



CODE OF CONDUCT¹

¹Legal Disclaimer:

The content of this Code of Conduct (CoC) is not intended to replace local or national regulations, nor will following the guidelines in the CoC guarantee compliance with them. At all times, it remains the sole responsibility of our own entities and suppliers, and their subcontractors, to ensure compliance with all applicable local and national regulations, including those related to labour, worker health and safety, and environmental and product safety.



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Foreword

At enviado we strive to remain the creative leader in an industry that is young and fast developing. While our thinking must be quick and our actions agile, both can only last when built upon a most robust foundation based on what we believe in.

Being inspiring through creative and innovative solutions for our team members, treating people with respect and being honest and fair about our actions has been our cornerstone on which we have founded our company upon.

Having said that we understand that as the leader we must take responsibility to not only create great products, but to also create these in a manner that allows to use them for generations to come.

We understand that true sustainability begins at the early design stages of any product and must be focused not only on the product itself but also on the people and processes involved in its creation.

All suppliers and partners of enviado involved in the supply chain of our bags and backpacks are bound to adhere to our standards expressed in this Code of Conduct.

We only produce in factories that respect their workers' rights, health and well-being and protect the environment by using state of the art production methods and non-critical chemicals during production.

enviado holds the right to terminate the business relationship if we suspect the violation of our expressed, written or inherent standards or our sustainability policy.

While we check the compliance of our standards regularly, we fully realise that we can only be strong if our suppliers are and we can only stick to our sustainability goals if our suppliers and factories share them.

Therefore, we take full responsibility not only to check, but more importantly to train and teach our policy and all its details all the way along our supply chain.

In this way, we ensure to make products that establish a new sustainable standard, delight our customers and make our employees proud.

Sebastian Hauß
CEO

Marcel Honisch
CEO



A Sustainable Corporate Philosophy is always the first step

The 2030 Agenda for Sustainable Development², adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet.

At its heart are the 17 Sustainable Development Goals (SDGs)³, which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change; and working to preserve our oceans and forests.

enviado supports the 17 Sustainable Development Goals (SDGs) and has not only taken those as a role model for its own sustainable corporate philosophy but also has based its strategy and focus upon these Goals itself.

enviado pursues and maintains contractual relationships only with those factories and licensees (hereinafter named “suppliers”) that have agreed to comply with the guidelines and directives set out in this Code of Conduct (CoC). All enviado suppliers are contractually bound to pursue business relationships only with subcontractors that are in compliance with this CoC.

Our CoC expresses the expectation we do not only have of our everyday business life, but of all our suppliers and subcontractors, as well. This shared responsibility forms the basis for any business partnership with enviado. We take this responsibility seriously. Any non-compliance with our CoC or the spirit it inherits, can lead to a termination of any contractual agreement.

² United Nations Resolution 8A/70/I.1), “Transforming our world: the 230 Agenda for Sustainable Development”.

³ United Nations Resolution 8A/70/I.1), “Transforming our world: the 230 Agenda for Sustainable Development”, page 14.



Our Philosophy gives rise to individual targets

At enviado, we believe that our leading position in the development and manufacturing of food delivery equipment, not only inherits the responsibility to provide the highest level of service and product quality for our customers, but nevertheless, the opportunity and responsibility to contribute to a better preservation of our environment. We believe that our values, building an inspiring and positive working place for our talents, working in innovative ways, in sustainable manner, and always being **Respectful, Positive, Honest and Modest**, will not only create the best experience for our customers, but empower us to do the best we can for a better world.

With all our suppliers and stakeholders, we target to bring our manufacturing processes in line with the principles of sustainable development. Meaning we do not intend solely to provide high-quality and long lasting products, but it is our responsibility to ensure that all our products are manufactured only in a workplace where human rights are respected and workers' health and safety as well as the environment are protected.

Our philosophy gives rise to individual targets we maintain a special focus on every year:

- **Social Compliance**

Compliance with regional legal, industry standards, and embedded Human rights across our operations and suppliers' operations.

- **Environmental**

No use of any hazardous chemicals registered as Substances of Very High Concern⁴ when producing any of our products. Applying and monitoring industry good practices for efficient manufacturing.

Development and Establishment of a supply chain for a safe production of food contact materials from 100 % recycled materials within the next 2 years.

- **Stakeholder Engagement**

Establishing and monitoring compliance and performance according to our CoC among all our suppliers and subcontractors, while keeping a close eye on price and quality. Subsequently improving our delivery performance and customer service. enviado considers suppliers and customers as key partners.

To manifest and secure the importance of these targets, we have introduced the following sustainability strategy together with our suppliers

⁴ In accordance with the European Commission Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals, REACH, (EU) 1907/2006.



Social Compliance and Respect for all Collaborators

enviado strives to treat all Collaborators with dignity and mutual respect. We consequently attach great importance to honoring and safeguarding the fundamental principles of diversity as laid out in the United Nations Universal Declaration of Human Rights⁵ and Fundamental Rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms and as they result from the constitutional traditions common to the Member States of the European Union⁶.

These values are enshrined in our recruitment guidelines and guarantee the fundamental rights of every Collaborator.

enviado is therefore committed to exclude discrimination of any kind, whether based on national or social origins, race, gender, sexual orientation, age or on religious, political or other beliefs. We comply with all applicable civil rights, human rights and employment laws wherever we operate.

To this end enviado:

- Opposes all forms of harassment, be it psychological or sexual.
- Works daily to promote gender equality.
- Condemns the direct or indirect use of forced labour, including but not limited to child labour.
- Condemns any form of modern slavery, i.e., including slavery, servitude or human trafficking.

⁵ Download link, Jan 18th, 2021: <https://www.un.org/en/universal-declaration-human-rights/>

⁶ Article 6 of The Treaty of the European Union.



1. Social and Labour Standards

The social and labour compliance standards detailed in the following sections are based on the ILO (International Labor Organization) Core Conventions, the United Nations Guiding Principles for Business and Human Rights, as well as the ten (10) principles detailed in the United Nations Global Compact.

1. Policy on Child Labour

All employees at the Factory shall have reached either: the age of 15; the minimum employable age mandated by the applicable law; or the age for completing compulsory education, whichever of the three is higher.

- The supplier shall not engage in or support the use of child labour in any way, including apprenticeship programs and subcontractors.
- The use of homework is not allowed by enviado as no effective control of child labour provisions is feasible for homeworkers.

If a child is found to be employed by the supplier:

- The supplier shall release the worker from production work.
- The supplier shall undertake appropriate remedial action regarding the child's education; and provide necessary compensation for the loss of income due to removal from work. The amount and duration of compensation shall be communicated to enviado for review. If the supplier fails to report to enviado, enviado will terminate any contractual relationship with the supplier and seek compensation for the worker and the breach of contract.
- The supplier shall state a clear written policy against child labour and determine specific working conditions for young workers.
- The Factory shall ensure that all employees' files contain adequate documentation proving their legal age.
- enviado will contact local authorities and will provide additional guidance on expected corrections as appropriate to the specific cases.
- Supplier must undertake all necessary corrections in their recruitment procedures and human resources information systems.

2. Policy on Young Workers

A young worker is defined as an employee who has reached the minimum age mandated by law for employment but is under the age of adulthood. The supplier shall adhere to the applicable local regulations for young workers, such as the following:

- Registering the employee to the correspondent government labour agency.
- Obtaining a written permit from the parents.
- Protecting young workers from performing heavy or dangerous work and/or contact with hazardous substances.
- Adhering to all local regulations, for example, working hour restrictions for young employees, including regular, night, and overtime hours.



3. Apprenticeship & Traineeship Programs

Enviado supports Apprenticeship and Traineeship Programs (“Program(s)”) for the development of skills and acquisition of knowledge leading to the exercise of trade or profession. In most countries, apprenticeship or traineeship programs involve young workers, but more recently, such Programs have begun to include adults and cross-international boundaries. As such, a Program shall in no way be used to undermine the implementation of every country’s labour law requirements, nor legitimize modern slavery and human trafficking activities.

The supplier shall comply with all specific regulations for employees hired under Programs, such as the following:

- Renumeration.
 - Number of working hours (time spent for theoretical instructions count as working hours).
 - Duration of the training period (shall not exceed the period set by local law).
 - Working conditions (free from hazardous substances and heavy/risky activities).
- Accommodation.

If, at any time, the legal regulations of Programs are found to be seriously misaligned with, and below, the standards of the enviado Code of Conduct (e.g., trainees are not covered by local labour law; trainees do not qualify for minimum wage), the supplier must instead comply with the enviado standard. enviado is happy to support the supplier in participation of renumeration or organisational structure. For enviado to support on the renumeration for employees hired under Programs, there shall be a written apprenticeship agreement between the supplier and the apprentice (and parents of the apprentice, where applicable). The agreement shall state the start and end date of the apprenticeship. Such agreements shall be written in a language the apprentice is able to read and understand. Where applicable, such agreements shall be registered with the appropriate authorities, and the apprentice must be provided a copy of the agreement. The total number of apprentices and/or trainees in a supplier’s premise shall not, at any given time, exceed the percentage compared to the total number of workers, allowable by local law.

4. Employment Policies & Procedures

Supplier Management shall train any individuals involved in the recruitment process in the local laws on child labour and on enviado’ compliance requirements. The supplier shall also follow a procedure that grants all employees equal opportunity to fill open positions.

The recruitment process shall include the following minimum standards:

1. publish the job description (including required qualifications);
2. carry out the necessary number of interviews; and
3. review the appropriate documentation for those selected to fill the position.

Discriminatory questions are not to be asked during the recruitment process. These include but are not limited to questions related to: pregnancy, religious beliefs, marital status, ethnic origin, and union membership.

Where local or international migration laws and regulations require such information to be provided in conflict with labour standards, evidence of procedures must be presented to indicate that such information is not used for discriminatory hiring decisions.

All employees shall sign a working contract or equivalent local document before the start of employment. The supplier shall keep a copy of the contract on file and give another copy to the worker.



enviado encourages the use of indefinite term contracts without stipulated end dates as required by local legislation to ensure tenured employees obtain all mandatory benefits.

- The contract shall state the nature and type of work, remuneration, benefits, effective start date, working hours, and any other terms required by local law. Reference shall be made to the local labour law, which must be applied to the contract. In case of a fixed-term contract, the start and end date shall be included. All applicable local legislation regarding the limits set for such contract type must be observed.
- All workers must be registered with the local labour bureau and relevant mandatory insurance providers before starting work, and as applicable by local laws and regulations.
- The supplier shall not work with sub-contracting, homeworking arrangements, or recurrent fixed-term contracts as a means of avoiding its obligations to tenured personnel under applicable and social security laws, legislation, and regulations.

enviado expects suppliers to implement a system that tracks relevant human resources information for effective implementation and internal monitoring of policy management. As a basic requirement, the following information shall be collected and filed:

- Personal files for each employee covering: employment record, contract, copy of ID card, disciplinary actions, and registration with the social insurance and/or labour office.
- Time records for each employee.
- Transparent compensation and benefits records (payroll, pay-slips).
- Records of the number of new hires, dismissals, and other leaves.
- Records on the provision of leave (including annual leave, sick leave, parental leave, etc.).
- Records on work-related accidents and Diseases.

Except in extraordinary business circumstances, suppliers must not require employees to work Excessive Working Hours, i.e. more than 60 hours per week (including both regular and overtime hours) or the normal workweek plus the maximum overtime allowed by local labour law (including one (1) day off for every seven-day period).

Is the extraordinary business circumstance is caused by enviado, supplier shall contact enviado to discuss how the Excessive Working Hours can be avoided. enviado will adapt its processes and planning accordingly.



Employees shall be entitled to reasonable meal breaks every day and at least one (1) day off after six (6) consecutive days of work.

In all instances, working hours of all types shall be properly compensated according to the requirements of the law.

The supplier shall establish an effective method/system for recording and tracking all working hours of every employee, including young workers and others whose working hours are restricted due to the law or health reasons.

- The start and end time during every working day must be properly reflected on all attendance records.
- The swiping or punching of cards to record attendance shall be at the control of the employees, themselves.
- The supplier shall not employ double book-keeping or falsify time records, e.g., two-time card systems, for whatever purpose it may serve the supplier.

Every supplier enviado works with shall have a clear and written policy stating that all overtime work shall be voluntary. The supplier shall educate all employees, including managers and supervisors, about the policy and guarantee its enforcement.

- All overtime work must be voluntary and must not be requested on a regular basis.
- The total number of overtime hours worked shall not normally exceed either 12 hours per week or the number specified by local law, whichever is lower.
- Overtime premiums shall be paid in accordance with the law. Overtime work shall be compensated at the premium rate even for those countries where such laws do not exist.
- Workers shall be made aware of their right to refuse overtime work and must be able to refuse without any negative consequences.

5. Wages and Benefits

The payment of fair wages shall be assured for every employee.

- Wages shall not be less than either the legal minimum or the prevailing industry wage of the relevant country, whichever is higher.
- Where there is no national or local minimum wage and no verifiable industry wage, the contracted wage serves as the basis for “basic” wage including fair compensation work elements, and further wage calculations.

enviado expects all employees to be paid in a timely manner, and that appropriate actions are taken by supplier partners to progressively implement compensation systems that improve employee welfare. **To support our request, enviado will always pay a fixed percentage of the order volume in advance when placing the order. The remuneration shall only be used to pay employees and subcontractors in a timely manner.**

Piece-Rate Workers

Production targets for piece-rate workers must be reasonable and achievable within the hours of the regular workday or work week. In the event there is overtime work, the supplier may increase the product target proportionately with the extension of working hours. Piece-rate workers shall have access to their individual piece-rate records kept by the supplier.

In the absence of any legal provision on overtime payment for piece wage workers, the overtime bonus shall be calculated and paid based on either, the average piece rate wages of the worker or the normal legal procedure (using the minimum basic hourly wage as basis).



Legal Benefits

All employees shall also receive and be provided with all work-related benefits mandated by law. These include, but are not limited to:

- Social security insurance, including: pension scheme, medical care, workplace injury, unemployment, and maternity benefits.
- Leave-related legal benefits, such as: national or public holidays, annual, marriage, maternity, sick, bereavement, and any other leave.
- In the event of an employee's resignation or termination, the supplier shall pay the employee all benefits required by law, including remaining wages, unused leave, or other outstanding payments owed to the employee.

The supplier shall make contributions to the required insurance body or fund as required by law, considering both the employer and employee contributions where applicable. These may include provident funds, social insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and pension schemes.

The supplier shall keep records of all contribution payments to the authorities in relation to social security/medical/pension schemes and funds, with details on the contribution from each employee.

Fines and Financial Penalties

There shall be no fines or financial penalties imposed on employees under any circumstances, for the following:

- Excused Absenteeism
- Mistakes in production
- As any form of discipline
- For the normal use of company facilities

Employees shall not be fined or have their regular or overtime wage deducted for failure to meet production quotas or targets (This not applying to production bonuses).

The Factory shall not withdraw or deduct attendance allowance, if/when:

- An employee does not agree to work overtime during the week
- It is a designated rest day
- An employee exercises mandatorily-legislated/ legally allowed leave (including annual, maternity, pregnancy-related, bereavement, marriage, etc.)

Uniforms, equipment, and special protective gear shall be provided to employees free of charge. There shall be no unreasonable deductions from employees for the use of dormitories or for consuming water, meals, and other services at the dormitory.

enviado welcome any supplier who needs help in implementing our requirements to contact us. enviado will discuss with the supplier how the measures can be implemented and where enviado can provide organisational help in addition to financial assistance.



2. Equal Opportunity

enviado and the supplier shall have a written policy stating their commitment to provide equal opportunities to all workers. Equal opportunities in employee management include: hiring, training, promotion, granting of social benefits, assignment of work, salary, discipline, termination, and retirement.

1. Non-Discrimination in General

No special considerations are to be taken on the basis of race, sex, age, pregnancy, religion or belief, marital status, ancestry or ethnic origin, union membership, political or sexual orientation, or other attitudes.

Workers shall be hired solely on the basis of their skill, ability, and training to do the job. Wages, benefits, promotions, and other incentives shall be applied solely on the basis of workers' performance and experience.

The supplier information sheet on applicants shall not include any basic information (such as age, sex, religion, marital status, health condition, or union affiliation) that may be used as a basis for discriminative acts.

2. Gender Fairness

Women and men shall receive equal remuneration for work of equal value, equal evaluation of the quality of their work, and equal opportunities to fill all vacant positions.

All workers, regardless of their gender, sexual orientation, or sexual affiliation, shall be granted equal opportunities in all matters pertaining to employment in the Factory including hiring, promotion, wages, benefits, work assignment and termination.

Workers must be provided maternity leave as mandated by local laws. Paid time-off for pre-natal medical check-up shall be allowed, either credited to remaining paid sick days or prenatal check-up days allowed by law, whichever is available. If no paid sick leaves are available locally, annual leaves shall be credited.

3. Dignity and Respect

enviado is committed to the development and maintenance of a congenial work environment where all employees are treated with dignity and respect. These same standards are expected at the workplaces of all enviado supply chain partners.

Supplier Management shall take appropriate action against those who violate this policy, up to and including dismissal for serious offenses. Management shall recognise the importance of providing appropriate training that ensures this policy is understood and implemented by all members of its staff. Management shall also undertake a series of training initiatives aimed at identifying and preventing harassment and abuse, while also fostering dignity and respect in the workplace.



Sustainability Strategy

To achieve the highest sustainable business development, enviado's sustainability strategy is based on the individual targets set out in our philosophy. We aim to have a positive impact on all spheres of these targets within our own space of influence. We refuse the implementation of a traditional linear economy throughout our purchasing and manufacturing processes and invoke a lifecycle approach from the beginning of our company history. It starts with the product design putting emphasize on a sustainable sourcing of raw materials, continuing with a high focus on applying best practices in all our manufacturing processes and reaches its climax in our [policy of a zero use of any hazardous chemicals](#)⁷ registered as Substances of Very High Concern.

For all enviado products, we only use materials where reuse or recycling is possible, and the environmental impact is kept to a minimum. After use, our products can be recycled or disposed of in an environmentally friendly manner.

We encourage all our customers to participate in the reuse or recycling systems of their local providers.

enviado has set itself the goal of manufacturing its products from 100% recycled materials by 2023. To achieve this, enviado will work together with its suppliers to build and implement a secure supply chain of raw materials, which for the first time will make it possible to manufacture products for food contact from completely recycled materials (recyclates).

Applying best practices means not only pointing out existent industry standards, but furthermore taking responsibility for the effective implementation of our minimum standards, that may be perceived as a particularly great challenge.

In accordance with our sustainability strategy we expect the following minimum standards to be followed by all our suppliers:

4. Use of REACH-Conform materials only

REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from risks that can be posed by chemicals. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.

In principle, REACH applies to all chemical substances; not only those used in industrial processes but also in our day-to-day lifes, for example in manufacturing of all enviado products.

enviado implements REACH in all manufacturing as follows:

- REACH shall be used as a reference for limits and testing methods of all restricted substances that may be found in raw materials and production processes.
- REACH applies to all components found in enviado products. enviado requires all components of its products to be tested for restricted Substances of Very High Concern before they are used in the manufacturing of finished products.
- To ensure compliance with REACH, enviado conducts random testings of products and materials on a regular basis.

⁷ All products engineered, designed and produced by enviado are manufactured in accordance with the European Commission Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals, REACH, (EU) 1907/2006.



The “Candidate List of Substances of Very High Concern for Authorization” can be found under the following link: <https://echa.europa.eu/candidate-list-table>

Next to REACH, additional requirements apply for all manufactured products that are intended to come into contact with food. The following European Regulations are applicable and must be followed:

- **Regulation (EC) No. 1935/2004**, which covers general rules applicable to all materials and articles intended to come into contact with foodstuffs.
- **Regulation (EC) No 10/2011**, on plastic materials and articles intended to come into contact with food; specification of Regulation (EC) No. 1935/2004.
- **Regulation (EC) No. 2023/2006** (Good Manufacturing Practice).

We are proud to apply the same standards to all our products, ensuring the same high standards and safety for all our globally operating customers.

5. Certified Management System

All our suppliers are expected to possess at least one of the following certified Management systems:

- ISO 9001
- ISO 14001
- SA 8000 and
- OSHAS 45001

All our suppliers are expected to take part in one regular auditing provided by one of the world's leading ethical trade service providers, such as SMETA/Sedex, SA 8000 or BSCI.

All our suppliers are expected to comply with our policy of a zero use of any hazardous chemicals, as laid out in our Declaration of Conformity.

All our suppliers are expected to have medium-term plans (< 12 month) and appropriate procedures in place for implementing strategic compliance and improving social performance in a continuous improvement cycle over time.

All our suppliers are expected to respect enviado's right to conduct a comprehensive audit with respect to compliance with enviado's minimum requirement, social and environmental issues at all factories and facilities.

All our suppliers must guarantee compliance with all relevant local, national, and international legislation. In case of conflicting requirements, the regulation with stricter demands shall be followed.



6. enviado Compliance Audit

An enviado Compliance Audit verifies that all our suppliers are following our CoC. Only enviado and other qualified third parties designated by enviado may conduct verifiable monitoring activities. Audits will be conducted prior to any start of business relationship and with suppliers already authorised for production at a regular interval, typically once per year. Only suppliers, which comply with our CoC will be authorised to manufacture for enviado and their customers.

enviado Compliance Audit starts with the request of a SMETA/SEDEX report no older than 12 months. Based on the Corrective Action Plan (CAPR) enviado will determine, if the issues raised by the CAPR are considered of “Zero Tolerance Issues”, “Critical Issues”, “Major Issues”, and “Minor Issues”.

Zero Tolerance Issues are unacceptable violation of enviados CoC. If a Zero Tolerance issue is discovered, the supplier will not be eligible to produce any enviado goods.

Zero Tolerance issues are defined as follows

Noncompliance with Basic Government Licensing Regulation	Missing or invalid business permit, or any missing operation/ license/certification that is legally required from local authorities to operate the business.
Payment Below Legal Minimum Wage	Failure of the Supplier to meet any of the following wage requirements: <ul style="list-style-type: none"> • the legal minimum wage. • the appropriate prevailing, industry, or sectorial minimum wage. • the collectively bargained wage, either national or regional for the workers (including sub- contracted workers or whoever works in the supply chain in any operation or service for the supplier).
Proven Case of Forced Labor	Any work or service performed by a worker which worker does not voluntarily agree to, and under the threat of any kind of penalty. All slavery practices, including human trafficking and bonded labor, prison labor, indentured labor, or other form of forced labor.
Proven Case of Child Labor	A hiring age policy and/or practice that is not in compliance with the legal requirement and/ or the enviado Code of Conduct (whichever is more stringent). The minimum age for employment under international standards and enviado Code of Conduct is no less than 15 years, or the age at which compulsory schooling is completed, whichever is higher.
Imminent Danger to Life	Any combination of health and safety conditions in the suppliers’ premises that present an imminent risk or danger to a worker’s life, including unsound building structures.
Illegal Use and Discharge of Wastewater or Hazardous Waste	Discharging untreated wastewater into natural water bodies such as rivers and streams (or into the ground), as well as illegally disposing hazardous waste (such as chemicals or oil).



Critical, Major and Minor Issues constitute a serious violation of enviados CoC. Discovery of one or more Critical Issue may lead to a failure of enviados Compliance Audit or to termination of the business relationship with the supplier. A list of all issues considered to be critical, major or minor will be provided to the supplier when the auditing is completed.

enviado appreciates the textile industry-wide tools, such as ZDHC⁸, SMETA/Sedex⁹ or the Higg¹⁰ Index FEM 3.0., when it comes to preventing and monitoring any harmful impact on human health and the environment itself. However, we found out, that a production facility in compliance with e.g. ZDHC, will often not be suitable to fulfill the higher standards required to manufacture food contact materials¹¹. enviado does not only require a zero use of any hazardous chemicals, but we only manufacture products, that are designed to come directly in contact with foodstuff without causing any harm to human health and therefore not any harm to our environment.

7. Environmental Audits

An enviado Environmental Audit verifies all suppliers had policy and procedures pertaining to environmental protection, which stipulated that the suppliers comply with the requirements of local and international laws. enviado requires of all suppliers to appoint an Administration Supervisor to be responsible for communicating, deploying, and monitoring the environmental practices elaborated upon in the environmental management system. Through annual management interviews enviado notes that suppliers' management are aware of all legal and enviado's environmental requirements.

The Institute of Public & Environmental Affairs (IPE) is a non-profit environmental research organization registered and based in Beijing, China. Since its establishment in June 2006, IPE has dedicated itself to collecting, collating and analyzing government and corporate environmental information to build a database of environmental information. IPE's two platforms – the Blue Map website and the Blue Map app – integrate environmental data to serve green procurement, green finance and government environmental policymaking, using cooperation between companies, government, NGOs, research organizations and other stakeholders and leveraging the power of a wide range of enterprises to achieve environmental transformation, promote environmental information disclosure, and improve environmental governance mechanisms.

Every year, IPE publishes the CITI report with the Natural Resources Defense Council ("NRDC") to evaluate more than ¹⁰⁰ brands' local annual environmental performance and update factories' environmental violation records (via public resource) in Mainland China.

⁸ ZDHC (Zero Discharge of Hazardous Chemicals) is an association of 136 international companies and organisations (as of July 2019) working together to eliminate hazardous chemicals from the textile industry. The aim is to eliminate hazardous substances from the clothing production process. To this end, the Manufacturing Restricted Substances List (MRSL) was drawn up, a list of hazardous chemicals that may not be used or may only be used in defined concentrations. The low concentrations are intended to exclude the possibility of intentional use of these substances.

⁹ SMETA is an audit methodology, providing a compilation of best practice ethical audit techniques. It is designed to help auditors conduct high quality audits that encompass all aspects of responsible business practice, covering Sedex's four pillars of Labour, Health and Safety, Environment and Business Ethics.

¹⁰ Developed by the Sustainable Apparel Coalition, the Higg Index is a suite of tools that enables brands, retailers, and facilities of all sizes — at every stage in their sustainability journey — to accurately measure and score a company or product's sustainability performance. The Higg Index delivers a holistic overview that empowers businesses to make meaningful improvements that protect the well-being of factory workers, local communities, and the environment.

¹¹ E.g.: Regulation (EC) No 10/2011 require higher limitations for some substances (mg/kg) as laid out in the ZDHC MRSL.



IPE has also developed the Pollutant Release and Transfer Register (“PRTR”) and Detox data platforms in partnership with Greenpeace, to publicly disclose Detox data and other environmental performance data from factories. enviado therefore requires those suppliers based in mainland China to adhere to the following reporting policies:

- Track their own environmental performance on IPE’s platform (via website or app). In case of any violation, the supplier shall communicate with IPE to report follow-up actions
- Work towards publishing their environmental KPIs and other relevant data on IPE’s RPTR platform

For more information about IPE and its CITI index please visit Their website¹².

All suppliers must have the necessary permits and licenses from their local authorities to extract water from local supplies (whether using underground water, surface water, or other public sources), as well as to discharge wastewater into the public sewer system.

8. Declaration of Conformity

Every supplier must submit a complete Declaration of Conformity, declaring, that they have not only received the newest candidate List of Substances of Very High Concern (SVHC- candidate list) provided by the European Chemicals Agency (ECHA) but have taken full awareness of enviado’s requirements, that none of those chemicals stated in the list, shall be used to manufacture any fabric, textile or accessory for any enviado product.

¹² IPE webpage: <http://www.eni.ipe.org.cn/about/about.html>



Roadmap to Only Recycled Fabrics 2023

enviado manufactures its products from various synthetic fibres. All synthetic fibres are made of synthetic materials commonly known as “plastics”. When the bags reach the end of their life cycle, the ecological question arises of how to deal with the waste in a sustainable manner.

How plastic waste is processed remains extremely variable from country to country, and recycling remains considerably under-used. The dysfunctional character of markets for recycled plastics manifests itself in several ways. Market volumes and liquidity are limited, trade flows are small as a proportion of total plastics waste generation, and market prices are highly volatile. Global plastics recycling rates, and the share of recycled production in total plastics output, also remain low.

Plastic recycling continues to be an economically marginal activity. Current recycling rates are thought to be 14 - 18% at the global level. The remainder of plastic waste is either incinerated (24%), or disposed of in landfill or the natural environment (58 - 62%). Plastics recycling rates are substantially lower than those for other widely used materials. Recycling rates for major industrial metals – steel, aluminium, copper, etc. – and paper are thought to exceed 50%¹³.

In addition, potential suppliers of recycled plastics do not invest sufficiently in sorting and recycling capacity because the profitability of these operations is limited.

And yet recycling is the best solution for processing plastic waste because it limits the environmental impact and generates significant socioeconomic gains.

Products can only be recycled in economically acceptable conditions if recycling is built into their design. Recycling becomes far more complex when dealing with products that use multi-layer plastics, particularly different polymers or materials. Using single-layer plastics facilitates recycling.

Furthermore, certain theoretically recyclable polymers are not recycled in practice because they appear in insufficient quantities in waste streams. Recycling is better promoted when manufacturers use polymers that are already in widespread use on the market and for which there are pre-established recycling systems.

For enviado it is important to include these constraints during product development phases run by our design and operational teams responsible for the life cycles of our products. Our products are only made of those polymers, which already appear in high quantities in the local waste streams. We only produce multiple reusable and long lasting products in order to minimize the amount of waste that is generated after our products reach the end of their life.

There are different techniques and technologies available or in development for the recycling of different plastics. However, all different technologies are dependent on the supply of enough raw material as input. Most of the input materials are originally from materials that are not designed for the use as food contact materials. The recycled plastic (recyclates), cannot be used as food contact materials without high concerns. Use of such materials may be in compliance with REACH and therefore usable for non-food carrying backpacks, shoes and wearable textiles but not in compliance with the higher regulations for food contact materials.

As a result, only those recyclates that have been entirely recycled from food contact materials can be used for the manufacturing of any enviado products.

¹³ OECD Environment Policy paper No. 12, “Improving Plastics Management. Trends, policy responses, and the role of international co-operation and trade”.



At present, only the use of recycled PET (rPET) as a recyclate could meet the high regulatory requirements. rPET materials are produced from recycled beverage bottles. Some European countries have established systems for recycling beverage bottles, so that the production of plastic fibres can be economically viable. However, these systems are designed to be circular economy systems. The plastic circular economy is a model for closed system that promotes the reuse of plastic products, while food contact regulations promote the principle that any material or article intended to come into contact directly or indirectly with food must be sufficiently inert¹⁴ to preclude substances from being transferred to food in quantities large enough to endanger human health or to bring about an unacceptable change in the composition of the food or a deterioration in its organoleptic properties. The use of recyclates is not inert by their design, unlike traditional (virgin) materials.

Furthermore, the output of these closed systems is lower than the input. The recyclates produced are almost completely reused to make beverage bottles. Today 24% of recyclates are used in common households and industrial packaging products and applications. This figure may increase when food contact material regulations are adapted to the circular economy, and if a larger variety of recyclates meets the product specifications¹⁵.

A transfer of our production processes to a production that only operates with recycled materials can therefore not be carried out at present without possible infringements of regulations for food contact materials.

Although enviado particularly welcomes the use of recyclates as an important contribution to general environmental protection, whenever appropriate, enviado does not permit the use of recyclates for the manufacture of products without 1) prior notification of the origin of the raw materials used to manufacture the recycled material and 2) a prior conformity test on compliance with the regulations for food contact materials.

Nevertheless, we have committed ourselves to build up a supply chain that will allow us to produce bags entirely from recycled materials without violating food regulations or lowering the required quality standards of our customers, **within the next 3 years.**

¹⁴ In chemistry, the term chemically inert is used to describe a substance that is not chemically reactive.

¹⁵ PlasticsEurope: „The circular Economy for Plastics – A European Overview 2019“, page 19 f.

 *enviado*