONTHLY TEST RECORD
for
Monthly Test Each unit for 30 secondes date for annual test (90 minutes)

UNIT	DATE	Condetion - OK/Needs Serivce	Inspected By
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			

Figure 4 - Emergency Lighting Inspection Form

Fire Extinguisher Classification:

CLASS A: Fires involving common combus-tibles such as wood, paper, cloth, rubber, trash and plastics.

CLASS B: Fires involving liquids or liquefi-able solids such as petrol, oil, and paints.

CLASS C: Fires involving gases such as hy-drogen, propane, and butane.

CLASS D: Fires involving combustible met-als such as magnesium and sodium.

CLASS E: Fires involving energized elec-trical equipment, such as wiring, controls, motors, data processing panels or appli-ances.

CLASS F: Fires involving cooking oil and fats.

Table 2 - Fire Extinguisher Classification

	Class A	Class B	Class C	Class D	Class E	Class F
Water	✓					
Foam	✓	✓				
ABC Dry Powder	✓	✓	✓		✓	
Dry Special Powder				✓		
CO2 Gas		✓			✓	
Wet Chemical						✓

Fire Extinguisher Location

- ✓ At least one extinguisher per 100 square meters of floor area.
- ✓ Mounted on brackets or in wall cabinets with the carrying handle placed 3.5 to 5 feet above the floor.
- ✓ Fire extinguishers must be easily accessible and their locations clearly marked.
- ✓ An extinguisher must be located immediately outside of rooms used for storage of combustible materials.
- ✓ An extinguisher must be located near storage areas for empty flammable liquid containers.
- ✓ Operating instructions must be in the local language of the employees as well as all factory personnel.
- ✓ Fire Extinguisher Inspection
- ✓ Extinguishers must be fully charged at all times and must be recharged after each use or when contents expire.
- ✓ Visual inspection must be conducted at least once per month and documented on a control tag.
- ✓ Weight check must be conducted according to instructions of fire extinguishers.
- ✓ Extinguishers must be inspected annually.

Figure 5 - Fire Extinguisher with Inspection Log.

HS-FS-11 Emergency Response Procedures

All employees must be trained in the emergency evacuation procedure.

Suppliers must identify different emergency scenarios and develop response procedures, including:

- ✓ Emergency response teams.
- ✓ Emergency contact lists (internal and external).
- ✓ Emergency reporting process.
- ✓ Emergency evacuation maps.
- ✓ Emergency gathering areas.
- ✓ Suppliers must conduct **at least two** planned, emergency evacuation drills per year, and:
- ✓ Develop evacuation drill plans.
- ✓ All work areas and shifts must be included.
- ✓ Head-count records must be kept during all drills.

HS-FS-12 Explosion-Potential Area

Suppliers must take appropriate measures to reduce the risk of explosions.

Where an explosive atmosphere can form, any ignition could cause a fire or an explosion. To reduce this hazard, Suppliers must:

- ✓ Identify all explosion-potential areas. Explosion-potential areas must include chemical storage and use areas (e.g., chemical warehouse, screen printing) and dust generating areas (e.g., buffing).
- ✓ Conduct safety assessments for explosion-potential areas at least once a year and ensure that people nearby would be able to escape.
- ✓ Take preventive measures in high risks areas: isolation, replacement of chemicals, monitoring, online sensor, etc.

For example, if an explosive atmosphere could occur in the screen-printing workshop due to poor industrial ventilation, then the employer must improve ventilation and ensure that there is no equipment or work process which may ignite flames.

HS-FS-13 Fire Safety Training

Employees must be trained in basic fire safety knowledge.

Suppliers must regularly train employees on basic fire safety, including the use of fire extinguishers, safe evacuation and reporting emergencies.

Members of emergency teams or fire brigades must be trained at least once per year, or more as required by law. All training must be conducted by a qualified person or the local fire department.

Fire safety training must include the following:

- ✓ Use of fire extinguishers and other related equipment.
- ✓ Communication during fire emergencies.
- ✓ How to aid in the quick and safe evacuation of the facility.
- ✓ Providing first aid during fire emergencies.
- ✓ Reading evacuation route plans.

Suppliers must keep records of training events and a log of the participating employees.

HS-FS-14 Separate Production Areas

Suppliers must maintain production operations and employee dormitories in separate buildings.

HS-FS-15 Fire Certification

All supplier facilities must have the necessary certifications and official inspections for fire and electrical safety, and occupancy.

Proof of certification and inspection, and any related documentation, must be kept on-site.

References:

- Fire Protection, Occupational Health and Safety Standards, 29 CFR 1910.155 – 165
- Means of Egress, Occupational Health and Safety Standards, 29 CFR 1910.33 – 39

PERSONAL PROTECTIVE EQUIPMENT (PPE)

Suppliers must protect their employees from workplace hazards that can cause injuries or illness.

Controlling hazards at the source is the best way to protect employees. However, when engineering, work practice and administrative controls are not feasible or do not provide sufficient protection, suppliers must provide appropriate personal protective equipment (PPE) to their employees and ensure its proper use to prevent or reduce workplace hazards.

Personal Protective Equipment Requirements (PPE)

HS-PPE-1 Identify Hazards
HS-PPE-2 Provide PPE
HS-PPE-3 PPE Training
HS-PPE-4 Monitoring PPE Use
HS-PPE-5 PPE Signs

HS-PPE-1 Identify Hazards

Suppliers must conduct a job safety analysis for all work positions, identifying and evaluating PPE needs.

Most workplaces expose employees to hazards. Suppliers must conduct and document a hazard evaluation to identify physical and health hazards in the workplace. The evaluation must consider the entire facility and all the functions performed within, as well as reviewing any history of occupational illnesses or injuries to identify hazards in the following basic categories:

Once the hazards are identified and evaluated, suppliers must work to reduce risks

- Impact
- Penetration
- Compression (roll-over)
- Chemical
- Heat/Cold
- Harmful dust
- Light (optical) radiation
- Biological

by implementing engineering controls first, administrative controls second and use of personal protective equipment last or in addition to the prior actions.

Textile Spot Cleaner

Textile Spot Cleaners in Factory A are using solvent-based chemicals to clean textiles and their work location is near the embroidering department where noise levels are recorded above 85 decibels. Because of both chemical and noise hazards, the following PPE has been determined as required for this work:

- Safety glasses
- Respiratory mask appropriate to the chemical utilized
- Latex gloves
- Apron
- Ear plugs
- Sufficient localized ventilation

(Signed and dated)

Figure 6 - Sample Job and PPE selection

HS-PPE-2 Provide PPE

Suppliers must provide employees with adequate PPE and replenish or replace the equipment when needed, free of charge.

Considering the identified hazards, qualified health and safety managers must select the most suitable PPE for employees in each workstation or work function. Only those items of protective clothing and equipment that meet NIOSH (National Institute for Occupational Safety & Health), ANSI (American National Standards Institute) or country standards may be procured or accepted for use.

All PPE must conform to the following ANSI standards:

Eye and Face Protection

- Employees, visitors and other third parties present at the facility must have appropriate eye or face protection if they are exposed to eye or face hazards from flying particles, chemicals, acids or caustic liquids, chemical gases or vapors, potentially infected material or potentially harmful light radiation.
- Common types of Eye Protection include:
    - Safety Spectacles;
    - Goggles;
    - Welding shields; and
    - Face shields.
- Employees requiring prescription lenses must have eye protection that either incorporates the prescription in the design or fit properly over the prescription lenses. Contact lens wearers must also wear appropriate eye and face protection devices in a hazardous environment.

Head Protection

- Suppliers must furnish head protection to employees, visitors and third parties present in their facilities if any of the following apply:
    - Objects might fall from above;
    - They might bump their heads against fixed objects, such as exposed pipes or beams; and/or
    - There is the possibility of head contact with electrical hazards.

Foot Protection

- Safety shoes must be worn by employees who face the risk of foot or leg injuries from falling or rolling objects or from crushing or penetrating materials (e.g., mechanics and operators handling heavy tools or machinery; hand truck operators; warehouse personnel).

Hand Protection

- If the workplace hazard evaluation reveals that employees are at risk of injury to hands or arms, and the risk cannot be eliminated through engineering and work practice controls, suppliers must ensure that employees wear appropriate hand and arm protection (e.g., gloves, finger guards and arm coverings or elbow-length gloves).
- Suitable gloves must be worn when hazards from chemicals, cuts, lacerations, abrasions, punctures, burns, biologicals, and harmful temperature extremes are present.
- Glove selection must be based on performance characteristics of the gloves, work conditions, duration of use and hazards present.

Skin Protection (Other Than Gloves)

- Employees must use skin or body protection if they are exposed to workplace hazards that could cause bodily injury, such as:
    - Extreme temperatures;
    - Hot splashes from hot liquids;
    - Potential impacts from tools, machinery and materials; and/or
    - Hazardous chemicals.

Hearing Protection

- Employees working in areas where noise levels are above 85 decibels (dB) must implement procedures to reduce or eliminate the risk of hearing loss.
- Engineering controls must be used as a first and main solution to reducing noise.
- If engineering and work practice procedures are not enough, PPE must be used (e.g., ear plugs, earmuffs)

HS-PPE-3 PPE Training

Suppliers must train employees on proper PPE use and conduct fit tests when applicable.

Suppliers must ensure that employees are knowledgeable of the risks they are exposed to and understand the benefits of using PPE. Where applicable, suppliers must also fit employees with properly sized masks and respirators to minimize their exposure to hazards.

Employees performing work that requires the use of PPE, as identified through the job safety analysis, must be trained at the time of initial assignment or hire, and at least annually thereafter.

Training must include:

- ✓ What PPE is required and when it must be used.
- ✓ How to properly use the required PPE.
- ✓ Limitations of PPE.
- ✓ When to replace PPE.
- ✓ The proper care, maintenance, useful life and disposal of PPE.

HS-PPE-4 Monitoring PPE Use

Suppliers must monitor employees to ensure that they properly wear the necessary PPE at all times.

Employees required to use PPE must be assessed periodically to ensure their proper use of PPE and re-trained whenever new equipment or processes are introduced.

Figure 7 - Employee wearing safety glove.

HS-PPE-5 PPE Signs

Suppliers must display signs wherever PPE is required, to remind employees of their proper use and the hazards they are exposed to.

Figure 8 - Sample PPE Requirement signs.

References:

- Personal Protective Equipment, Occupational Health and Safety Standards, 29 CFR 1910.132
- Respiratory Protection, Occupational Health and Safety Standards, 29 CFR 1910.134

MACHINERY & ELECTRICAL SAFETY (ME)

Suppliers must ensure that all machinery present and operated on-site is maintained in safe operating order and with all the proper guarding installed to protect operating personnel and passers-by from hazards such as nip points, rotating parts, flying chips and sparks. Suppliers must also ensure that electrical wiring is in safe working condition.

Machine & Electric Safety Requirements (ME)

HS-MS-1 No Occupational Hazards
HS-MS-2 Risk Assessment
HS-MS-3 Machine Guarding
HS-MS-4 Emergency Stops
HS-MS-5 Machine Labeling
HS-MS-6 Electrical Safety
HS-MS-7 Regular Inspection
HS-MS-8 Lock-out/Tag-out
HS-MS-9 Permits and Certification

HS-ME-1 No Occupational Hazards

Suppliers must maintain a safe work environment free from any hazards that are likely to cause serious physical harm or death to employees.

Suppliers must be free from work injuries or accidents due to negligence or unsafe machinery.

HS-ME-2 Risk Assessment

Suppliers must conduct a Job Safety Analysis for each machine and job function performed at the facility, identifying the hazards related to each position.

For each hazard identified, suppliers must aim to:

1. Eliminate or reduce the risk by fitting safety devices or guards to the machines.
2. Implement safe work practices.
3. Protect employees with appropriate personal protective equipment (PPE).

HS-ME-3 Machine Guarding

Suppliers must install all the necessary machine safety guards on all machinery at the worksite, to prevent accidents and injuries.

Machine guards must be designed and constructed to prevent the operator from having any part of their body in the danger zone during the operating cycle.

In addition, machine guards must meet the following minimum requirements to protect employees against mechanical hazards:

- ✓ The point of operation on machines whose operation exposes an employee to injury must be guarded.
- ✓ Guards must prevent hands, limbs, and any other part of employees' bodies from making contact with dangerous moving parts.
- ✓ Employees must not be able to easily remove or tamper with machine guards.
- ✓ Guards must prevent all objects from falling into moving parts.
- ✓ Guards must not create any new hazards and must not interfere with work.
- ✓ Guards must be in good operating condition and securely in place.
- ✓ Machines with rotating parts must be enclosed and interlocked with automatic shut off mechanisms.

Examples of required machine guarding:

- Protective cover for the belt wheel on a stitching machine.
- Driving back plate on a skiving machine.
- Cover for rolling wheel on a glue machine.
- Guardrail for the feeder on an injection molding machine.
- Guards on sharp edges and machine shear-points.
- Needle guard on a stitching machine.
- Eye shields over grinding wheels.
- Safety guard installed for high-heat parts.

Figure 9 - Machine Guarding

Figure 11 - Proper Needle Guarding on a Sewing Machine

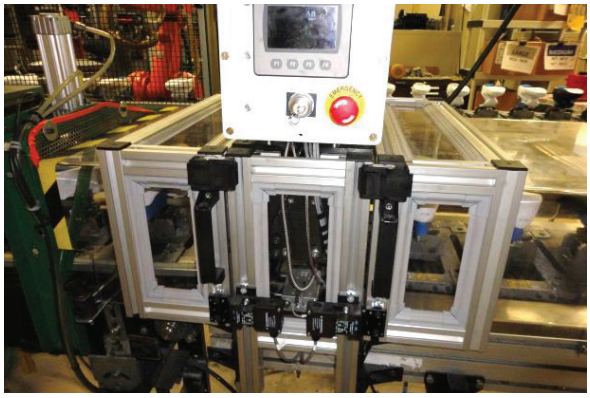

Figure 10 - Machine Enclosure Preventing Contact with Moving Parts

Figure 12 - See-through Guard

HS-ME-4 Emergency Stops

Suppliers must install emergency stopping switches on all machinery. The location and color of stop switches must comply with legal requirements and industrial standards.

In an emergency, employees must be able to stop all machine movement quickly and easily.

- ✓ Emergency stop devices must be easy to reach and accessible from all directions.
- ✓ Emergency stop devices must end all dangerous machine functions as quickly as possible without producing additional risks.
- ✓ Emergency stop switches must have priority over all other machine functions and commands in all operating modes.
- ✓ Resetting the emergency stop switch must not trigger a restart.

Figure 13 - Machine with Emergency Stop Switch.

HS-ME-5 Machine Labeling

All high-risk areas on machines must be marked prominently (e.g., high neat notice, machine shear points).

All controls, indicators or information displayed on machines must be marked in color as follows:

Table 3 – Machine Labeling

Color	Meaning	Explanation
White	Unspecific	Initiation of functions
Grey		
Black		
Green	Safe/Start/On	Actuate during safe operation or to establish normal situation
Red	Emergency/ Stop/OFF	Actuate in hazardous situation, emergency or stop/off commands
Blue	Instruction	Actuate in situation that requires mandatory action
Yellow	Warning/Hazards	Actuate in abnormal situation

HS-ME-6 Electrical Safety

Suppliers must ensure that the electrical wiring in all buildings, equipment and machinery is in a safe condition. All electrical work must be carried out by qualified and certified personnel. Electrical panels and high-voltage areas are properly protected, labeled and located at unobstructed locations.

To prevent or reduce electrical hazards in the workplace, suppliers must ensure that:

- ✓ All wiring is in safe operating condition, with no loose or exposed wiring.
- ✓ All electrical wiring is kept away from combustible materials.
- ✓ All electrical panels are protected, individually labeled, and with unobstructed access.
- ✓ All facilities have a proper grounding system, proper lighting protection system, or available residual current device.
- ✓ All electrical problems are fixed in a timely manner by qualified and certified professionals.

- ✓ Any equipment with electrical problems is removed from service until the issue is fixed by a capable, authorized person.
- ✓ Junction boxes, distribution panels and similar electrical equipment must be enclosed, undamaged and must not be misused for direct connection to machines.
- ✓ All wiring must have proper industrial connections.
- ✓ All wiring must be insulated and protected from mechanical damage and from extreme heat.
- ✓ High-voltage areas and generator rooms must have appropriate hazard warning signs, and access restricted only to authorized employees.
- ✓ High-voltage areas must not be used for storage.

Figure 14 - Protected High Voltage Cabin

HS-ME-7 Regular Inspection

Suppliers must regularly inspect machinery and special equipment to ensure their safe operation.

- ✓ Safety checklists must be established for different machine types.
- ✓ Machine operators must inspect and ensure that safety devices are in good condition before using machines.
- ✓ Only qualified employees must maintain and repair machinery.
- ✓ Maintenance and inspection records must be kept for all machines.

Power Industrial Trucks: Suppliers must implement a daily inspection routine that requires employees to inspect each powered industrial truck at the beginning of every shift to make sure it is in good working condition, and that all the security features are functional.

Table 4 - Sample Forklift Inspection Checklist

YES	NO	
		Horn Operational
		Brakes Operational
		Tires (Good Condition)
		Steering Operational
		Overhead Guards
		Chains Operational
		Forks Adequate
		Load Backrest
		Hydraulics No Leaks
		Lights Operational
		Fire Extinguisher Charged
		Parking Brake Operational
		Oil at Proper Level
		Coolant at Proper Level
		Hydraulic Level at Proper Level
		Gauges/Indicators (Good Condition)

HS-ME-8 Lock-out/Tag-out

Each facility must have a working lock-out/tag-out plan identifying all the equipment and machines that must be locked and tagged during maintenance or repair.

All personnel relying on Lock-out/Tag-out procedures must have proper, individual locks and tags and must be trained on how to carry out the Lock-out/Tag-out procedure.

Lock-out/Tag-out must generally follow this procedure:

1. Notify affected personnel that the machine will be shut down and locked out.
2. Shut down the machine using the normal stopping procedure.
3. Isolate all energy sources.
4. Apply locks, tags, and/or devices to the energy disconnects for each energy source present.
5. Block or dissipate all stored energy in rams, flywheels, springs, pneumatics or hydraulic systems.
6. After assuring no personnel are exposed, attempt activation of normal operating controls to make certain the locked out equipment does not operate.
7. When the assigned repair or service is completed, and the machine is ready for testing or return to service, check the surrounding area to ensure no one will be exposed to danger. Make sure all loose parts and tools are removed and replace all guards.
8. Notify all affected personnel that locks and tags will be removed and the machine is ready for operation.
9. When the area is clear, remove all locks and deactivate all the energy isolating devices to restore energy and material to the machine. The same employee who installed the locks and energy isolating devices must deactivate and remove them.
10. Perform any necessary testing of the restored machine to ensure it is in operable condition.

Figure 15 - Lock-out/Tag-out

HS-ME-9 Permits and Certification

Special operation personnel and operators of special equipment must carry a current professional certification (e.g., electricians, welders, forklift operators).

Where required by law, special equipment must be registered (e.g., forklifts, elevators, lifts, boilers).

All current permits and certifications must be available for review at the facility.

References:

- Machinery and Machine Guarding, Occupational Health and Safety Standards, 29 CFR 1910.212
- Electrical, General Requirements, Occupational Health and Safety Standards, 29 CFR 1910.303
- Electrical, Wiring Methods, Occupational Health and Safety Standards, 29 CFR 1910.305
- Lock-out/Tag-out, Occupational Health and Safety Standards, 29 CFR 1910.147
- Powered Industrial Trucks, Occupational Health and Safety Standards, 29 CFR 1910.178

INJURY PREVENTION AND FIRST AID (FA)

Suppliers must take the necessary steps to prevent injuries in the workplace through engineering controls, administrative and procedural controls, as well as ensuring the use of protective equipment. Suppliers must also ensure that employees have access to medical care when needed.

Injury Prevention & First-Aid Requirements (FA))

HS-FA-1 First-Aid Access
HS-FA-2 Medical Treatment
HS-FA-3 Medical Reporting/Injury Log

HS-FA-1 First-Aid Access

Suppliers must maintain easily accessible first-aid kits with adequate medical supplies and equipment.

Each facility must have one fully stocked first-aid kit per every 100 employees, in each facility.

First-aid kits must list their contents, and at a minimum, must contain:

- ✓ Directions for emergency assistance
- ✓ Absorbent compress
- ✓ Adhesive bandages
- ✓ Adhesive tape
- ✓ Antiseptic
- ✓ Burn treatment
- ✓ Combine pad
- ✓ Content card
- ✓ Disposable gloves
- ✓ Elastic bandages
- ✓ Eye irrigation solution
- ✓ First aid cream
- ✓ First aid manual
- ✓ Flexible fabric bandages
- ✓ Forceps (tweezers)
- ✓ Instant cold packs
- ✓ Sterile pads
- ✓ Triangular bandages

Where the eyes or body of any person at the facility may be exposed to injurious corrosive materials or chemicals, the supplier must install suitable facilities for quick drenching or flushing of the eyes and body. Most commonly, this includes eye-wash stations and emergency showers.

HS-FA-2 Medical Treatment

Suppliers must have trained first-aid personnel, proportional to the workforce size.

Suppliers with 1,000 employees or more (or as required by law) must have on-site medical providers or a clinic.

Where an on-site medical provider is not required, suppliers must assign qualified first-aid personnel for each shift. At least one trained first-aid responder must be assigned per every 100 employees.

Suppliers must also identify the nearest infirmary, clinic or hospital where injured employees may be treated.

HS-FA-3 Medical Reporting/Injury Log

Suppliers must record all work-related injuries and near-misses in the appropriate forms, and report to the local government authority where required.

Injury records must include:

- Name of employee or supplier.
- Date of injury or incident.
- Where injury occurred.
- General description and cause of accident.
- Number of work days lost due to the injury.

Suppliers must investigate all accidents, identify the root cause of the accident and implement corrective plans.

- Severe injuries (e.g., death, permanent disability, loss of limb) must be reported to New Balance immediately.
- In addition, suppliers must compile a

yearly summary of injuries and accidents at the worksite, including:

- Total number of injuries.
- Total number of deaths.
- Total number of work days missed due to injury.

(Note: For suppliers participating in the New Balance Monthly Performance Rating (MPR) program, this data is already reported via that program.)

References:

- Medical and First Aid, Occupational Health and Safety Standards, 29 CFR 1910.151

WORKING CONDITIONS (WC)

Suppliers must provide a safe, clean and healthy workplace for all employees, and take active steps to prevent accidents or injuries.

Working Conditions Requirements (WC)

HS-WC-1 Cleanliness
HS-WC-2 Drinking Water
HS-WC-3 Toilets and Washrooms
HS-WC-4 Indoor Air Quality
HS-WC-5 Temperature Controls
HS-WC-6 Light Level
HS-WC-7 Hazard Controls
HS-WC-8 Ergonomics
HS-WC-9 Occupational Safety and Health Committees

HS-WC-1 Cleanliness

Suppliers must generally maintain facilities to be clean and well organized.

- ✓ Walkways, stairways and exits must be clean and free from clutter.
- ✓ Litter, work-produced debris and spills must be cleaned promptly.
- ✓ All waste must be collected in bins and disposed of regularly.

HS-WC-2 Drinking Water

Suppliers must provide employees with access to free drinking water that is safe for consumption and dispensed in a hygienic manner.

Suppliers located in high-risk countries and regions must periodically test the quality of their drinking water as summarized in Table 5 below.

Water testing is required where:

- x The facility is not located in a "safe" tap water country, as listed in Table 6 below.
- x The facility provides water from an uncontrolled or "unimproved" source.
- x Workers complain about water quality or auditor has observed unsafe water conditions.

Unimproved water sources include the following:

Figure 16 – Unimproved Water Sources. Access to Drinking Water, Yale Environmental Performance Index. (Note: Bottled or packaged water may be an acceptable source, as specified below.)

Where required, water quality must be tested every six months to ensure that it is safe for consumption and compliant with regulatory requirements for bacteria and contaminant levels.

Boiling only addresses biological contaminants and is not sufficient to provide employees with safe drinking water.

Acceptable bacteria and disinfectant levels:
- Fecal coliforms: 0.0 mg/L
- Giardia Lamblia Cysts: %99.9 removal/ inactivation
- Viruses: %99.9 removal/inactivation
- Maximum Residual Disinfectant Levels entering the system:
o Chloramines = 4 mg/l
o Chlorine = 4 mg/l
o Chlorine dioxide = 0.8 mg/l

Table 5- Acceptable Water Levels (EPA Primary Drinking Water Regulations, EPA 816-F-09-0004, May 2009)

Water testing is not required in countries that typically have safe tap water. "Safe" tap water countries are defined by:

a. U.S. Center for Disease Control and Prevention (CDC)

b. Countries scoring above 95 on the 'Yale Environmental Performance Index' "Unsafe Drinking Water" Index

These countries include:

Continent	Safe Countries
Africa	None
Asia	Brunei, Hong Kong, Israel, Japan, Singapore, South Korea
Europe	Austria, Belgium, Belarus, Bosnia, Bulgaria, Czech Rep., Cyprus, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Luxembourg, Macedonia, Malta, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom
North America	Canada, United States, Greenland
South America	Argentina, Chile, Uruguay
Oceana	Australia, New Zealand

Table 6 - Countries with Safe Drinking Water

Reference indices and water safety scores are subject to change. Consult resources for current data on specific countries:

✓ U.S. Center for Disease Control and Prevention (CDC)

✓ 'Yale Environmental Performance Index' – Unsafe Drinking Water Index

Bottled or Packaged Water

When providing employees with bottled water, suppliers must only source water from reputable, licensed water bottlers. Factory testing requirements can be waived if the bottler can show appropriate certifications/license and recent independent water testing records from the bottler if requested. If the bottler is unlicensed, the supplier must change water vendors.

HS-WC-3 Toilets and Washrooms

Suppliers must provide employees with sufficient bathrooms, showers and locker rooms that are clean and sanitized.

Suppliers must provide separate toilet facilities for each gender (unless they will not be occupied by more than one employee at a time) that can be locked from the inside and contain at least one toilet. Toilets and washroom facilities must be maintained in a clean, sanitary and serviceable condition.

Supplies must have sufficient toilets and washroom facilities for the workforce, according to local law or the OSHA standard, whichever is more stringent:

Number of employees of each sex	Minimum number of toilets per sex
1 to 15	1
16 to 35	2
36 to 55	3
56 to 80	4
81 to 110	5
111 to 150	6
Over 150	Add 1 per 40 employees.

Table 7 - Toilet Requirement (OSHA 1910.141(c)(1)(i))

Hand washing facilities must be provided at or adjacent to each toilet facility. Each hand washing facility must be equipped with:

✓ Running water and soap, or waterless skin-cleansing agents that can disinfect the skin or neutralizing the contaminants to which the employee may be exposed.

- ✓ If the facility uses soap and water, it must have clean, single-use hand towels, clean cloth towels, or a hand-drying air blower.

HS-WC-4 Indoor Air Quality

Suppliers must provide adequate ventilation systems to remove air contaminants from the workplace and ensure safe and healthy working conditions.

To guarantee appropriate Indoor Air Quality, suppliers must regularly monitor indoor air quality to ensure that there are no unsafe levels of pollutants in the air (biological, chemical or particles).

Where air quality is not safe, suppliers must correct any air quality deficiencies:

- At the source by replacing processes or materials used.
- Using administrative controls, such as changing employee schedules, training them on best work practices, or improved housekeeping.
- Through engineering controls, by installing dilution or local exhaust systems to reduce emissions, exposure and chemical hazards in the workplace.

Ventilation Systems

Proper engineering controls include dilution or local exhaust ventilation systems, or a combination of both. The appropriate system depends on the operation being controlled and the emissions produced.

Dilution ventilation systems dilute contaminated air with uncontaminated air to reduce airborne hazards. However, dilution ventilation is less effective than local exhaust ventilation, and must only be used in limited circumstances.

Local exhaust ventilation systems control contaminants by trapping them at or near the source and diverting them away from employees, where they cannot cause harm. When selecting the appropriate design for a local exhaust system, suppliers must consider the operation performed and type of contaminants present.

See APPENDIX – B, INDUSTRIAL VENTILATION GUIDE below, for more detailed information on ventilation systems and testing.

OSHA standards are used as a benchmark when installing ventilation systems. Whenever there is a conflict between national requirements and the New Balance standards, the most stringent standard should apply.

HS-WC-5 Temperature Controls

Suppliers must monitor and maintain proper temperature controls at all facilities.

- ✓ Each facility must have appropriate temperature controls to ensure proper cooling and heating.
- ✓ The temperature in supplier facilities must remain between 61°F (16°C) and 86°F (30°C).
- ✓ During warm months, the daily average temperature must not exceed the ambient outside temperature by more than 15°F (9.4°C).
- ✓ Plenty of drinking water must be available to employees in high-heat areas (e.g., dyeing, drying and pressing).

HS-WC-6 Light Levels

Suppliers must ensure that all facilities are sufficiently illuminated so that employees are able to work comfortably.

Suppliers must use a light meter to periodically test light levels at all workstations and to ensure that employees are working under proper lighting conditions.

Work areas must have the following minimum illumination:

Orientation and Simple Visual Tasks	100-30lx
Common Visual Tasks	1,000-300lx
Special Visual Tasks	10,000-3,000lx

Table -8 ANSI/IESNA RP01-7- Recommended Practice for Lighting Industrial Facilities

Lighting must be corrected if any deficiency is identified.

HS-WC-7 Hazards Controls

Suppliers must monitor and limit employees' exposure to hazardous working conditions.

Suppliers must conduct regular occupational health checks on employees exposed to health hazards. For example:

- Employees exposed to hazardous chemicals (employees handling solvents).
- Employees exposed to radiation (employees operating radio frequency [RF] welding machines).
- Employees working in high-dust areas.

HS-WC-8 Ergonomics

Suppliers are encouraged to apply ergonomic principles in the workplace to reduce or eliminate the risk of musculoskeletal disorders (MSDs).

Best practices when identifying and addressing ergonomic hazards include:

- Assessing the ergonomic hazards for each position in the workplace.
- Training employees on proper ergonomics and its benefits, and how to identify early symptoms of MSDs.
- Enforcing breaks throughout the workday for employees engaged in repetitive activities.
- Encouraging employees to report early symptoms of MSDs.
- Incorporating ergonomics into design of work machinery and processes.

HS-WC-9 Occupational Safety and Health Committees

Suppliers are encouraged to establish and administer employee Occupational Safety and Health Committees.

Occupational Safety and Health Committees bring workers and management together in a cooperative effort to promote workplace safety and health. Employees are uniquely situated to help identify and monitor workplace hazards. Safety meetings can assist in making continuous improvements to the workplace safety and health programs.

Suppliers should follow these guidelines when organizing Safety and Health Committees:

- Equal representation of management and non-management employees in the committee.
- Include representative employees from all the major department or work operations at the facility.
- Committee members should be trained in the principles of hazard identification and accident and incident investigations.
- Conduct regular workplace safety and health inspections throughout the facility.
- Meet monthly to discuss workplace hazards and suggest safety improvements.
- Maintain written records of each safety committee meeting, including:
    - Names of attendees.
    - Meeting date.
    - All safety and health issues discussed.
    - Recommendations for corrective action and a reasonable date by which management agrees to respond.
    - Person responsible for follow up on any recommended corrective actions.

- Manage a system that allows employees to report hazards and safety and health related suggestions.

References:

- General Working Conditions, Occupational Health and Safety Standards, 29 CFR 1915.88
- Ventilation Investigation, OSHA Technical Manual TED 01-00-015 [TED 1-0.15A] (Section III, Chapter 3)
- Prevention of Musculoskeletal Disorders in the Workplace, OSHA Safety and Health Topics, https://www.osha.gov/SLTC/ergonomics

CHEMICAL MANAGEMENT (CM)

Chemicals present a variety of hazards including toxicity, corrosiveness, flammability, reactivity, and oxygen deficiency. Suppliers must limit employees' exposure to chemical hazards and toxic substances through engineering controls and safe work practice.

Chemical Management Requirements (CM)

HS-CM-1 Chemical Permits
HS-CM-2 Chemical Inventory
HS-CM-3 Safety Data Sheets
HS-CM-4 Eye Wash/Shower Stations
HS-CM-5 Chemical Storage
HS-CM-6 Compressed Gas Safety
HS-CM-7 Spill Control
HS-CM-8 MRSL Compliance
HS-CM-9 Asbestos Management
HS-CM-10 Remediate Violations

HS-CM-1 Chemical Permits

Suppliers must maintain all the required registrations and permits for the procurement, storage, use and disposal of chemicals according to applicable laws.

HS-CM-2 Chemical Inventory

Suppliers must keep a Chemical Information List (CIL) for all chemicals used in each facility.

All chemicals, inks, paints, solvents, primers, adhesives and auxiliaries must be listed on the CIL, identifying the chemical supplier and highlighting any hazardous chemicals. The items listed on the CIL must meet all local laws, as well as the New Balance Restricted Substance List (RSL) and Manufacturing Restricted Substance List (MRSL). If items found within the production process are not listed on the CIL, New Balance may direct production be stopped until all materials used can be proved compliant with the New Balance RSL and MRSL.

HS-CM-3 Safety Data Sheets

Suppliers must maintain current Safety Data Sheets (SDS) (formerly known as Material Safety Data Sheets or MSDSs) for each chemical used at each facility at all storage and use areas.

SDS must be in the local language and readily available to employees in the areas where the chemicals are stored and used.

- ✓ SDS must provide detailed information on the properties of chemicals, their hazards and safety information.
- ✓ SDS for chemicals stored and handled at supplier facilities must contain the following sections:

Section 1. Identification: product identifier; manufacturer or distributor name, address, phone number; emergency phone number; recommended use; restrictions on use.

Section 2. Hazard(s) identification: all hazards regarding the chemical; required label elements.

Section 3. Composition/information on ingredients: information on chemical ingredients; trade secret claims.

Section 4. First-aid measures: important symptoms/ effects, acute, delayed; required treatment.

Section 5. Fire-fighting measures: lists suitable extinguishing techniques, equipment; chemical hazards from fire.

Section 6. Accidental release measures: lists emergency procedures; protective equipment; proper methods of containment and cleanup.

Section 7. Handling and storage: lists precautions for safe handling and storage, including incompatibilities.

Section 8. Exposure controls/personal protection: lists OSHA's Permissible Exposure Limits (PELs); Threshold Limit Values (TLVs); appropriate engineering controls; personal protective equipment (PPE).

Section 9. Physical and chemical properties: lists the chemical's characteristics.

Section 10. Stability and reactivity: lists chemical stability and possibility of hazardous reactions.

Section 11. Toxicological information: includes routes of exposure; related symptoms, acute and chronic effects; numerical measures of toxicity.

Section 12. Ecological information.

Section 13. Disposal considerations.

Section 14. Transport information.

Section 15. Regulatory information.

Section 16. Other information: including the date of preparation or last revision.

Permanent chemical containers must be labeled, following the Hazard Material Identification System (HMIS) or NFPA (National Fire Protection Association).

- ✓ The identity of the chemical and hazards must be shown on the label.
- ✓ The hazard warning must provide users with an immediate understanding of the health hazards.
- ✓ The name and address of the manufacturer, importer or other responsible party must be included in the label.
- ✓ The label message must display blue, red and yellow to indicate any health, flammability and reactivity hazards of the material. Each hazard category must be numbered on a scale from 0 to 4.
- ✓ The hazard label message must be legible, permanently displayed and in the local language.

Secondary chemical containers must also be labeled if the contents will be used for a period longer than one work shift. Labels on secondary containers must identify the chemical contained and the hazards present.

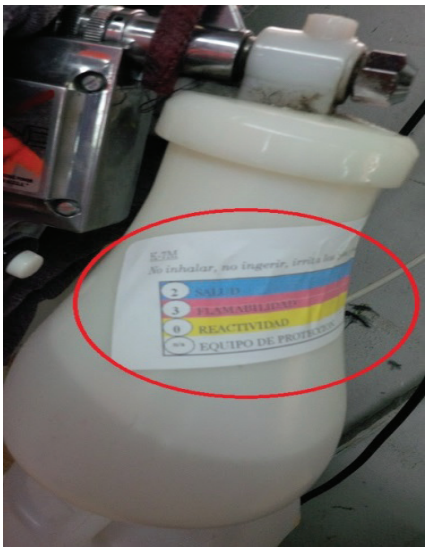

Figure 17 - Secondary Container Labeled with Hazards

HS-CM-4 Eye Wash/Shower Stations

Where the eyes or body of any person at the facility may be exposed to injurious corrosive materials or chemicals, the supplier must install suitable facilities for quick drenching or flushing of the eyes and body.

Eye wash stations and showers must be well maintained and inspected regularly to ensure they are clean and remain functional.

Figure 18 - Eye Wash Station

HS-CM-5 Chemical Storage

All chemicals used must be stored according to the specifications in the MSDS, in a well-ventilated space designated for chemical storage.

Additional requirements for chemical storage include:

- ✓ Flammable chemicals stored separately.
- ✓ Incompatible chemicals stored separately.
- ✓ Electrostatic prevention.
- ✓ Sun-proof storage area with temperature controls.
- ✓ Lightning protection.
- ✓ Secondary containment.
- ✓ Evacuation signs and routes.
- ✓ All the required PPE must be available on-site.
- ✓ PPE signs.
- ✓ Fire extinguishers and appropriate fire retardant materials.
- ✓ Explosion-proof lighting, where necessary.

Figure 19 - Chemical Storage Room with Secondary containment device.

Secondary containment devices must have a capacity of at least 10 percent of the total volume of the chemicals stored.

For further requirements on ventilation for chemical storage areas, see **Appendix B – Industrial Ventilation Guidelines**.

HS-CM-6 Compressed Gas Safety

Suppliers must have adequate safety controls for all compressed, liquefied gas storage.

The following requirements apply to the storage, handing, transportation and disposal of compressed and liquefied gas bottles:

- ✓ Store compressed or liquefied gas separately from explosive, flammable, oxidizing, pyrophoric or corrosive materials.
- ✓ Store oxygen cylinders separate from resin and other highly combustible chemicals.
- ✓ Install pressure watches and safety valves for gas cylinders.
- ✓ Equip compressed gas bottles with shockproof rubber rings and protective caps.
- ✓ Store empty and full gas bottles separately.
- ✓ Store all gas bottles away from ignition sources and open flames.
- ✓ Inspect and maintain all gas and liquefied gas bottles.
- ✓ Post preventative labels and safety signs wherever gas bottles are stored.

HS-CM-7 Spill Control

Suppliers must have a documented spill response plan and appropriate equipment must be available where hazardous materials are used and stored.

Suppliers must ensure that leaks and spills are cleaned up immediately.

- Spill control equipment must be adequate to contain and isolate the entire volume of hazardous substances being stored or transferred.
- Spill control equipment which has been used to clear hazardous chemical spills must be disposed of as hazardous waste.

HS-CM-8 MRSL Requirements

All Suppliers must comply with the current New Balance Manufacturing Restricted Substances List (MRSL) found in the New Balance Restricted Substances Manual.

Suppliers are prohibited from using restricted substances in the manufacture of New Balance products.

Chemicals listed on the MRSL are classified into three groups (Groups A, B and Ozone Depleting Substances), and suppliers must meet the requirements for restricted substances in any of those categories.

- Group A lists chemicals which can easily be substituted with more environmentally friendly ones, and which **must** be eliminated during the manufacture of New Balance products. Where a chemical from Group A is identified, the factory must replace it with an approved alternative within one month.
- Group B lists chemicals for which a suitable replacement may not be feasible. Here, suppliers **must** make every effort to minimize the exposure to employees, the environment and customers. Where a Group B chemical is identified, and no adequate exposure controls are in place to protect employees, the supplier must discontinue use of the chemical while proper controls are implemented, and employees are trained on its use.
- Due to their strong impact on the ozone layer, Ozone Depleting Substances (ODS) must **not** be used in the manufacture of New Balance products at any time.

For more information and a full list of restricted substances, see the most recent New Balance Restricted Substance Manual:

http://www.newbalance.com/id/responsible-leadership.html

HS-CM-9 Asbestos Management

Suppliers must survey their buildings and materials to ensure that there is no asbestos in the building or in construction materials used.

All facilities must be free from asbestos. If asbestos is identified in the workplace, suppliers must:

- ✓ Develop an asbestos management plan to ensure that employees are not exposed to the health hazards caused by asbestos.
- ✓ Ensure that no construction or demolition work is performed which could release asbestos fibers near employee work areas.
- ✓ Notify all affected employees of all the associated health hazards.
- ✓ Regularly monitor the health of employees exposed to asbestos.

Asbestos in Buildings

Asbestos is a naturally occurring mineral, made up of long thin fibers which can be dangerous if inhaled as dust, and are known to contribute to increased risk of lung cancer. Asbestos has commonly been used in buildings for a variety of purposes, including insulation coating and fire proofing. Asbestos and materials containing asbestos may be found in some of the following:

- Thermal System Insulation:
  - o Insulated boilers
  - o Steam pipes
  - o Ducts
  - o Hot-water pipes
  - o Exhaust system

  - High-temperature gaskets and valve insulation

- Surfacing Materials:
  - Sprayed or troweled-on surfacing materials on ceilings, walls, and acoustic and decorative insulation
  - Textured paint and coatings
  - Plaster and stucco
  - Taping and joint compound
  - Fireproof drywall
  - Fireproof drapes and curtains

- Other Materials:
  - Roofing felts and shingles
  - Exterior siding shingles
  - Sprayed-on fireproofing on metal beams and columns
  - Resilient asphalt
  - Vinyl flooring, mastics, and seals

HS-CM-10 Remediate Violations

Suppliers must resolve chemical safety violations and eliminate hazards promptly.

Suppliers must be free from legal or regulatory violations as it pertains to the storage and handling of chemicals, for at least the prior 12 months. They must also make every effort to maintain their facilities free from chemical accidents (e.g., poisoning, fire, explosion, massive leaks and spills).

If any accidents or violations have occurred, the events must be well documented, and suppliers must be prepared to describe the occurrence and indicate whether the issue has been resolved or if there is a timeline for resolution.

References:

- Process safety management of highly hazardous chemicals, Occupational Health and Safety Standards, 29 CFR 1910.119
- Flammable liquids, Occupational Health and Safety Standards, 29 CFR 1910.106
- Use and Management of Containers, Environmental Protection Agency, 40 CFR 264.175(b)

CANTEEN AND DORMITORY (CD)

Suppliers providing or operating eating facilities and dormitories must ensure that these are kept in safe conditions.

Canteen and Dormitory Requirements (CD)

HS-CD-1 Canteen
HS-CD-2 Certified Food Handlers
HS-CD-3 Sanitary Food Preparation
HS-CD-4 Dormitory Requirements

HS-CD-1 Canteen

Suppliers must provide access to a canteen, cafeteria or eating area for employees.

Eating facilities must have a sufficient number of chairs and tables and be protected from the elements and have sufficient seating space for all employees.

HS-CD-2 Certified Food Handlers

All food handlers and canteen staff must be certified by the appropriate government authority.

Proof of canteen or food preparation certification must be displayed at the food preparation and eating facility.

HS-CD-3 Sanitary Food Preparation

Food preparation areas must be cleaned regularly and maintained in a sanitary condition.

Additional requirements for canteens and canteen staff:

- ✓ Clean and sanitize all food preparation and eating surfaces, equipment and utensils after each use.
- ✓ Cloths or cleaning materials used for cleaning food spills must not be used for any other purpose.
- ✓ Pets, animals or other livestock must be kept away from the food preparation space or eating areas.
- ✓ If perishable food items are stored on site, suppliers must have a mechanical refrigerator that can maintain temperatures under 5°C.

Personal Hygiene Practices

- ✓ Food handlers must wash their hands with soap and water before and after handling food, between each food preparation, and before using food-preparation equipment.
- ✓ Employees who are ill must report their illness to the manager and not work on food preparation until fully recovered and cleared by a medical provider. This includes employees suffering from skin disorders such as dermatitis, open wounds, rash, etc.
- ✓ Where required by law, food handlers must undergo medical check-ups.

Prevent Cross-Contamination of Foods

- ✓ Raw poultry, fish, and meats must be prepared in separate areas from vegetables, fruits, and cooked foods. If the kitchen area is limited, these foods must be prepared at different times during the day.

HS-CD-4 Dormitory Requirements

Suppliers providing dormitories or residential facilities to their employees must make sure that living facilities are healthy and safe spaces.

- ✓ Living units must be clean, safely structured, well-lit and well ventilated.
- ✓ Employees living in the dormitories must receive individual beds or cots and personal storage space.
- ✓ Employees must have unlimited access to their living space.
- ✓ All sleeping accommodations, restrooms and showers must be segregated by gender.

- ✓ Employees must be free to enter and leave the living facilities at any time.
- ✓ Toilets and shower facilities must be sanitary and maintained in good working order.

To ensure employees' safety, living units must meet these additional requirements:

- ✓ Housing buildings must be in compliance with all housing laws and building regulations.
- ✓ Housing buildings and dormitories must be free from asbestos and asbestos-containing building materials.
- ✓ Dormitories must have at least two unobstructed emergency exits per floor that lead to a safe location.
- ✓ Exits must be marked by illuminated signs that are backed up by battery.
- ✓ Exit doors must open in the direction of egress (outwards), be unlocked from the inside and must not require any special operation.
- ✓ Dormitories must be equipped with an adequate number of fire extinguishers and must have smoke detectors and an audible fire alarm that can be heard in all parts of the building.
- ✓ Fire drills must be conducted in the dormitories at least two times per year.

ENVIRONMENT (E)

This section of the New Balance Supplier Manual establishes basic expectations regarding supply chain environmental performance and is intended to facilitate transparency of supplier behavior and improve supplier performance.

LEGAL/PERMITS (LP)

Suppliers must operate in full compliance with the laws of their respective countries and with all other applicable international, national, and local laws, rules and regulations in managing its environmental impact. New Balance suppliers must meet or exceed regulatory requirements, track legislative changes and obtain and maintain all necessary permits and approvals.

Legal/Permit Requirements (LP)

LP-E-1 Legal Awareness
LP-E-2 All Permits Valid
LP-E-3 No Violations

E-LP-1 Legal Awareness

Suppliers must be aware and comply with the environmental laws and regulations that apply to their facilities.

Suppliers must establish procedures and internal tracking mechanisms to monitor their compliance with all applicable environmental legal requirements in their location.

The procedure for staying up to date on changing laws and regulations should be appropriate to suppliers' facilities and should identify the responsible staff and how they are to periodically collect, update and review current environmental legal requirements.

Suppliers can keep up to date on environmental requirements by:

a. Seeking expert advice from third parties and local government agencies;

b. Conducting regular web searches;

c. Subscribing to updates from official sources (e.g., legislative publications or legislation tracking services).

For example, the following is a list of laws and regulations related to Air Emissions in China:[1]

1. Law of People's Republic of China on Environmental Protection.
2. Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution.
3. Law of People's Republic of China on Environmental Impact Assessment.
4. Law of People's Republic of China on Cleaner Production Promotion.
5. The Regulations on Environmental Information Disclosure.

1.

E-LP-2 Permits

Suppliers must maintain valid environmental licenses and permits as required by law.

Different permits may be required for different operations, production processes, chemicals used or waste produced. For example, a dye house might require a wastewater discharge permit while a factory that operates a large-scale boiler or large electric power generator might need to have an air emissions permit.

Exact permit requirements may depend on the location, facility type and volume of production, among other things.

Table 9 – Example List of Permits

Common permitting documents that must be secured by supplier factories where applicable and as required by local laws:
1. Environmental Impact Assessment (EIA)
2. Environment Compliance Certificate
3. Permit to Operate a Business
4. Surface and Groundwater Extraction Licenses
5. Environment Permit to Operate Wastewater Treatment facilities
6. Wastewater Discharge Permit
7. Environment Permits for Air Emission Sources (e.g., Boilers, Power Generators, Dust Collector, On-site Incinerator)
8. Environment Permits for Transport and Disposal of Solid Waste
9. Environment Permits for Storage, Transport and Disposal of Hazardous Waste
10. Other environmental permits required by law

For example, Figure 20 helps to visualize some of the common permits that are required for a footwear factory in Indonesia:

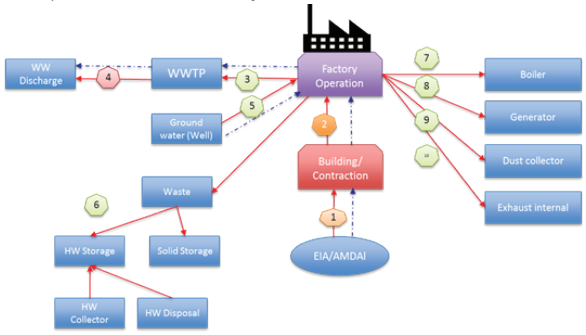

Figure 20 – Visual Map of Permit Management in Indonesia

Air Permits

Air permits are not always required. Depending on the types of industrial equipment and size of the boiler, a site may need to have a permit for its air emissions. If they have a permit, it might also require that the supplier test and/or monitor emissions. If this is the case, the supplier should record monitoring results on a regular basis.

All relevant facility permits and licenses that relate to air emissions must be up to date and available for New Balance representatives.

Note that Ozone Depleting Substances (ODS) are prohibited from use in the production of New Balance products according to the Restricted Substances List (RSL) – see the Health and Safety (HS) section of this Manual for more details. Looking more broadly at the building systems, such as heating, ventilation and air conditioning (HVAC) systems, a supplier site may have ODS-containing equipment that requires a permit, and the permit may require the factory to monitor the quantity of ODS used or to check for equipment leaks. If this is the case, it is good practice to record monitoring results.

Many ODS are now legally banned. To meet legal requirements, suppliers must ensure that no banned substances remain on-site and assess whether any substances still in use may be phased out in the future. Suppliers should consider tracking phase-out dates for each ODS, as these can change. The factory may need to create an ODS Replacement Plan that outlines a replacement plan for any equipment that produces or contains banned ODS.

Permit Changes/Updates

Suppliers must check whether changes in site operations or infrastructure affect any existing environmental permits or require new permits. Suppliers are encouraged to train and designate workers to monitor compliance with permit requirements.

E-LP-3 Violations

Suppliers must be free from any official notice or prosecution for non-compliance with applicable environmental legal requirements.

If any environmental violations have been identified, suppliers must provide the citation letter, reasons for non-compliance, and a remediation plan for correcting the violation, during the New Balance audit. See Figure 21, below for an example.

Factory site A received a "Violation letter from the Environmental Protection Department dated 4 April 2012" for alleged violation of "failing to secure a license for generating hazardous waste".

There was no fine resulting from this letter. We appealed to the Environmental Protection Department explaining that we had already secured the license as of 25 March 2012.

The charge was cleared in May 2012.

Figure 21 – Example of Violation and Resolution Details

Facilities located in China should search for their facility in the Institute for Public & Environmental Affairs (IPE) database and follow up as needed if there are any listed exposures.

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Suppliers must implement basic elements of an environmental management system (EMS) appropriate to the size and environmental impacts of their operations. An EMS enables a site to monitor and control the environmental impacts of its operations and provides the tools and procedures to improve environmental performance. The most critical components of an EMS are described below. While comprehensive management systems are not required, facilities are encouraged to pursue certification under an acceptable standard, such as ISO 14001 or Eco-Management and Audit Scheme (EMAS).

EMS Requirements (EMS)

E-EMS-1 Identify High Impacts
E-EMS-2 Environmental Staff Assigned
E-EMS-3 Training Program

E-EMS-1 Identify High Impacts

Suppliers must identify the environmental impacts of its operation.

Almost all facilities interact with the environment and can cause it to change. Suppliers must conduct an environmental impact assessment to identify its most significant environmental impacts.

Factories should be able to provide New Balance auditors with:

- A list of top environmental impacts.
- A short description of how each impact originates at the site.
- References to any relevant documentation, such as previous environmental audit reports or assessments which can establish the extent of the impact.

Examples of Impacts and Source Descriptions

- **Wastewater:** Activities on site generate industrial wastewater effluent from washing workshop and domestic wastewater from dormitories and workshop restrooms.
- **Air Pollution:** Exhaust from diesel powered generator and volatile organic compound (VOC) emissions from local exhaust vents and fugitive emissions through open windows and doors in production Buildings A and B.

Figure 22 – Examples of Environmental Impacts and Brief Source Descriptions

Other documentation to support this requirement should include the following:

- Environmental Impact Analysis (EIA).
- Local government environmental report.
- Environmental management team organizational chart and job descriptions.
- Permits for operations, air emissions, wastewater discharge, waste disposal, etc.
- Corrective Action Plans (CAP) from prior non-compliance assessments.

and management) on environmental management matters that are relevant to their roles and responsibilities, on an annual basis.

For example, an employee who works in the chemical mixing room should have training on air emissions, hazardous waste procedures, and wastewater/chemical disposal. An employee that operates a sole press should receive training on energy efficiency and solid waste recycling.

Training may cover a broad range of approaches and tools such as:

- Traditional instructor-led courses
- Computer-based training
- Presentations
- Simulations
- Exercises
- Videos
- Formal on-the-job coaching
- Events/seminars/workshops.
- Environmental training topics may include:
- Waste management – segregation, storage, recycling, disposal.
- Hazardous waste – handling, storage, disposal, access, spills, containment.
- Air quality – personal protective equipment (ppe), local exhaust, vocs.
- Energy – start-up/shut-down, air leaks.

Orientation Training

Suppliers should integrate **broad training on environmental sustainability issues into orientation training for all new employees**, focusing on how each employee's activities influence the environmental performance of the site.

Where a facility's overall operation has few environmental impacts, environmental training may be more limited. However, even in such cases, employees should still be trained, for example, in proper waste

E-EMS-2 Environmental Staff Assigned

Suppliers must designate a qualified staff member responsible for overseeing the site's efforts to improve environmental performance.

At large facilities, with 200 or more employees, suppliers must assign dedicated executive leadership responsible for its environmental initiatives, and dedicated staff below the executive level with proper authority to manage and implement its environmental initiatives.

Smaller operations can have a partial assignment, such as an Environment, Health and Safety (EHS) Manager that oversees environmental projects among other responsibilities.

In either case, the individual(s) nominated as being responsible for environmental management activities should be selected based on previous experience, technical knowledge and/or environmental awareness.

Suppliers must provide the name(s), title(s), role(s), and contact information for all staff members responsible for environmental management at each facility. **(Any area identified as a significant environmental impact in the previous requirement should be covered in the job responsibilities.)**

Example:

Mr. Steve Chan

Environmental Manager

Responsible for overseeing energy, wastewater, and air emissions management

Email: steve.chan@factoryx.com

Phone: 111-111-1111

E-EMS-3 Environmental Training Program

All staff must be trained on relevant environmental matters.

Suppliers must train all staff (including temporary workers, employees, contractors, emergency response team

disposal, or recycling and energy efficient behavior, such as turning off their equipment during breaks or at end of a shift.

Suppliers must also keep records of all environmental trainings, including:

- Course names.
- Description of the topics covered.
- List of attendees.
- Photos of training.

ENERGY (EN)

Improving energy efficiency requires effective energy management practices and processes to guide the overall energy program. Any organization, regardless of size, function, or mission should develop an effective energy program.

Energy Requirements (EN)

E-EN-1 Identify All Energy Sources
E-EN-2 Track Energy Consumption
E-EN-3 Significant Energy End-Users

E-EN-1 Identify All Energy Sources

Suppliers must identify all energy sources used at their manufacturing facility.

Suppliers must identify all energy sources being used at their facility. Patterns of energy use and carbon emissions vary depending upon the mix of processes and energy carriers. Most facilities purchase electricity from the grid. However, suppliers that generate their own electricity should identify the type of the fuel used in the generator (gas, oil, etc.).

If suppliers utilize any thermal processes or operate a boiler to generate steam, they should also identify the type of fuel used in the boiler (oil, natural gas, waste, biomass, coal, etc.).

E-EN-2 Track Energy Consumption

Suppliers must track and measure monthly energy use from all sources, whether purchased (indirect) or generated on the facility (direct).

Energy costs often represent factories' most significant expense after labor and raw materials, making energy efficiency an important aspect of manufacturing and a source of potential cost savings.

Energy efficiency represents a significant opportunity for responsible manufacturers to improve competitiveness, while also reducing greenhouse gas emissions. Figure 23 below summarizes some typical energy consumption statistics and potential savings.

Facility type	Large garment facility	Medium size cut and sew facility	Small midsized footwear
Energy Consumption (Electricity)	USD 3 million per year	USD 1.5 million per year	USD 700,000 per year
Savings potential	USD 458,000 per year, payback 1.3 years	USD 125,000 per year, payback 1.8 years	USD 175,000 per year, payback 0.7 years
Reduction potential	15%	10%	25%
Areas of opportunity	Compressed air pressure management, insulation, boiler automatic control optimization	Motor upgrade, insulation, compressed air pressure management, lighting	Hydraulic press optimization, lighting, condensate recovery, insulation

Figure 23 – Typical Energy Savings Summary

(Source: Puma SAVE FAA, RESET Carbon 2013)

Regular and accurate energy performance data is necessary for effective energy management. Suppliers must understand and track current and past energy use to identify opportunities to improve energy performance and gain environmental and financial benefits. Suppliers must collect and track energy consumption data to establish a baseline and better manage their energy use.

The benefits of accurate data include:

- Ensuring that systems and processes are performing according to expectations.
- Benchmarking energy efficiency over time or comparing between similar processes or workshops.
- Understanding which systems and processes consume the most energy (see E-EN-3 below).
- Directing energy management efforts to prioritize the largest savings.
- Measuring the savings achieved by a new energy efficiency program or installation of a new technology.
- Assessing whether energy performance policies and targets are being achieved.

Suppliers should consider the following when collecting energy use data:

- **Account for all energy sources:** Inventory all energy purchased and generated on-site (e.g., electricity, gas, steam, waste fuels) in physical units (e.g., kBtu, kWh, TOE, MMBtu) and on a cost basis. (See E-EN-1 above)
- **Document all energy used:** Collect energy bills, meter readings, and other usage data for the sources identified.
- **Determine appropriate level of detail:** The level and scope of data collection will vary from factory to factory. Some suppliers may choose to collect data from sub-meters on individual processes while others may only look at the utility bills for site-wide information.

Suppliers are encouraged to keep data charts of monthly energy use, but must at least keep monthly consumption values in a summary table that allows tracking and historical comparisons. A file folder of energy bills that is not summarized or categorized does not satisfy this requirement for actively tracking energy consumption.

Suppliers that submit complete and accurate Environmental Impact Data (EID) to New Balance's monthly EID system meet this requirement.

E-EN-3 Significant Energy End-Users

Suppliers must monitor operations and machinery that consume significant energy.

Suppliers should understand what influences their energy use the most (e.g., number of workers, product style being produced, weather, or specific pieces of equipment) and identify their highest energy use machines or processes.

In order to set targets, suppliers should understand how energy is being used beyond basic recording of how much energy is used. As an example of why this is important, if an inefficient boiler is the main driver of energy use, installing a more efficient oven would not be the most effective way to reduce energy consumption.

WATER USE (WU)

As the availability of clean freshwater is steadily decreasing and the world's population continues to rise, preserving water is very important. Manufacturing processes that are water intensive may put additional pressure on water sources and contribute to their depletion. Given the effects of water scarcity on the economy and environmental sustainability[1], suppliers must track and manage their water use to prevent waste.

Water Use Requirements (WU)

E-WU-1 Identify Water Sources

E-WU-2 Track Water Use

E-WU-1 Identify Water Sources

Suppliers must identify all water sources used at their facilities, including freshwater and recycled water.

Patterns of water use vary between different facility types, depending upon the mix of processes, the presence of domestic facilities or dormitories, and available water supply.

Freshwater is defined as water provided through a municipal pipeline, water delivered by tanker truck, bottled water, collected rainwater, groundwater from wells, or surface water from wetlands, rivers, lakes, or oceans.

Recycled water includes both recycled industrial wastewater and recycled "grey water" from hand basins, showers, and baths, etc.

E-WU-2 Water Tracking

Suppliers must measure monthly water usage at their facilities, from all sources.

Effective water management requires regular and accurate water consumption data. Water-use data facilitates the ability to perform a water balance, set freshwater-based key performance indicators (KPIs) and identify water leaks. By tracking their water use, suppliers can also determine their freshwater footprint, or the total volume of freshwater used to produce goods and services within a set time period (including water used in canteens, dormitories, landscape irrigation, vehicle washing, etc.).

Suppliers should strive to minimize their freshwater footprint by: fixing leaks, improving manufacturing process efficiency, upgrading technology, and reuse and recycling water.

Suppliers that submit complete and accurate Environmental Impact Data (EID) to New Balance's EID system meet this requirement for tracking water use.

1. According to the Organization for Economic Co-operation and Development (OECD)'s Environmental Outlook 2030, 47 percent of the world's population will live in high water stress areas by 2030 at current consumption rates.

WASTEWATER (WW)

Manufacturing operations generate different types of wastewater, including industrial process wastewater and sanitary/domestic wastewater. Wastewater can be a significant cause of pollution if not handled, stored, transferred, and and/or discharged properly. Suppliers must prevent pollution and reduce environmental, health and safety impacts from wastewater discharge by properly managing all wastewater streams.

Water Requirements (WW)

E-WW-1 Identify Water Sources
E-WW-1 Know Discharge Locations and Amounts
E-WW-2 Wastewater Treatment and Testing
E-WW-3 Off-site Third-Party Treatment

E-WW-1 Track Wastewater Discharge

Suppliers must track the amount of wastewater leaving their facilities and where it is ultimately discharged.

Where wastewater is discharged directly from the site to the surrounding environment, suppliers should be able to identify all discharge routes, the integrity of internal drainage systems, and the location of all discharge points.

Where wastewater is treated off-site, suppliers should inquire with the off-site facility to understand the ultimate discharge location after the treatment facility.

Suppliers operating larger facilities, with an average daily wastewater volume above 35 m3/day; should have a diagram of water drainage system and discharge points.

Suppliers that submit complete and accurate Environmental Impact Data (EID) to New Balance's EID system meet this requirement for tracking wastewater.

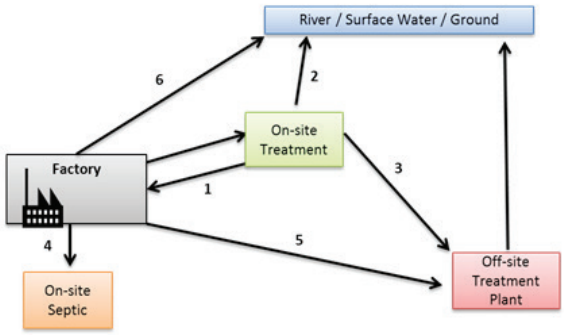

Figure 24 - Six Common Wastewater Pathways

Wastewater Streams	Example Sources
Industrial Process Wastewater	• Wastewater from dyeing, laundering, laminating, cooling, cleaning, printing, etc. • Utility operations, blow-down from compressors and boilers • Runoff from process and materials staging areas • Miscellaneous laboratories, equipment maintenance shops, etc.
Sanitary/Domestic Wastewater	• Domestic sewage (from toilets, sinks, etc.) • Food service/canteens • Laundry facilities serving site employees

E-WW-2 Wastewater Treatment and Testing

Suppliers must test wastewater quality every six months to ensure ongoing compliance with effluent limits.

Wastewater discharge from a factory can be treated on-site or sent to a well-operated, off-site central treatment facility operated by the local government, industrial zone, or other service provider. In either case, discharge must not exceed contaminant concentrations allowed by local ambient water quality criteria **and** wastewater treatment processes must comply with any wastewater permits or licenses issued to the facility.

Untreated wastewater discharges to the environment are prohibited. Suppliers must not install wastewater piping to bypass wastewater treatment equipment, where doing so would negatively impact the health of the local community or the environment generally.

Suppliers should refer to local regulations for parameters and required testing limits. Wastewater pollutants can include acids or bases, soluble organic chemicals, suspended solids, excess nutrients, heavy metals, toxic organic chemicals, oily materials, volatile materials, and thermal pollution from elevated temperature.

Table 10 – Recommended Wastewater Parameters

New Balance strongly recommends that wastewater analysis include the following parameters and metals:	
• pH • Temperature • BOD • COD • TSS • Nitrogen (N) • Phosphorous (P) • Color • AOX • Foam • Oil and Grease • Phenol • Fecal coliform (domestic sewage)	Metals • Mercury • Cadmium • Lead • Arsenic • Copper • Nickel • Chromium VI and III • Zinc • Cyanide • Cobalt • Manganese • Antimony

In terms of color standard, New Balance expects transparent or colorless discharge.

Foam should not persist at discharge points, and there should be no floating solids. In the absence of local criteria, refer to other international water quality criteria, such as:

ZDHC 2016 Wastewater Guidelines Draft V.3: http://www.roadmaptozero.com/fileadmin/content_2016/ZDHC_Wastewater_Guidelines_Print.pdf

Testing

Suppliers must test wastewater regularly to ensure compliance with local requirements.

- Suppliers must conduct third-party or government laboratory analysis of wastewater to demonstrate that it complies with applicable wastewater quality limits.
- Suppliers must sample the wastewater at least twice per year, or more frequently if required by local agencies.
- Testing of wastewater and effluent discharges must be performed by capable and properly certified laboratories using US Standards, ISO, European and National Standards, or WHO Water Quality Assessment.
- Suppliers should arrange for a neutral party (a qualified independent contractor, not a factory manager or worker) to collect industrial wastewater samples. However, supplier personnel may collect samples for in-house analysis of pH and temperature. If supplier's personnel must collect other wastewater samples because a neutral party is not available, the supplier must ensure that these employees are trained and follow proper procedures for conducting wastewater sampling.
- The analytical laboratory will provide a report of wastewater test results. Reports must include test methods, detection limits, and other information that is standard on laboratory reports, and must include the laboratory's contact information and certifications.[1] Suppli-

1. In Indonesia, for example, qualified laboratories should have

ers must keep on file testing results and other operational information on-site for five years; and suppliers should be prepared to provide original copies of the laboratory's analysis to New Balance upon request, along with a copy of the chain-of-custody documents.

Note that test results for indirect discharge (e.g., from a centralized WWTP) are not always available. Traditional parameter testing and reporting is only required for the wastewater at the final monitoring point at the facility where an on-site treatment plant is in place. See below for more information for indirect discharge.

Wastewater Inspection Logs: For sites with on-site treatment plants, New Balance requires that the plant and equipment be inspected monthly and fully serviced once per year. Suppliers should keep the following documents readily available to facilitate maintenance work:

- A list of pre-arranged outside service or repair contacts.
- A list of the equipment requiring maintenance.
- A schedule for lubrication and other preventive maintenance tasks.
- Records of past corrective work, problems and services for the equipment.
- Spare parts inventory.
- A reference list of equipment handbooks.
- Emergency equipment inventory.

Wastewater Management System Inspection & Maintenance Log

Facility Name & Address: .....

Equipment/ Operation	Inspecation/Maintenance Performed By: [Name]	Maintenance Task [Describe]	Date	Visual Inspecation [Date]	Issuer/ Problem [Descripe]	Corrective Action	Responsibility [Name]	Completion Date
Aerator								
Screens								
Sedimentation Tank								
Chemical Dosage								
pH Adjuster								
Pumps								
Valves								
Pipes								
Other								
Other								

Figure 25 – Sample Wastewater Inspection and Maintenance Log

KAN certification by the government.

Septic System Details

Septic systems are commonly used for treatment and disposal of domestic sanitary sewage in areas with no sewage collection networks. Septic systems should only be used for treatment of sanitary sewage and are considered unsuitable for industrial wastewater treatment. **Suppliers are prohibited from disposing of industrial wastewater through septic systems.**

If septic systems are used for the disposal of domestic/sanitary sewage:

a. Suppliers must ensure that the septic systems are properly designed and installed, are well maintained, and are installed in areas with sufficient soil percolation and stability.

b. Design documentation, calculations, plans, and drawings should be maintained at the supplier site.

c. If operational load conditions change (e.g., growth in workforce), an evaluation must be done to confirm continued compliance.

d. Tanks must be watertight to prevent groundwater infiltration.

e. If domestic wastewater contains oil and grease (e.g., from a canteen/kitchen), septic tanks must have oil/grease removal pre-treatment systems prior to wastewater entering the tank. The oil/grease separator must be properly sized, installed, and maintained. Cleaning should be done at least every six months, or as recommended by the manufacturer.

Documentation

- Suppliers must provide New Balance auditors with the following documentation to establish compliance with wastewater treatment and testing requirements:
- Valid wastewater discharge permit.
- Environmental Impact Assessment (EIA).
- Wastewater quality test results.
- Septic tank design documentation and inspection records, if applicable.

Wastewater Inspection and Maintenance Logs, if applicable.

Treatment and testing requirements may not apply to smaller facilities or to facilities with low water use (below 35 m3/day).

- A large water user is subject to all requirements and defined by any or all of the following criteria:
- Average daily water use or wastewater volume above 35 m3/day;
- Located in a water-stressed area;
- Unknown water use or wastewater volumes; or
- Facilities used by more than 200 people/day.

E-WW-3 Off-site Third-Party Treatment

Suppliers must only discharge wastewater to legitimate treatment facilities and comply with the pre-treatment and monitoring requirements of the sewer treatment system.

To ensure full transparency in case of indirect discharge, New Balance strongly encourages suppliers to share the name and location of the receiving centralized wastewater treatment plant as well as any agreements made between the Supplier and the receiving centralized wastewater treatment plant regarding conventional wastewater parameters.

Publicly Owned Treatment Works (POTW) Request

Suppliers discharging wastewater to a publicly owned treatment works facility (POTW) should request documentation of the POTW's compliance with local, state, provincial or federal discharge. Suppliers may use the sample letter and form included in **FORM – B**.

Suppliers should maintain copies of communication with treatment facilities.

WASTE MANAGEMENT (WM)

This section outlines the requirements for safely handling, storing, transporting, and disposing waste.

Waste Management Requirements (WM)

E-WM-1 Proper Disposal
E-WM-2 Waste Lists
E-WM-3 Waste Segregation
E-WM-4 Waste Storage
E-WM-5 Emergency Spill Response
E-WM-6 Training

E-WM-1 Proper Disposal

Suppliers must manage and discharge all waste in a responsible manner and according to all applicable legal requirements.

Suppliers must not illegally or negligently treat or dispose of their waste.

Suppliers are prohibited from dumping waste into illegal landfills and rivers or burning waste illegally, whether on factory premises or elsewhere.

Suppliers are responsible for ensuring safe and environmentally sound waste management behavior that is consistent with the protection of human health and the environment.

All waste disposal efforts must meet applicable legal requirements, including the use of officially authorized waste and recycling contractors.[1] Suppliers must contract approved and/or licensed waste vendors if available in their area (this includes chemical vendor take-back programs for empty containers).

Where viable waste disposal vendors or programs are not available, the supplier must:

- Demonstrate that those services are not available, and that the supplier made efforts to find an authorized vendor, and
- Create an action plan to further investigate options and find acceptable solutions.

Figure 26 – Example of Uncontrolled Off-site Waste Incineration

1. Issues with permits and other paperwork can be assessed under the Permits section, E-LP-2.

Hazardous Waste Considerations

Suppliers must adhere to international and national laws related to classification, storage, handling, transport and final disposal of hazardous waste. Details for waste storage and handling are covered under sections E-WM-4 and E-WM-5 in this Manual.

- Suppliers must not comingle or mix hazardous and non-hazardous waste streams. Any comingled waste that includes hazardous waste must be entirely treated and disposed of as hazardous.
- Hazardous waste must never be disposed of in a non-hazardous waste landfill, solid waste landfill, or local "dump."
- Liquid hazardous waste must be treated, recycled, or incinerated, not landfilled.
- Empty chemical containers must not be given or sold to the public or to employees for personal use.

Suppliers must establish clear procedures for managing empty hazardous material containers to prevent them from being misused or used for personal purposes. If feasible, suppliers must return empty chemical containers to the original vendor. However, if vendor take-back is unavailable, suppliers must:

- Triple-rinse containers that previously held non-hazardous substances (e.g., water-based detergents, water-based inks), before recycling.
- Poke holes in dry, empty plastic containers that previously held chemical solvents of flammable materials, so they may never be re-used.
- Dispose containers with residual chemicals as hazardous waste.

Figure 27 – Example of Co-mingled Waste

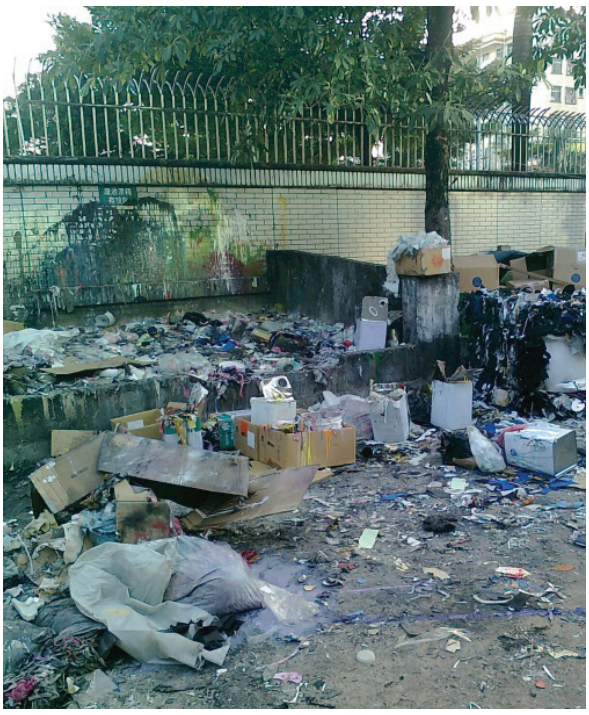

Figure 28 – Example of Co-mingled Waste

Figure 29 – Best Practice Hazardous Waste Storage Segregation

Suppliers must only contract lawful waste disposal and recycling sites that:

- Have the necessary operating permits.
- Comply with permit conditions and keep records on file.
- Are secure from public access (fenced, gated).
- Manage waste responsibly.
- Have financial ability to pay for spill clean-up or closing of site.

E-WM-2 Waste Lists

Suppliers must identify and list the different waste types generated at their facilities, including hazardous and non-hazardous waste.

To effectively manage solid waste, suppliers must keep an updated list of all waste streams generated at their facilities, including waste type, quantities, characteristics, and acceptable disposal method.

Types of Waste

Solid waste (non-hazardous) generally includes garbage and refuse. Examples of such waste include domestic trash and garbage; inert construction/demolition materials; refuse, such as metal scrap and empty containers (except those previously used to contain hazardous materials which should be managed as a hazardous waste); and residual waste from industrial operations, such as boiler slag, clinker, and fly ash.

Hazardous waste is waste that has physical, chemical, or biological characteristics that may pose a risk to human health or the environment if improperly managed: corrosive, ignitable, lethal, reactive, oxidizing or toxic materials. Local regulations may classify other waste as "hazardous", so suppliers should also refer to their national hazardous waste directory or catalogue for further details when classifying waste.

Examples of Hazardous Waste
•Waste chemicals, such as solvent-based paints, primers, cements
•Chemical-contaminated rags and brushes
•Used oil and oil filters
•Used batteries
•Fluorescent lamps
•Electronic equipment
•PCB lighting ballasts
•Medical waste
•Empty chemical containers
•Sludge

In addition, **Sludge** and other discarded materials resulting from industrial operations (e.g., sludge from waste treatment plants, water treatment plants, air pollution control facilities) should be evaluated on a case-by-case basis to establish whether it constitutes hazardous waste.

E-WM-3 Waste Segregation

Suppliers must segregate hazardous and non-hazardous waste streams.

Hazardous waste must always be segregated from non-hazardous waste. See E-WM-2 above for further guidance in identifying hazardous and non-hazardous waste.

E-WM-4 Waste Storage

Suppliers must provide separate and dedicated hazardous and non-hazardous waste storage facilities, protected from weather and fire risk and with a proper containment area for the stored waste types.

Waste discharge points designating hazardous and non-hazardous waste must be marked with signage according to legal requirements and in the language of factory staff and workers.

All waste storage containers must be appropriate for the waste being stored in them (e.g., acids must not be kept in metal drums as they will corrode the metal); and

containers should be clearly marked with their contents.

Hazardous Waste Storage Requirements

Signage:

- "NO SMOKING" signs must be prominently posted throughout the area.
- List of hazardous waste types identifying all wastes and where they are to be stored.
- Post emergency contact numbers near a telephone (see E-WM-6 below), including clean-up contractors (if applicable) and local authorities who respond to fires and chemical spills.

Protection:

- Protect hazardous waste from the elements (e.g., rain, snow, direct sunlight).
- Store in a manner that prevents comingling or contact between incompatible wastes and allows for inspection between containers to monitor leaks or spills.
- Incompatible wastes must be kept apart by at least a 10-foot distance, or by using a dike, berm, or wall.
- Working fire extinguisher and sufficient spill absorbent materials must be kept within 50 feet of any hazardous waste storage area or in accordance with national laws/regulations, whichever is stricter.
- Ensure sufficient explosive prevention.
- Functioning exhaust system with filters as needed.

Containers:

- Use containers that do not leak and are chemically compatible with the waste collected.
- The container itself must be in good condition and closed when not actively being used.
- If waste is highly flammable, it must be grounded.
- Each container should have a properly filled out HW label.
- Containers holding liquids should be placed on a surface impermeable to that particular waste.
- Provide enough aisle space for easy access and visible inspections.

Secondary containment:

- Must be provided wherever liquid waste is stored in volumes greater than 220 liters.
- Constructed with materials appropriate for the waste being contained.
- Secondary containment devices must have a capacity of at least 10 percent of the total volume of liquid stored.

Access and Inspections:

- Ensure authorized HW storage times and volumes are not exceeded.
- Access should be limited to those responsible for transporting and managing HW.
- Inspect the storage area(s) and containers on a weekly basis using the HW Weekly Inspection Checklist. These checklists must be kept for a period of three years.

Monitoring Waste Storage:

Suppliers must regularly monitor waste storage facilities for compliance with these standards, including:

- Periodic self-assessments of waste segregation and collection practices.
- Weekly or bi-weekly visual inspections of all waste storage collection and storage areas for evidence of accidental releases and to verify that waste are properly labeled and stored. See FORM – C – SOLID WASTE MANAGEMENT and FORM – D – HAZARDOUS WASTE MANAGEMENT for sample inspection waste storage inspection checklists.
- Inspection of vessels for leaks, drips or other indications of loss.
- Identification of cracks, corrosion, or damage to tanks, protective equipment, or floors.

- Verification of locks, emergency valves, and other safety devices for easy operation (lubricating if required and employing the practice of keeping locks and safety equipment in standby position when the area is not occupied).
- Checking the operability of emergency systems.
- Documenting results of testing for integrity, emissions, or monitoring stations (air, soil vapor, or groundwater).
- Documenting any changes to the storage facility, and any significant changes in the quantity of materials in storage.

E-WM-5 Emergency Spill Response

Spill response materials and equipment must be available in close proximity to containers of liquid wastes.

Suppliers must develop an emergency plan that includes procedures for responding to a spill or other event that releases hazardous waste from its container. See **FORM – E – WASTE MANAGEMENT EMERGENCY PROCEDURES** for sample emergency procedure.

Supplier must train staff to contain and clean up smaller spills (e.g., one gallon or less) and to contain larger spills until the spill response contractor arrives on-site.

E-WM-6 Training

Suppliers must train all workers involved in waste management and related processes.

Employees who ship or receive hazardous waste or hazardous materials must be trained at least annually on the hazards associated with these materials and the facility's spill response procedures. Employees who are responsible for cleaning or "containing" spills (e.g., placing absorbent materials around the spill to prevent it from flowing off the property or into nearby drains) must be trained on spill clean-up procedures, including how to protect themselves.

Waste management training topics should include:

- How to avoid personal injury when handling chemicals and waste
- Waste container labeling
- Proper storage and handling procedures to prevent spills and releases
- Approved disposal methods for each waste type
- Waste loading procedures (if done by factory staff)
- How to complete a hazardous waste manifest or other shipping document
- Weekly hazardous waste inspection area procedure
- Spill response and clean-up

Written training records should be maintained showing that all staff responsible for shipping and receiving hazardous waste:

- Have been trained annually.
- Understand the hazards associated with the materials they handle.
- Are knowledgeable about legal and regulatory requirements that apply to shipping and receiving hazardous materials.
- Understand company procedures for safely receiving hazardous materials into the factory and safely shipping hazardous waste away from the factory.

AIR EMISSIONS (AIR)

Emissions to air from a manufacturing site can contain pollutants which can damage the environment and impair human health. Some of these pollutants can lead to an increase in ozone in the lower levels of the atmosphere, which can lead to poor air quality and smog. Suppliers emitting air pollutants must show an awareness of their emissions and take measures to control them.

Air Emissions Requirements (AIR)

E-AIR-1 Air Emissions Inventory

E-AIR-2 Pollution Controls/Treatment

E-AIR-1 Air Emissions Inventory

Suppliers must identify all point source emissions and potential fugitive source emissions, including equipment that has the potential to contain Ozone Depleting Substances (ODS).

When preparing an inventory of emissions to air, suppliers must include emissions from all processes, ancillary activities and equipment, during routine and non-routine operations. This inventory must be reviewed regularly and kept current.

Significant air emissions should also be listed in the Environmental Impact Assessment (EIA).

The following information should be included in the inventory for each emission source:

- Pollutant;
- Quantity emitted (if known or estimated);
- Location of the stack, vent, etc., or indicate that it is fugitive emissions;
- Any control devices (i.e., abatement equipment) installed;
- Person responsible for maintaining the control equipment;
- Frequency of monitoring the emission; and
- Whether the particular emission is legally regulated.

For air emissions that might prove dangerous for the personnel at the site, the supplier should keep information easily accessible on how to deal with them and their effects in any emergency situations.

Table 11 – Common Air Emissions

The following is a list of common air emissions:
· Volatile Organic Compounds (VOCs) · Aerosol mist · Corrosive vapors · Dust/particulates (PM 0.5, PM 2.5, and PM 10) · Combustion by-products · Various Oxides of Nitrogen (NOx) · Various Oxides of Sulphur (SOx) · Other chemical compounds · Biological content (e.g., Legionella bacteria) · Water vapor / steam · Ozone Depleting Substances (ODS)

Emission Point and Reference Number	Pollutant/ Emission Type / Parameter	Source / Equipment	Emission Limit (and units)	Monitoring Frequency
Examples only				
Stack #1	*Particulates*	*Boiler*	*10mg/Nm^3*	*Annual*
Process Vent #A22	*Sulphur dioxide*	*Process Vessel 22*	*25,000mg/Nm^3*	*Hourly mean*

ODS-containing Equipment	Location	Ozone-Depleting Substance in Unit	Quantity of ODS in equipment	Phase-out dates for use of ODS?	Servicing / maintenance frequency of Equipment
Example only					
Air Conditioning Unit, Serial Number xxxx	*Main office building*	*R22*	*4.5kg*	*31/12/2014*	*Annual*

Figure 30 – Sample Air Emissions Source Inventory, including ODS (Source: GSCP p.31)

E-AIR-2 Pollution Control/Treatment

Suppliers must use appropriate air pollution control devices and treat emissions prior to discharge.

While some suppliers may not have any air emissions that require permits or treatment, where necessary, suppliers must control and/or treat their emissions.

Emission Limits

Suppliers with significant sources of air emissions and potential for significant impacts to ambient air quality must ensure that pollutants do not exceed relevant air quality guidelines. Where no regulatory limits are available, suppliers should refer to the **IFC Environmental Guidelines** and/or the WHO Air Quality Guideline Global Update, which can be found at:

- http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/ehsguidelines
- www.who.int/en

Point Source Stack Height

Suppliers must never discharge contaminated air close to (or at the same level as) a heating, ventilation, or air conditioning vent or an open area where exhausted fumes might be drawn back into the building through a make-up air unit, by fans, etc.

Where available, suppliers should refer to local regulations regarding chimney/stack height design and height. A general rule of thumb is that stack height should be **at least 10 feet above the roofline**.

Designing an appropriate stack is complex, and suppliers must consult with a qualified engineer to comply with local requirements.

Fugitive Emission Controls

Suppliers with significant fugitive sources of emissions should establish periodic ambient quality assessments and monitoring. Controls should be implemented as needed.

Fugitive source air emissions originate from operations where exhausts are not captured, and instead are distributed over a wide area and not confined to a specific discharge point. Fugitive emissions have the potential for much greater ground-level impacts, since they are discharged and dispersed close to the ground.

The two main types of fugitive emissions are:

1. **Volatile Organic Compounds (VOCs); and**
2. **Particulate Matter (PM).**

For VOC emissions associated with handling of chemicals in open containers and mixing processes, the recommended prevention and control techniques include:

a. Substitution of less volatile substances, such as water-based solvents, wherever possible.

b. Collection of vapors through air extractors and subsequent treatment of gas stream by removing VOCs with control devices such as condensers or activated carbon absorption (filters).

c. Collection of vapors through air extractors and subsequent treatment with destructive control devices such as: catalytic incinerators, thermal incinerators, or enclosed oxidizing flares.

Note: Local extraction of vapors where solvent-based chemicals are or are likely to be used is a New Balance Health and Safety requirement – **see HS-WC-4 above.**

Device Maintenance

Suppliers must periodically check the quality of discharged air to ensure all air pollution management equipment is working properly and keep testing and maintenance logs for a minimum of two years.

Filters, for example, must be replaced according to manufacturer guidelines. Filter replacements must be documented to show that they actually take place. Suppliers should keep maintenance records and maintain purchase records to confirm new filters are being purchased.

Point Source Emissions Control

See **Appendix D –** for detailed guidelines on how to prevent or control air pollution from point sources.

APPENDIX – A

INDUSTRIAL RELATIONS GUIDELINES

I. Worker-Management Committees

Worker-management committees are a mechanism that allows workers' representatives and members of management to work together to discuss and resolve workplace issues at the factory. Committees can be a strong communication channel between workers and management and can serve as a vehicle for investigating worker grievances or as a forum to discuss operational problems and business changes. Committees also provide workers with an avenue to express complaints or provide input on workplace or operational problems[1].

Effective worker-management committees should meet four criteria[2]:

1. Worker members should be elected through a participatory and secret ballot election process without management interference.
2. Committee members should fully represent workers and consult workers before committee meetings and report back to them on the outcome of meetings.
3. Members should be carefully protected from potential management retaliation.
4. Members should be empowered to raise and adequately address serious compliance issues and workplace concerns.

These four factors – elect, represent, protect, and empower –are inter-related and fundamental to any system of employee participation.

General Guidelines for Establishing Effective Worker-Management Committees[3]

Setting Up Worker-Management Committees:

- Committees should be formed of an equal number of workers and management representatives.
- The management side must include a senior manager who will be able to ensure that decisions are implemented.
- The committee should include members from each major department at the facility and should be representative of the worker demographics.
- Where there is a union present in a factory, the committee should include a representative from the union, or a representative from each union, if multiple unions exist.
- Committee members should agree on the scope and function of the committee, including the purpose of the committee; its structure; operating guidelines; procedure for selecting members; procedures for timing, size and exchange of agendas; time, place duration and frequency of meetings.
- Committee administrative positions, such as the committee chair, should be rotated between management and worker representatives.

1. Federal Mediation & Conciliation Service, Labor-Management Committees (March 2009) (https://www.fmcs.gov/wp-content/uploads/2015/07/FMCS_LMC_Planning_for_Progess.pdf)
2. ILO BetterWork Guidelines for Performance Improvement Consultative Committees (PICCs) (https://betterwork.org/blog/portfolio/12829/)
3. Federal Mediation & Conciliation Service, Labor-Management Committees (March 2009) (https://www.fmcs.gov/wp-content/uploads/2015/07/FMCS_LMC_Planning_for_Progess.pdf)

Meeting Planning

- Committees should schedule meetings quarterly, or monthly, depending on the need at the facility.
- Meetings should be held during regular work hours to ensure all members are able to attend without having to stay beyond their regular work schedule.
- Committee members should draft and share a meeting agenda at least 48 hours in advance, allowing all members to prepare for the meeting.
- The agenda should list the issues to be discussed during the meeting and include a brief description of each item.
- Examples of issues that may be addressed in committee meetings include:
  - Workplace safety
  - Work hours and planned overtime or schedule changes
  - Employee wages and benefits
  - Updated company policies
  - Planned employee trainings
  - Company events or special activities
  - Worker suggestions and concerns
- Meetings should be held as scheduled and canceled only in the event of an emergency.

Holding Meetings

- The committee chairperson should open and manage meetings, ensuring that members follow the committee guidelines.
- Committee members should arrive on time and meetings should begin promptly.
- Each issue in the agenda should be addressed and each side should have an opportunity to share their views on the issues raised.
- Committee members should maintain focus on the issues listed in the agenda and not individual personalities or personal problems.
- Meetings should be action-oriented and focus on solutions to the issues raised.
- The committee secretary should maintain accurate minutes on the subjects discussed, and track which issues discussed have been resolved and which issues remain open.

After the Meetings

- Factory management should communicate the results of committee meetings to all employees at the workplace. These may be communicated during regular employee meetings, or by posting meeting minutes where workers may read them, showing which issues were discussed, which remain open and which have been resolved.
- Sharing information on the committee's operations and activities will encourage workers to contribute to future committee discussions with suggestions or concerns and will make the committee more effective.

II. Strike Management

A labor strike is a collective action by workers to stop or slow work in order to protest about some aspect of the workplace terms and conditions, including a previous agreement or proposed agreement between employees and management, or to make demands of management. Such action would include an organized strike by a trade union or group of worker representatives, or spontaneous action triggered by workers on a particular line or in a specific department, a short work stoppage, or a mass demonstration by workers at a designated time and location. Strikes may be considered legal or illegal depending on the local laws governing freedom of association, formation of unions and collective action by workers.

Lawful Strike: a strike is lawful if it is in compliance with the international and local laws on the right to strike. In many countries, strikes are considered legal when they are used by workers during collective bargaining negotiations, or when management violates one or more of the clauses signed in the collective bargaining agreement. Some jurisdictions require that workers register their intention to strike beforehand while in other locations workers may exercise the right to strike without any prior notification.

Unlawful Strike: the lawfulness of a strike may depend on the purpose of the strike, its timing or on the conduct of the strikers.[1] Provided that the right to strike exists in a given location, an unlawful strike is any labor action by workers that does not comply with the relevant laws and regulations (e.g., failure to obtain a protest permit). Violent worker strikes are not permitted.

Managing Strikes

Strikes may be organized or spontaneous and can occur within the factory or as mass protests in public places. Strikes can impact worker attendance, production schedules and even public transportation. In the event a strike or work stoppage occurs, the affected Supplier must notify New Balance within 24 hours.

While laws differ in every jurisdiction regarding employees' right to strike, Suppliers must develop a strike management policy to ensure that any labor action, legal or not, is handled in an appropriate and lawful manner.

Where a strike occurs in the factory:

- Factory management must comply with all related local laws and regulations in handling the strike and ensure that all actions taken during the strike comply with those regulations.
- Management must not prevent workers from participating in legal strikes.
- Legal strikes and demonstrations should be dealt with as labor disputes and should not involve the police or armed forces. Such disputes must be resolved by management, unions and labor authorities. The presence of the police or other public security forces would only be necessary if the strike becomes uncontrollable and dangerous to persons and property.
- Establish proper communication with the appropriate worker representatives, such as union representatives or where no union exists, the workers leading the labor action.
- Consider the best means for maintaining communication with the rest of the workforce during the period of the strike and/or any negotiations with worker leaders. It is important for management to designate an authorized spokesperson in all communications with worker representatives and the general workforce to ensure that the position of the management remains clear and consistent.

1. Basic Guide to the National Labor Relations Act (1997)(https://www.nlrb.gov/sites/default/files/attachments/basic-page/node-3024/basicguide.pdf)

- Promptly investigate the cause of the strike. Management is strongly encouraged to negotiate in good faith and find a solution. If communication efforts do not proceed smoothly, and a resolution cannot be reached, then management should involve the local labor authorities and/or other third parties, such as ILO officers to assist in resolving the dispute.
- Management must not retaliate against workers for participating in strikes.

Suppliers must notify New Balance immediately if any labor strikes or work stoppages occur.

The factory must provide New Balance with a chronology of events and the details of the strike, including the background and reason(s) for the strike, details of worker demands, the status of communications with the workers and any negotiated agreements. The factory must also provide any relevant documents related to the strike or causes for the strike (e.g., the demand notice from workers, the management's reply, minutes of any meetings with worker representatives, or details of any communications with the labor department).

APPENDIX – B

INDUSTRIAL VENTILATION GUIDE

I. General Information

Industrial operations and processes can result in a variety of airborne particulates, gases, vapors and mists in concentrations that exceed safe levels.

Ventilation is one of the most important engineering controls for improving and maintaining good air quality in the workplace where workers are exposed to undesirable contaminants, particularly from hazardous and toxic chemicals. An effective ventilation system can help to control the contaminants to acceptable levels and to reduce occupational health diseases. It can also help to prevent fires and explosions.

Suppliers must comply with legislation relating to industrial ventilation and indoor air standards. Where applicable, suppliers should obtain any required approval, permit or certification of the ventilation system and/or its components.

This guidance document provides general guidance on industrial ventilation. OSHA standards are used as a benchmark. Whenever there is a conflict between national requirements and the New Balance guidance, the most stringent standard should apply.

II. Industrial Ventilation Guidelines

II.1. Ventilation Assessment

An assessment should be conducted before designing and installing a ventilation system. Specific points to consider include emission source, air behavior and employee involvement:

Emission Source	Air Behavior	Employee Involvement
• Location of emission sources or potential emission sources • Emission sources contributing to employee exposure • Relative contribution of each source to employee exposure • Characteristics of each contributor: • chemical composition • temperature • rate of emission • direction of emission • initial emission velocity • pattern of emission (continuous or intermittent) • time intervals of emission • mass of emitted material	• Air temperature • Air movement (direction, velocity) • Mixing potential • Supply and return flow conditions, to include pressure differences between space and surrounding areas • Sources of tempered and untempered make-up air • Air changes per hour • Influence of existing ventilation systems • Effects of wind speed and direction • Effects of weather and season	• Worker interaction with emission source • Worker exposure levels • Worker location • Worker education, training, cooperation

Table 1 - Ventilation assesment

II.2. Types of Industrial Ventilation

There are several types of industrial ventilation systems. Exhaust ventilation systems are generally classified in two generic groups: General/Dilution Ventilation and Local Exhaust Ventilation.

General ventilation can be used for heat control and/or control of contaminants by flushing out a given space with large quantities of uncontaminated air. For dilution ventilation, uncontaminated outdoor air is mixed with the contaminant so that average concentrations are reduced to a safe level. A supply air system is usually used in conjunction with a general exhaust system to replace the air exhausted to the outside atmosphere.

Local exhaust ventilation systems operate on the principle of capturing a contaminant at or near its source, removing it from the workplace.

Each system is designed specifically to match to the type of work being performed and the rate of contaminant release at the workplace. More details are available throughout this document, but the following table provides a summary of recommended applications:

Operation	Type of Ventilation System
Chemical storage	Dilution
Warehouses	Dilution
Mixing Room	Dilution
Hot melt	Dilution
Cementing (water-based)	Dilution
Confined/Congested spaces with heat	Dilution
Buffing	Partially Enclosed Hood
Grinding	Partially Enclosed Hood
Skiving	Partially Enclosed Hood
Welding	Partially Enclosed Hood
Sole Degreasing	Booth or Enclosed Hood
Chemical mixing booth or station	Booth or Enclosed Hood
Lamination	Booth or Enclosed Hood
Painting	Booth or Enclosed Hood
Trimming	Downdraft
Priming	Downdraft
Cementing (solvent-based)	Downdraft
Cleaning (products, screens)	Downdraft
Multiple printing table/line	Side or Downdraft

Table 2 - Recommended ventilation systems

II.3. Dilution Ventilation

Dilution ventilation dilutes contaminated air with uncontaminated air to control potential airborne health hazards, fire and explosive conditions, odors and nuisance contaminants.

Dilution ventilation is less satisfactory for health hazard control than local exhaust ventilation.

Dilution ventilation is appropriate when:

- Emission sources contain materials of relatively low hazard. (The degree of hazard is related to toxicity, dose rate, and individual susceptibility);

- Emission sources are primarily vapors or gases, or small, respirable-size aerosols (those not likely to settle);
- Emissions occur uniformly;
- Emissions are widely dispersed;
- Moderate climatic conditions prevail;
- Heat is to be removed from the space by flushing it with outside air;
- Concentrations of vapors are to be reduced in an enclosure; and
- Portable or mobile emission sources are to be controlled.

Design

The general principles of dilution ventilation design and application are:

1. The amount of air required for adequate dilution varies and depends on many factors such as air distribution, type of vapor, ventilation system layout, etc.
2. Locate exhaust openings near the source of contamination, if possible, to obtain the benefit of "spot ventilation"
3. Avoid re-entry of the exhausted air by discharging the exhaust high above the roofline or by assuring that no windows, outdoor air intakes, or other openings are near the exhaust discharge. For more details see the requirements for Pollution Control/ Treatment in Sprint Manual E-AIR-1.2.
4. Locate air supply and exhaust outlets such that the air passes through the zone of contamination. The operator should remain between the air supply and the contaminant source. Dilution ventilation is effective if the exhaust fan is located close to exposed workers and the makeup air is located behind the worker so that contaminated air is drawn away from the worker's breathing zone.

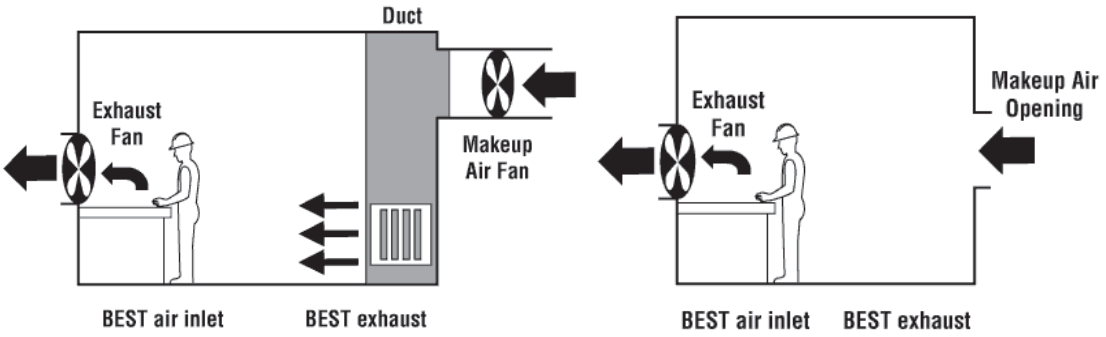

Figure 1 - Dilution design ventilation

Dilution Ventilation for Fire and Explosion: It is necessary that the concentration of vapor in the work area should be below the lower explosive limit (preferably<25% LEL). This is for fire and explosion only and not for health hazard.

$$Q = 403 * SG * 100 * ER * S_F/MW * LEL * B$$

Where:

LEL = lower explosive limit, parts per 100

SG = specific gravity

ER = emission rate, pints/min

SF = safety factor

MW = molecular weight

B = constant (1 for temp. up to 1200 C; 0.7 for temp. > 1200 C)

II.4.Local Exhaust Ventilation (LEV)

Local exhaust ventilation system is used to control air contaminants by trapping them at or near the source, in contrast to dilution ventilation which lets the contaminant spread throughout the workplace. Local exhaust is generally a far more effective way of controlling highly toxic contaminants before they reach the workers' breathing zones.

Local ventilation systems are the preferred control method if:

- Any solvent is used or MAY be used at different times
- Air contaminants pose serious health risk
- Large amounts of dusts or fumes are generated
- Emission sources are few
- Emission sources are near the workers' breathing zones

A local exhaust system can be either a hood or downdraft system. Sometimes a mixed system can be more efficient in circumstances where various sources of contaminants are or may be used at times.

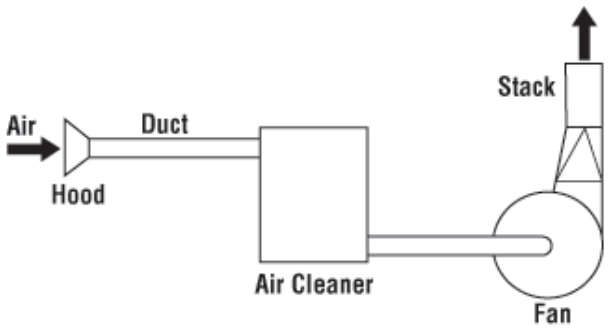

Figure 2 - Local exhaust ventilation design

Hood System

A hood system can be effectively designed based on study of how exposure occurs and the capabilities of different hood types and designs. The three common classes of hoods are: enclosing, receiving and capturing.

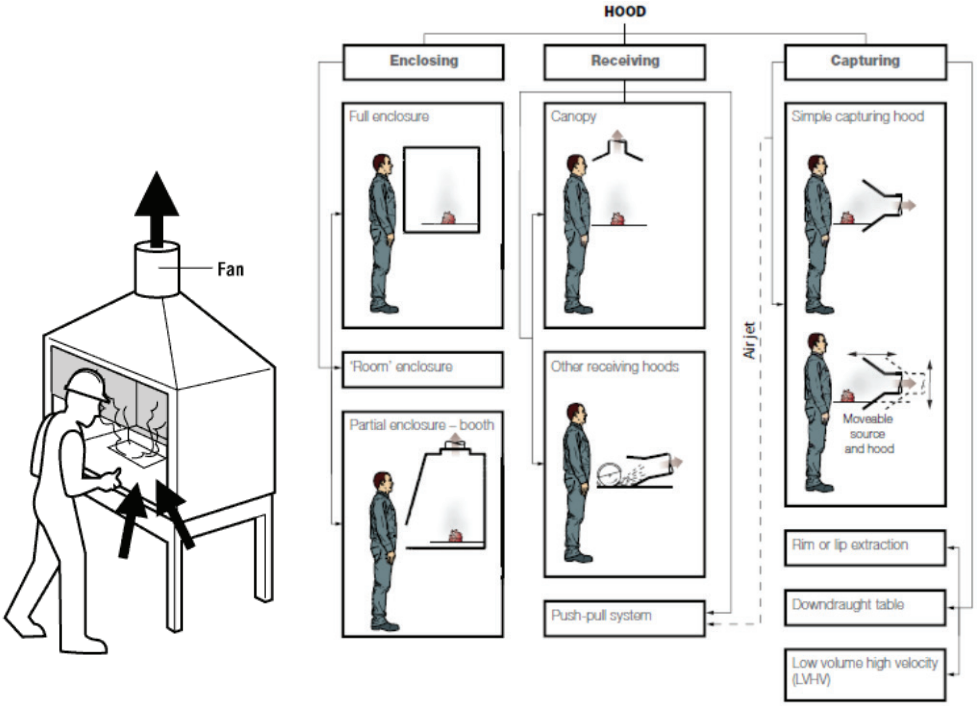

Figure 3 – Hood design

The general principles of LEV hood design and application are:

a. Hood is as close as possible to source of contaminant, preferably enclosing it. The more completely enclosed the source is, the less air will be required for control. Flanges or baffles can be used around the hood opening to increase the capture effectiveness and reduce ventilation air requirements.

b. Position the hood to take advantage of the speed and direction of the airflow from the source. Air should travel from source of contaminant and into the hood with enough velocity (speed) to adequately capture the contaminant.

c. Separate the contaminant cloud from the worker's breathing zone as much as possible. Hood should be located in such a way that the operator is never between contaminant source and the hood.

d. Natural movement of contaminants should be taken into consideration. For example, a hood should be placed above hot processes to trap rising vapor and heat.

e. Match the hood size to the process and contaminant cloud size. Minimize eddies within the hood.

f. Use ergonomic principles when designing the application of an LEV hood and make sure it is consistent with the way the worker actually does the job.

g. Use observation, information on good control practice and simple methods, e.g. smoke or a dust lamp, to assess exposure control effectiveness. Take measurements, e.g. air sampling, where necessary.

Downdraft System

A downdraft table is usually used where the contaminant is naturally moving downwards or generally close to the table surface. On the other hand, the working zone is at, or very near to, the table or bench top.

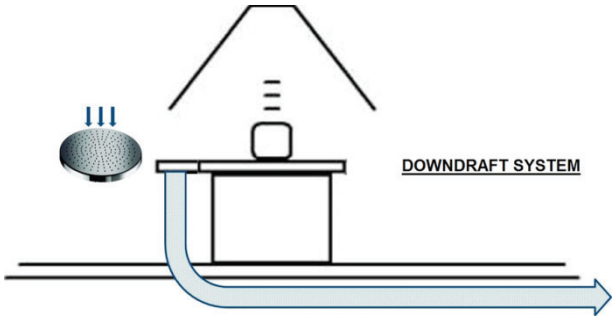

Figure 4 - Downdraft ventilation system.

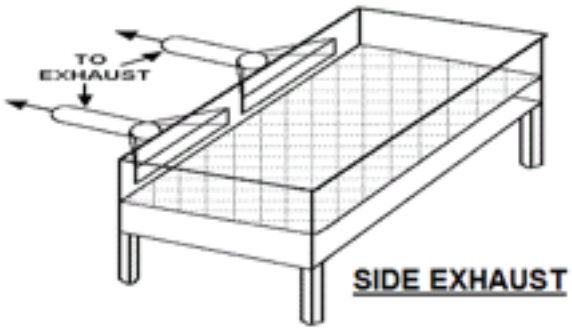

Figure 5 - Side exhaust ventilation system

The substance MEK, for example, is widely used in shoe manufacturing. The vapor density of MEK is 2.41, meaning it is 2.41 times heavier than air. A downdraft table or bench is the proper system.

A downdraft table or bench can only capture contaminant clouds released with low energy or released downwards, i.e. processes such as trimming, printing, or priming/cementing/cleaning using heavy substances. However, it may be unsuitable for objects that cover more than a small area of the table.

If the workstation or table has walls and even a ceiling, the downdraft table is more like a partial enclosure and becomes more effective.

Figure 7 - Printing table with side exhaust

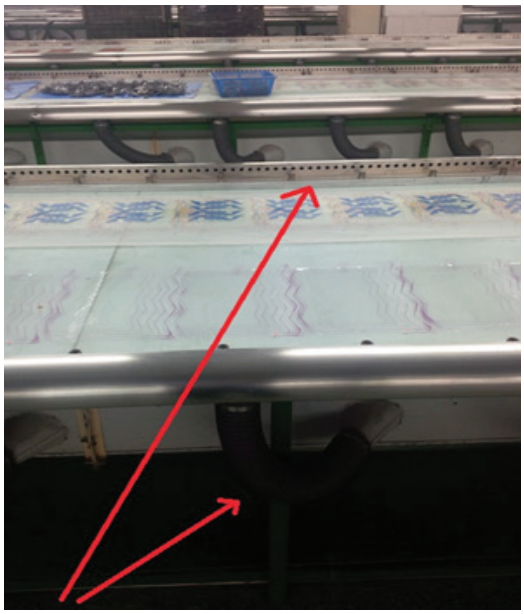

Figure 6 - Downdraft exhaust under adhesive applicator

Air Flow and Capture Velocity

Face Velocity – When there is no local standard for the face velocity, the range of 60~110 fpm (0.3~0.6 m/s) is recommended by OSHA. An average face velocity of 80~120 fpm (0.4~0.6 m/s) is suggested by ANSI/AIHA.

Capture Velocity – In the event that the hood is far from the emission source, the capture velocity should be measured. As a rule of thumb, if the distance from the emission source exceeding 1.5 duct diameters, the required volume varies with the square of the distance from the source.

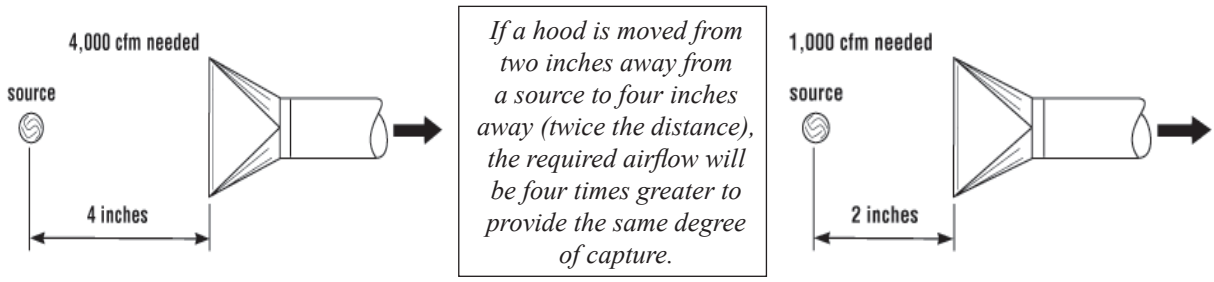

Figure 8 - Hood placement

Duct length – To ensure the maximum effectiveness of the ventilation system, the six-and-three rule must be applied to the length of ducts: a) ducts at the fan inlet must not be more than 6x the diameter of the duct and b) ducts at the fan outlet must not be more than 3x the diameter of the duct.

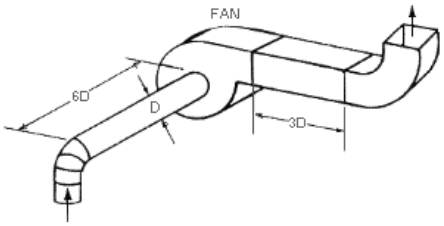

Figure 9 - Duct length

II.5. Maintenance and Testing

Maintenance Program

A good maintenance program should include the elements below:

PUT IT ON PAPER

1. Establish a safe place to file drawings, specifications, fan curves, operating instructions, and other papers generated during design, construction, and testing.
2. Clearly define roles and responsibilities for both technical and maintenance team members of the supplier and its contractor(s) if any.
3. Establish a program of periodic inspection - types and frequency of inspections
   - **Daily:** Visual inspection of hoods, ductwork and verbal contact with users.
   - **Weekly:** Air cleaner capacity, fan housing, pulley belts.
   - **Monthly:** Air cleaner components.
4. Establish a preventive maintenance program. Certain elements of any ventilation system should be checked on a regular schedule and replaced if found to be defective.
5. Keep written records. Maintain written documentation of original installations, modifications as well as any problems and their resolution.

Testing

In order to ensure the efficiency of a ventilation system, testing equipment should be used and test reports should be maintained. If a ventilation system is maintained by a contractor, testing should be conducted with participation of the factory's assigned staff, and test reports should be provided.

Testing equipment might include:

- smoke tubes
- velometers, anemometers
- pressure-sensing devices
- noise-monitoring equipment
- measuring tapes
- other: rags, flashlight, mirror, tachometer,
- combustible gas meter or oxygen meter.

Training and Qualification

Ventilation systems must be designed and installed by professional engineers. Suppliers may assign in-house staff if they are qualified and competent.

Maintenance team members must be qualified and well-trained in the preventive maintenance program.

Affected employees need to be trained on the purpose and functions of the ventilation system. For example, they need to know how to work safely and how best to utilize the ventilation system. Exhaust hoods do little good if the worker does not know that the hood must be positioned close to the work.

II.6. Other Concerns

Chemical Safety

While an efficient ventilation system can largely remove the hazardous contaminants from chemical(s) used in the work place, workers might still be exposed to skin/eye contact or breathing and swallowing.

- Personal Protective Equipment should be used as per MSDS recommendation.
- Air Sampling should be conducted to measure the quantitative exposure levels in the work place. Test results can help to determine if the exposure is acceptable against an established and acceptable local standards or commonly-used benchmarks (such as, PEL, TLV, TWA, C-Ceiling, etc.). The common sampling methods are:
    - **Breathing Zone Sampling** – A sample is obtained in the breathing zone of a specific worker under regular working conditions. Diffusive samplers (also known as passive monitors or badges) are useful for monitoring the chemical exposure. The result is for the exposure level from a specific substance or a combination of substances.
    - **Area Sampling** – Sample is obtained in an area representative of a process or multiple worker's exposure.
    - **Direct Reading or Instantaneous Sampling** – Immediate or short-term integrated results are obtained and used to compare airborne concentrations against ceiling or short-term standards. In countries where such a sampling is legally required, the pass results may not represent the acceptable exposure for worker(s) in a specific process.

Noise Reduction

A ventilation system produces and conveys noise in a workplace and may contribute to a hazardous exposure. Suppliers should measure the noise exposure and provide proper controls to reduce the noise exposure if it exceeds the limits. Only engineering controls are mentioned for the purpose of this guideline.

Engineering controls involve modifying or replacing equipment or making related physical changes at the noise source or along the transmission path to reduce the noise level at the worker's ear. Examples of inexpensive, effective engineering controls include some of the following:

- Choose low-noise tools and machinery
- Maintain and lubricate machinery and equipment (e.g., oil bearings)
- Enclose, isolate the noise source or place a barrier between the noise source and employee (e.g., sound walls or curtains)
- Use mufflers or ventilation silencers, such as:
    - Intake and discharge silencers to control noise from building openings, equipment enclosures and plenum systems
    - Duct silencers to attenuate airborne noise in duct systems from ventilating fans and equipment
    - Acoustic louvers for moderate noise attenuation on low velocity/large area building, enclosure and plenum openings

Air treatment

Air treatment is the removal of airborne contaminants to prevent the spread of undesirable contaminants. Recommendations for air treatment include the use of filtration or air cleaning system before the exhaust is discharged into the atmosphere.

HEPA filters can arrest very fine particles effectively, but they do not filter out vapors, gasses and odor molecules. **Circumstances requiring filtration of volatile organic compounds and chemical vapors call for the use of an activated carbon (charcoal) filter** instead of or in addition to a HEPA filter.

The filters or air cleaning system must be well maintained and replaced regularly upon the manufacturer/contractor's recommended intervals. When there is no clear instruction, it is generally recommended to replace the filters every six months if they are used on a daily basis.

Energy Consumption

See Energy (EN) requirements in **Sprint Manual E-EN-2.**

APPENDIX - C

POLICY ON REFUGEE WORKERS

New Balance recognizes that displaced, foreign refugees are often at risk of seeking employment without having host country employment authorization. New Balance has therefore issued the following clarification regarding Suppliers employing refugee workers. All New Balance Code of Conduct provisions apply fully to all New Balance Suppliers and subcontractors considering employment or already employing refugees.

New Balance Suppliers employing foreign refugee workers must accord them the same treatment as local workers, with respect to their remuneration, hours of work, overtime arrangements, holidays with pay, restrictions on home work, minimum age of employment, apprenticeship and training, women's work and the work of young persons, and the enjoyment of the benefits of collective bargaining.1

Suppliers shall not hire any refugee workers without valid work permits. However, if foreign refugee workers are found working in a factory, without proper government authorization, New Balance requires the following actions:

- Supplier must inform New Balance Global Compliance immediately.
- Supplier must ensure that employees are registered with the local government according to local legal requirements.
- Supplier must aid the worker in applying for a work permit with the local authorities.
- Supplier must sign an employment contract with each foreign worker in the employee's native language, ensuring that all working conditions are according to local labor law and New Balance Code of Conduct requirements. The same terms and conditions applied to local employees must also be applied to foreign employees.
- Foreign employees shall receive the same wages and benefits as local workers.
- Supplier shall ensure that an interpreter is available at the facility to communicate between the foreign worker and management.
- The supplier must keep a **copy** of the passport/ID card of each foreign employee and accurately record all identifying information, including the employee's age. The supplier must not retain the original passport or other original identification documentation for any foreign employee.
- All New Balance requirements as outlined in the New Balance Code of Conduct and Standards Manual apply in full to foreign workers.

1. Consistent with the United Nations Convention relating to the Status of Refugees (1951), Article 24, Office of the United Nations High Commissioner for Refugees.

If the foreign refugee worker has no valid identification:

- The employee will not be allowed to work without an official work permit and identification papers; however, the supplier must continue to pay a full salary to this employee for a period of one year and retain proof that payments are made to the worker in a timely manner.
- Supplier shall conduct age verification with a medical doctor to confirm the employee's age.
- If the employee is 18 years of age or older, the supplier must abide by the requirements listed above.
- If the employee is between 16-17 years of age (or 15-17 where the governing law allows work by 15-year old's):
- Supplier must maintain all requirements listed above and abide by all regulations applying to juvenile workers according to local labor law.
- If the employee is less than 16 years of age (or 15 where the governing law allows), the New Balance Child Labor Response Procedure applies. See Section 3 on Child Labor in the New Balance Standards Manual.

Suppliers that do not comply fully with the above requirements will be subject to sanctions by New Balance up to and including termination of the business relationship.

APPENDIX – D

Point Source Emissions Controls

Point sources are discrete, stationary, identifiable sources of emissions that release pollutants into the atmosphere. Within a given point source (such a factory or workshop), there may be several "emission points" that comprise the point source. Emissions points refer to individual stacks, vents, or other points of release.

Point sources are typically associated with release of air pollutants from combustion of fossil fuels and industrial activities.

Devices that prevent or control air pollution from point sources may be necessary depending on the type and size of operations. Typical examples of controls include:

- **Oxidizers**
- **Scrubbers**
- **Electrostatic precipitators**
- **Carbon filters** for exhaust systems carrying VOCs (e.g., solvents)
- **Dust filters** for exhaust systems from dusty areas (e.g., knitting departments; outsole grinding or buffing in shoe factories)

Note: **The Environmental Impact Assessment (EIA) and/or related permits should prescribe any air emission controls needed.** Suppliers should ensure that the air emission controls devices in place are the same as those prescribed in the EIA.

Boiler Controls Example

Emissions from gas-fired boilers include:

- Nitrogen oxides (NOx)
- Carbon monoxide (CO)
- Carbon dioxide (CO2)
- Methane (CH4) – mostly from start-up and shut-down during low temp incomplete combustion
- Nitrous oxide (N2O)
- VOCs
- Sulfur dioxide (SO2) – typically low depending on quality of natural gas
- Particulate matter (PM) – typically low

Emissions will vary depending on the type and size of the combustor and with operating conditions (combustion air temperature, load, excess oxygen levels, etc.).

Air pollution controls related to combustion processes can be organized generally into three categories, depending on which stage in the combustion process they are applied:

- pre-combustion controls
- combustion controls
- post-combustion controls

More information can be found in the "Guide to Low-Emission Boiler and Combustion Equipment Selection," which was written in 2002 by Oak Ridge National Lab (ORNL)

with sponsorship from U.S. Department of Energy (DOE), Office of Industrial Technologies (OIT). Chapter 5 describes various techniques that may be applied to reduce emissions; Chapter 6 summarizes emission control options for fourteen (14) of the most popular boiler and fuel combinations, covering combustion of coal, fuel oil, natural gas, biomass, and RDF in watertube and firetube boilers.[1]

VOCs and carbon monoxide (CO) are typically best controlled through burner tuning and maintaining proper air-to-fuel mixtures, which might involve oxygen control packages on boilers. VOCs can be minimized with higher combustion temps, longer residence times, and turbulent mixing of fuel and combustion air.

Table 1 – ORNL Guide

Emission	Pre-Combustion Controls	Combustion Controls	Post-Combustion Controls
Nitrogen oxide (NOx)	Switch to fuel with a low nitrogen content	Operational modifications: . oxygen trim (OT) . burner tuning (BT) . low excess air (LEA) Staged combustion air (SCA): . burners out of service (BOOS) . biased firing (BF) . overfire air (OFA) Steam or water injection (SI/WI) Flue gas recirculation (FGR) Fuel-induced recirculation (FIR) Low-NOx burner (LNB) Ultra low-NOx burner (ULNB) Natural gas reburning (NGR) Reducing air preheat (RAP)	Selective catalytic reduction (SCR) Selective noncatalytic reduction (SNCR) (Ammonia and urea injected into flue gas)
Sulfur dioxide (SO2)	Switch to fuel with a low-sulfur content Perform beneficiation	For fluidized-bed combustion (FBC) boilers, use limestone or dolomite as a sulfur-capture sorbent	Flue gas desulfurization (FGD): . non-regenerative techniques . regenerative techniques Better dispersion with taller stack
Particulate Matter (PM)	Switch to fuel with a low-ash content Perform beneficiation	Make operational modifications to reduce unburned carbon	Wet scrubber Electrostatic precipitator (ESP) Fabric filter (baghouse)

1. http://www.energy.gov/sites/prod/files/2014/05/f15/guide_low_emission.pdf

Table 2 – IFC GIIP for point source controls

Principal Sources and Issues	General Prevention / Process Modification Approach	Control Options	Reduction Efficiency (%)	Gas Condition	Comments
Particulate Matter (PM)					
Main sources are the combustion of fossil fuels and numerous manufacturing processes that collect PM through air extraction and ventilation systems. Volcanoes, ocean spray, forest fires and blowing dust (most prevalent in dry and semiarid climates) contribute to background levels.	Fuel switching (e.g. selection of lower sulfur fuels) or reducing the amount of fine particulates added to a process.	Fabric Filters	99 - 99.7%	Dry gas, temp <400F	Applicability depends on flue gas properties including temperature, chemical properties, abrasion and load. Typical air to cloth ratio range of 2.0 to 3.5 cfm/ft^2 Achievable outlet concentrations of 23 mg/Nm^3
		Electrostatic Precipitator (ESP)	97 – 99%	Varies depending of particle type	Precondition gas to remove large particles. Efficiency dependent on resistivity of particle. Achievable outlet concentration of 23 mg/Nm^3
		Cyclone	74 – 95%	None	Most efficient for large particles. Achievable outlet concentrations of 30 - 40 mg/Nm^3
		Wet Scrubber	93 – 95%	None	Wet sludge may be a disposal problem depending on local infrastructure. Achievable outlet concentrations of 30 - 40 mg/Nm3
Sulfur Dioxide (SO_2)					
Mainly produced by the combustion of fuels such as oil and coal and as a by-product from some chemical production or wastewater treatment processes.	Control system selection is heavily dependent on the inlet concentration. For SO2 concentrations in excess of 10%, the stream is passed through an acid plant not only to lower the SO2 emissions but also to generate high grade sulfur for sale. Levels below 10% are not rich enough for this process and should therefore utilize absorption or 'scrubbing,' where SO2 molecules are captured into a liquid phase or adsorption, where SO2 molecules are captured on the surface of a solid adsorbent.	Fuel Switching	>90%		Alternate fuels may include low sulfur coal, light diesel or natural gas with consequent reduction in particulate emissions related to sulfur in the fuel. Fuel cleaning or beneficiation of fuels prior to combustion is another viable option but may have economic consequences.
		Sorbent Injection	30% - 70%		Calcium or lime is injected into the flue gas and the SO_2 is adsorbed onto the sorbent
		Dry Flue Gas Desulfurization	70%-90%		Can be regenerable or throwaway.
		Wet Flue Gas Desulfurization	>90%		Produces gypsum as a by-product

Annex 1.1.2: Illustrative Point Source Air Emissions Prevention and Control Technologies (continued)

Oxides of Nitrogen (NOx)		Percent Reduction by Fuel Type			Comments
Associated with combustion of fuel. May occur in several forms of nitrogen oxide; namely nitric oxide (NO), nitrogen dioxide (NO_2) and nitrous oxide (N_2O), which is also a greenhouse gas. The term NOx serves as a composite between NO and NO_2 and emissions are usually reported as NOx. Here the NO is multiplied by the ratio of molecular weights of NO_2 to NO and added to the NO_2 emissions. Means of reducing NOx emissions are based on the modification of operating conditions such as minimizing the resident time at peak temperatures, reducing the peak temperatures by increasing heat transfer rates or minimizing the availability of oxygen.	**Combustion modification** (Illustrative of boilers)	**Coal**	**Oil**	**Gas**	These modifications are capable of reducing NOx emissions by 50 to 95%. The method of combustion control used depends on the type of boiler and the method of firing fuel.
	Low-excess-air firing	10–30	10–30	10–30	
	Staged Combustion	20–50	20–50	20–50	
	Flue Gas Recirculation	N/A	20–50	20–50	
	Water/Steam Injection	N/A	10–50	N/A.	
	Low-NOx Burners	30–40	30–40	30–40	
	Flue Gas Treatment	**Coal**	**Oil**	**Gas**	Flue gas treatment is more effective in reducing NOx emissions than are combustion controls. Techniques can be classified as SCR, SNCR, and adsorption. SCR involves the injection of ammonia as a reducing agent to convert NOx to nitrogen in the presence of a catalyst in a converter upstream of the air heater. Generally, some ammonia slips through and is part of the emissions. SNCR also involves the injection of ammonia or urea based products without the presence of a catalyst.
	Selective Catalytic Reduction (SCR)	60–90	60–90	60–90	
	Selective Non-Catalytic Reduction (SNCR)	N/A	30–70	30–70	

Note: Compiled by IFC based on inputs from technical experts.

FORM – A

New Balance Supplier Overtime Application Form

Factory Application供　商申			
Factory Name工厂名称:			
Requestor's Name申　人姓名:		**Date of Request申　日期:**	
Week Requested所申　的工作周（起止日期）:			
Amount of weekly hours requested申　的周工时: □49-60 (Vietnam/Indonesia越南/印尼) □55-60 (China中国) □61-66 (all countries所有地区)			
Affected Dept. **加班部　:**		No. of workers affected for **OT申　加班人数:**	
Compensative Rest 休安排:	☐ Time-off before overtime ☐Time-off after overtime ☐ Overtime only ☐ **先休后加** ☐**先加后休** ☐ **只加不休**		
Overtime Arrangement: **加班**时　安排	Compensative Time-off: 休时　安排		
Reason(s) for OT: 外工时加班理由	1. List of Open Purchase Orders that will be impacted if overtime is not granted.　附上若不申　外工时加班需要延期的　单清单，并　明所有　单的延期程度。 2. List the reasons why the above orders cannot be completed in the standard hours per week as planned schedule. **附件上**　明　什么这些单不能按原　划完成。		
Factory Compliance Supervisor Approval**工厂社会**　任主管　批:		Factory Union Chairman **工厂工会主席**　批:		Factory Top Mgmt **工厂最高主管**　批:	
New Balance Verification & Approval NB确　及批准			
NB Operations Manager: NB　厂　理　批：		NB Sr. Business Operations Manager: NB**高**　理　批：	
NB Sr. Director of Global Compliance (for requests exceeding 60 hrs/wk):NB**社会**　任　（超60**小**时申　）		NB VP External Products (for requests exceeding 60 hrs/wk):NB**生**　副裁（超60**小**时申　）	

FORM – B

Publicly-Owned Treatment Works/Municipal Wastewater Treatment Facility Survey

Factory Name			
Factory Address			
Name of Municipal Treatment Works			
Address of Municipal Treatment Works			
Country			
Daily Treatment Capacity (m^3)			
Treatment Categories	**Primary**	**Secondary**	**Tertiary**
List Treatment Processes			
Final Effluent Quality	Good	Average	Bad
Final Effluent Appearance	Yellow	Pale	Floating matter
	Red	Dark	Foam
	Green	Clear	
	Brown	Cloudy	
	Colorless	Opaque	
Treatment process performs as designed	At all times	Most of the times (>%75)	Seasonally
Major operating challenges	Industrial user effluent out of specifications Technical know-how Process overload Funding Environmentally Sensitive receiving waters Community relations		
Receiving Waters	Stream Lake Underground water River Sea		
Additional Comments			

{Name and Title Factory Contact}

{Factory Name and Address}

{Date}

{POTW Name and Address}

Dear Sir/Madam:

Please find the attached short survey form, requesting information on the municipal treatment works that our Company {Factory Name} uses for the final treatment of our wastewater.

This information is being requested by our customer, New Balance Athletics, Inc., as part of their Global Compliance program, and will be treated as confidential company information for internal use only.

Please complete the form and return it to the address above. I am expecting to communicate this to New Balance by {date}.

If you have any questions, or if any clarifications are required, please do not hesitate to call at {phone number}.

We look forward to receiving the completed form.

Sincerely,

{Name of Factory Contact}

Encl.: {Description of enclosed documents}

FORM – C

SOLID WASTE MANAGEMENT

*** Weekly Inspection Checklist ***

Inspection Date:		**Time:**	
Factory:		**Location:**	
Inspector Name:			

Inspection Item	Yes	No	Comments / Remarks
1) Have all relevant employees been trained for SOP? If any new employees in the process, have they been trained?	☐	☐	
2) Is each bag correctly labeled when filled?	☐	☐	
3) Does each bag of cutting waste contain the proper material type without mixing other wastes (such as spools, trash, tissues, etc.)?	☐	☐	
4) Does the label have a place to write the weight of the bag? (Note: The factory can determine where in this process the bag should be weighed.)	☐	☐	
5) When filled, are bags closed so that the contents do not spill out during storage or transport?	☐	☐	
6) At the waste storage area, are storage cells or bins clearly marked according to the material type being stored? Are storage cells or bins free from any signs of incorrect waste mixing?	☐	☐	
7) Within the waste storage area, are solid waste and HW separated well?	☐	☐	
8) Are waste storage containers appropriate for the waste being stored in them?	☐	☐	
9) Is the waste storage area free of debris and other materials?	☐	☐	
10) Is the waste storage area floor clean and dry?	☐	☐	
11) Are all bags weighed on a scale and recorded in the waste data sheet prior to disposal?	☐	☐	
12) Was this week's data sent to the CSR manager or other person responsible for reporting waste data to New Balance?	☐	☐	
13) Does the facility maintain all transportation records, i.e., manifests?	☐	☐	
Overall Inspection Suggestions:			

FORM – D

HAZARDOUS WASTE (HW) MANAGEMENT

*** Weekly Inspection Checklist ***

Inspection Date:		**Time:**	
Factory:		**Location:**	
Inspector Name:			

Inspection Item	Yes	No	Comments/Remarks
1) Is HW segregated and stored separately from solid waste?	☐	☐	
2) Is HW stored in an area protected from weather and with solid ground?	☐	☐	
3) Are the storage area and each container clearly labeled? Do labels include: **Generator Name and Address; Accumulation Start Date; Contents; Physical State; Hazardous Properties**	☐	☐	
4) Are all waste containers compatible with the waste being stored, and are they clearly marked with their contents?	☐	☐	
5) Are incompatible wastes safely separated by distance and/or barriers?	☐	☐	
6) Is there adequate aisle space? Is the area clean, dry, and free from debris and other clutter?	☐	☐	
7) For liquid waste, is there secondary containment?	☐	☐	
8) Are containers in good condition? (Free of dents, corrosion, not bulging, or otherwise deteriorating)	☐	☐	
9) Is the area free from spills or leaks? Are containers closed and container tops free of spillage?	☐	☐	
10) Are workers wearing PPE (gloves, masks, etc.) during HW collection, transport, and storage process?	☐	☐	
11) Are emergency procedures and other required signs posted, in the language of the workers, and easily seen?	☐	☐	
12) Are spill response materials available in close proximity?	☐	☐	
13) Are hazardous wastes only kept on site within the allowed time and within the allowed volumes?	☐	☐	
14) Does the facility maintain all transportation records?	☐	☐	
15) Is the HW weighed and recorded on the data sheet? And has this week's data been sent to the CSR manager or other person responsible for waste reporting to the brand?	☐	☐	
Overall Inspection Suggestions:			

FORM – E

Hazardous Materials and Waste Management

EMERGENCY PROCEDURES

Post near telephones and as appropriate

In case of a fire, spill, or other emergency involving hazardous chemicals or waste, do the following:

MAJOR EMERGENCY

- Evacuate the affected areas per the facility Evacuation Plan
- Call and report the emergency
- Report the emergency to the Facility Emergency Coordinator

MINOR EMERGENCY

- Try to control the emergency if you are trained to do so and can do it safely
- Report the emergency to the Facility Emergency Coordinator

Facility Emergency Coordinators

	Name	Work Phone	-24Hour Phone
Primary EC			
1st Alternate EC			
2nd Alternate EC			
3rd Alternate EC			

Emergency Agencies

Agency	Phone Number
Fire Dept., Ambulance, Police	
Spill Response Contractor (if applicable)	
Local Government Agencies	

Emergency Equipment

Locations of fire extinguishers, fire alarms (if any), and equipment for controlling chemical spills are shown on the facility site plan posted with this notice.

This document is only a summary of emergency procedures. Refer to this facility's written emergency response plan for