



PDS

Global, Collaboration, Digital, Ethical

PDS LIMITED

Chemical Policy

(Adopted by Board of Directors on Oct 29, 2024)

Scope of Policy:

All our Supply Chain Partners must be able to provide proof of compliance with chemical legislation, including the UK-EU REACH Regulation (including SVHC's - Substances of Very High Concern) that is current and updated. Our supply chain partners are required to provide, on demand, full chemical details of product content, process for Textile and product make and finish.

We endeavour to work with fibre to product manufacturers with Chemical Policies and code of conduct aligns with ours.

Key Principles:

We will never, intentionally do any harm to the environment and the people in the scope of influence of our operations and supply chain catchment.

We will always endeavour to achieve the highest standards we can base on our chemical policy and encourage all our business partners to do the same.

We will collaborate with key organisations like the SAC /Higg and ZDHC to help set standards and monitor our performance in Chemical Compliance and will work with a value chain that aligns with our approach.

A Chemical Management Strategy- Why it Matters to us:

Besides the impacts of chemical non-compliance on people and the environment, under the legislative or compliance regulations, we must ensure that our business is protected from the consequences of non-compliance. Any product which finds its way to the consumer, and is found to contain chemicals which on testing, breach local or national legislation limits, maybe subject to an immediate product withdrawal from the market. Substantial fines often accompany this for the manufacturer, supplier and the brand, which can damage the company's reputation, and standing within the market.

The only comprehensive way to implement our chemical policy is by working in partnership with our suppliers in a structured way to help them manage their impact on the environment. We also want to ensure that we are transparent with our customers and internal and external stakeholders. We want our customers to trust us and trust the quality of our products and know they are safe and compliant with all of the standards and regulations that apply.

We have ensured we have fit for purpose SOP's and robust systems in place, to stop non-compliant products getting to our customers.

Our Chemical Compliance is managed by our embedded Sustainability/ESG and Compliance Teams at PDS Ltd.

Our Commitment:**ZDHC MRSL and Roadmap to Zero:**

Our goal is to ensure that our mills and factories use safer chemicals in production of our clothing, supply chains, right from the fibre manufacture and wet processor level. This will lead to zero discharges of hazardous chemicals, in terms of wastewater and exposure to other emissions in the production regions. We therefore ensure that our Wet Processors are participating in the ZDHC MRSL and Supplier to Zero roadmaps.

Waste Water Testing to MRSL standards and Chemical Inventory transparency on the Cleanchain, Bhive or BVe3 platforms is a basic and mandatory requirement for our wet processing partners.

We continue to achieved good progress with our suppliers on these objectives and, have achieved substitution with safer chemicals. This shows that constructive dialogue and support underpinned by consistent communication with our suppliers has paved the way for us towards better chemical policy alignment cross our supply chain.

Links to the documents:

ZDHC MRSL: <https://mrsl-30.roadmaptozero.com/>

ZDHC CMS Framework: <https://downloads.roadmaptozero.com/process/>

ZDHCCMS-Framework ZDHC CMS TIG: <https://downloads.roadmaptozero.com/process/>

ZDHCCMS-TIG ZDHC Wastewater Guidelines: <https://www.roadmaptozero.com/output#guidelines>

Suppliers and subcontractors are obliged to comply with the PDS keep PDS (and its companies as relevant), Subcontracting Policy to keep PDS (and its companies as relevant), informed at all times, of the manufacturer of each product and component. These facilities have to be assessed and approved by PDS (and its companies as relevant), before any product manufacture order is placed with them.

Higg FEM:

We use the Higg platform to gather and monitor the environmental performance of our factories and Mills. We are working hard to ensure that our value chain engages with this platform and this is now one of the basic requirements or on boarding any new facilities. The ones we already work with are also fast adopting this platform and we are engaging with our customers as well regarding the status and progress of T1-T6

Tiers as we see them at PDS

Tier 1: Garment Factories

Tier 2: Placement Printers/ Garment Wash Laundries /embroidery

Tier 3*: Wet Processors (Dyers and Printers)

Tier 4: Knitter/Weaver

Tier 5: Spinners/Filament manufacturers+ Y/D and Top Dyers

Tier 6: Ginners/Fibre Sheets Producers MMCF

Tier 7: Farmers

Expectations from our suppliers on Chemical Compliance

We follow the [ZDHC MRSL](#) and REACH SVHC for the PDS RSL List. Any Wastewater must meet the [ZDHC Wastewater guidelines](#)

Any test report that exceeds the maximum limit allowed, is a breach of our standards. Any such consignment of garments must be held in quarantine, held at origin, and reported to our technical and commercial teams immediately.

PDS RSL List Applies to all fabrics, components, products and packaging.

For some high-risk materials, we require mandatory testing submission to our technical team per order.

PDS Ltd accepts alternatives to testing demonstration of compliance; Oekotex, Bluesign.

We also require full visibility of every wet processors Chemical Inventory via Bhive, Clean chain or BVe3 platforms. At random and based on material risk assessment we will request Due Diligence testing, and our supply chain must promptly conduct and submit reports as requested.

Roadmap to Delivery of Objectives:

Mapping our wet processors (Tier2, Tier 3) that supplying our garment manufacturing factories is the first step that we are making good progress on. We have identified 208 Tier 3 sites. We know their exact locations and are engaging with each of them including the Technical Audits for our Top 20 Tier 3 sites that have concluded in January 2024.

This programme is ongoing, to include more wet processors of all types and we will continue to engage with our customers and our supply chain on this goal.

80% of our Tier 3 suppliers are enrolled with ZDHC and Higg. We are monitoring and sharing this information with our customers whilst we strive for continued improvement in these figures.

We are making good progress on our ESG roadmap commitments to get our Scope 1 and 2 emissions audited this year as well as our Scope 3 for the 2024-25 financial year. We have engaged a well know consultancy Leadership & Sustainability based in Germany to help us with this. We aim to submit our Emission data to SBTi in 2025 and are on track with this.
