



SHOVON KNITWEAR LTD.

Manufacturer & Exporter of Quality Knitwear.

(A concern of Shovon Group of Companies Limited)

ENVIRONMENTAL POLICY



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Responsible Department: Sustainability Department



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Introduction

Shovon Knitwear Ltd. is committed to sustainable operations and reducing our environmental footprint across our value chain. As a responsible apparel manufacturer, we recognize the urgency of addressing climate change, conserving resources, and protecting ecosystems.

This policy outlines our strategic approach to energy use, greenhouse gas (GHG) emissions, water consumption, waste management, and responsible sourcing. Through innovation, regulatory compliance, and stakeholder collaboration, we strive to align our practices with global environmental standards and contribute to a more sustainable planet.

Scope

This Environmental Policy applies to all employees, facilities, operations, and stakeholders engaged with **Shovon Knitwear Ltd.**; This includes:

Sl/No	Name Of Site	Address
1	Shovon Knitwear Ltd. Narayanganj	West Masdair, Fatullah, Narayanganj, Bangladesh.



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Policy Statement

Shovon Knitwear Ltd. is committed to conducting its business in an environmentally responsible manner by preventing pollution, conserving natural resources, reducing greenhouse gas emissions, minimizing waste, protecting water resources, promoting circularity, managing chemicals responsibly, and continuously improving environmental performance.

Senior management recognizes that responsible environmental management is an integral part of sustainable business operations. The company is committed to identifying and managing the significant environmental aspects and impacts associated with its activities, products, services, facilities and relevant supply-chain activities.

Shovon Knitwear Ltd. will comply with applicable environmental laws, regulations, permits, customer requirements and other relevant environmental obligations and will maintain appropriate systems to monitor environmental compliance.

Our environmental management approach is based on:

Policy → Risk Assessment → Objectives & Targets → Action → Measurement → Monitoring → Corrective Action → Management Review → Continuous Improvement.



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Qualitative Commitment

1. Energy Consumption and Climate Change

Shovon Knitwear Ltd. is committed to improving energy efficiency and reducing greenhouse gas emissions.

- Measure and monitor electricity, fuel and other relevant energy consumption using reliable records and defined reporting boundaries.
- Establish and maintain an energy and GHG inventory using recognized calculation principles, applicable emission factors and documented methodologies.
- Monitor Scope 1 and Scope 2 GHG emissions and progressively assess relevant Scope 3 emission categories based on materiality, data availability and business relevance.
- Maintain documented records of energy consumption, activity data, emission factors, calculation methodologies and GHG results to support transparency and verification.
- Establish documented energy and GHG baselines, where applicable, and periodically review performance against approved baselines.
- Conduct energy assessments, audits or energy-performance reviews for significant energy-consuming processes, equipment and facilities, based on risk, significance and applicable requirements.
- Improve energy efficiency through process optimization, preventive maintenance, equipment upgrades, operational controls and energy-efficient technologies.
- Promote efficient operation and optimization of major energy-consuming equipment, including boilers, compressors, motors, pumps, HVAC systems, lighting, dryers and production machinery.
- Identify and implement energy conservation opportunities such as reducing idle operation, optimizing operating parameters, improving insulation, reducing compressed-air losses and minimizing unnecessary energy consumption.
- Increase the use of renewable energy where technically, operationally and economically feasible.
- Evaluate opportunities for on-site solar photovoltaic systems, renewable electricity procurement and other suitable renewable-energy solutions.
- Establish measurable and time-bound energy and GHG reduction objectives and targets, supported by action plans, responsible persons and implementation timelines.
- Prioritize energy and GHG reduction measures based on energy significance, emission impact, feasibility and potential environmental benefits.



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- Monitor progress against energy and GHG targets through defined KPIs and periodic management review and implement corrective or improvement actions where performance is below target.
- Promote energy conservation awareness and responsible energy-use practices among employees through communication, training and workplace engagement.
- Review energy and climate performance at least annually and update objectives, action plans and improvement measures based on performance, risks, regulatory developments and available technologies.

2.Greenhouse Gas Emissions

Shovon Knitwear Ltd. will progressively strengthen its GHG management system.

The company will:

- Conduct an annual GHG inventory aligned with the GHG Protocol, covering Scope 1, Scope 2, and progressively relevant Scope 3 emission categories, using defined organizational and operational boundaries and documented emission factors.
- Reduce Scope 1 emissions by improving fuel efficiency, optimizing fuel-consuming equipment and manufacturing processes, reducing unnecessary fuel consumption, and progressively transitioning suitable company-owned or controlled vehicles and equipment to electric or lower-emission alternatives where technically and economically feasible.
- Reduce Scope 2 emissions through energy-efficiency improvements, equipment optimization, operational controls, and increased use of renewable electricity, including on-site renewable energy and other appropriate renewable-energy procurement (REC) mechanisms where feasible.
- Begin systematically identifying and prioritizing Scope 3 emissions across the value chain, with initial focus on relevant categories such as purchased goods and services, fuel- and energy-related activities, upstream and downstream transportation, business travel, and waste generated in operations.
- Engage relevant suppliers, logistics providers, contractors, and other business partners to improve GHG data availability, identify emission-reduction opportunities, promote energy efficiency, and encourage the adoption of lower-carbon practices.
- Establish quantitative GHG reduction targets based on a documented baseline year and periodically monitor progress against these targets.
- Review GHG performance annually and incorporate identified improvement opportunities into the company's environmental and climate action plans.



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3. Biodiversity Protection

Shovon Knitwear Ltd. recognizes the importance of protecting biodiversity, ecosystems, and natural resources and is committed to identifying and managing potential biodiversity-related impacts associated with its operations, facility development, and supply chain.

The company will:

- Conduct biodiversity and ecosystem impact/risk assessments for new facility development, major expansion, construction, or significant land-use change projects, where relevant.
- Avoid locating new developments or expansions in legally protected areas, critical habitats, or other ecologically sensitive areas, in accordance with applicable national legislation and recognized good international practices.
- Apply the avoid–minimize–restore–offset/compensate mitigation hierarchy where significant biodiversity impacts are identified, with priority given to avoiding impacts at source.
- Assess potential impacts on habitats, ecosystems, vegetation, water resources, and species associated with relevant operations and development activities.
- Promote environmentally responsible landscaping by using native and locally appropriate plant species, minimizing invasive species, and reducing unnecessary use of chemical pesticides and fertilizers where feasible.
- Where appropriate, restore or enhance disturbed areas through native vegetation planting, green spaces, habitat restoration, and ecosystem-supportive landscaping.
- Incorporate biodiversity considerations into relevant environmental risk assessments, project planning, and procurement decisions.
- Where significant biodiversity risks are identified, establish appropriate mitigation measures, action plans, responsibilities, and monitoring indicators.
- Engage relevant employees, contractors, suppliers, and other stakeholders to promote awareness of biodiversity protection and responsible natural-resource management.
- Monitor and periodically review biodiversity-related risks and the effectiveness of mitigation and conservation measures as part of the company's environmental management system.

4. Waste Management and Circularity

Shovon Knitwear Ltd. is committed to minimizing waste generation, maximizing reuse, recycling and material recovery, and ensuring the environmentally responsible management and disposal of unavoidable waste.

The company will:

- Apply the waste hierarchy of prevention, reduction, reuse, recycling, recovery, and



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responsible disposal, prioritizing waste prevention at source.

- Strengthen waste segregation at source to improve recycling, reuse, recovery, and material traceability across relevant operations.
- Establish and maintain a comprehensive waste inventory covering hazardous and non-hazardous waste streams, including textile/fabric waste, packaging waste, paper/cardboard, plastics, sludge, chemical containers, and other significant waste categories.
- Reduce packaging and process waste through resource-efficiency initiatives, lean manufacturing, process optimization, improved material utilization, and environmentally responsible packaging design.
- Establish measurable objectives for waste reduction, recycling, reuse, recovery, and diversion from disposal, based on documented baseline data.
- Track hazardous and non-hazardous waste through a centralized digital waste management system or controlled electronic records, including quantities, waste types, storage, transportation, treatment, recycling/recovery, and final disposal.
- Ensure hazardous waste is properly identified, segregated, stored, handled, transported, treated, and disposed of through legally authorized and competent service providers.
- Partner with qualified/authorized recyclers and waste-management contractors and maintain appropriate licenses, manifests, receipts, certificates, and disposal/recycling records.
- Verify, where applicable, the downstream handling of significant waste streams to improve transparency and reduce the risk of inappropriate disposal.
- Increase the proportion of waste diverted from landfill or other disposal routes through reuse, recycling, recovery, and circular-economy solutions.
- Promote the use of recycled, recyclable, reusable, or lower-impact packaging materials where technically and commercially feasible.
- Evaluate opportunities to implement applicable Extended Producer Responsibility (EPR) mechanisms and other producer-responsibility or take-back schemes relevant to the company's products, packaging, and applicable regulatory requirements.
- Engage suppliers, contractors, employees, and other relevant stakeholders on waste prevention, segregation, recycling, and circular-economy practices.
- Conduct periodic reviews of waste performance and implement corrective actions and improvement projects where performance gaps are identified.

5. Water Management and Stewardship

Shovon Knitwear Ltd. recognizes water as a critical natural resource and is committed to responsible water consumption, pollution prevention, water efficiency, and continuous improvement of water management practices.



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The company will:

- Establish and maintain a water consumption baseline and monitor water use by source, process, and facility where practical.
- Measure and monitor absolute water consumption and water-use intensity against production output to identify opportunities for improvement.
- Implement water-efficiency measures, including low-flow fixtures, efficient equipment, optimized production processes, leak detection and repair, and improved operational controls.
- Incorporate water conservation and pollution-prevention practices into production planning, maintenance activities, facility management, and daily operations.
- Identify water-intensive processes and implement targeted water-reduction and efficiency projects.
- Explore and implement water reuse, recycling, and closed-loop systems where technically feasible and environmentally appropriate.
- Maintain appropriate wastewater treatment and management systems and ensure wastewater is handled and discharged in accordance with applicable legal, permit, customer, and environmental requirements.
- Monitor relevant wastewater quality parameters and maintain appropriate laboratory/testing records.
- Assess water-related risks, including water scarcity, flooding, groundwater dependency, and other relevant physical water risks, particularly where these may materially affect operations or surrounding communities.
- Prioritize water conservation measures in areas identified as having high water stress or significant water-related risks, where applicable.
- Prevent contamination of surface water, groundwater, soil, and other water resources through appropriate controls, spill prevention, wastewater management, and emergency-response measures.
- Provide regular water-efficiency and pollution-prevention awareness training for relevant employees and contractors.
- Engage relevant suppliers and business partners, where appropriate, to promote responsible water management throughout the value chain.
- Establish measurable water-management objectives and periodically evaluate performance against the approved baseline and targets.
- Review water performance at least annually and implement corrective actions and continuous improvement measures where required.



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6. Product Sustainability and Responsible Use

Shovon Knitwear Ltd. is committed to reducing the environmental impacts associated with its products throughout their life cycle, from material selection and product development through manufacturing, use, reuse, and end-of-life management.

The company will:

- Integrate relevant environmental and sustainability criteria into product development and manufacturing decisions, considering material efficiency, resource consumption, durability, recyclability, and end-of-life impacts where applicable.
- Promote the use of lower impact, recycled, renewable, certified, and responsibly sourced materials where technically, commercially, and customer requirements permit.
- Improve material efficiency and product yield by reducing waste cutting, production losses, defective products, and unnecessary material consumption.
- Promote product durability, quality, and longevity through appropriate quality-control and manufacturing practices.
- Consider design for recyclability, reuse, repair, and responsible end-of-life management where Shovon has influence over product specifications and development.
- Work with customers and relevant brand partners to identify opportunities for circular product design, recycled-content materials, take-back programs, and end-of-life solutions, where applicable.
- Provide accurate and substantiated product environmental information, certifications, and sustainability claims and avoid misleading or unsupported environmental claims.
- Where applicable, support customers and brand partners in communicating relevant eco-labels, recognized certifications, material information, and product-care instructions to end users.
- Collaborate with customers and supply-chain partners to improve product-level environmental performance and identify opportunities to reduce life-cycle impacts.
- Monitor relevant product-sustainability initiatives and establish measurable objectives where sufficient data and influence are available.
- Periodically review product sustainability performance and incorporate identified improvement opportunities into product-development and manufacturing processes.



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7. Product End-of-Life Responsibility and Circular Economy

Shovon Knitwear Ltd. is committed to supporting the transition toward a more circular textile and apparel value chain by promoting reuse, repair, recycling, responsible end-of-life management, and improved traceability of products and materials.

The company will:

- Support and, where commercially and operationally feasible, participate in take-back, collection, reuse, repair, recycling, and recovery programs in collaboration with customers, brands, retailers, recyclers, and other relevant partners.
- Collaborate with qualified recyclers, textile-recovery organizations, social enterprises, and other competent partners to identify opportunities to extend the useful life of garments and textile materials.
- Prioritize reuse, repair, refurbishment, fiber recovery, and recycling over disposal wherever technically and environmentally feasible.
- Explore opportunities to incorporate design-for-circularity principles, including material selection, mono-material or recyclable constructions, durability, and ease of recycling where applicable to Shovon's manufacturing scope and customer requirements.
- Explore the use of digital product information and traceability solutions, including Digital Product Passport (DPP)-related systems, where relevant to customer requirements, regulatory developments, and applicable product categories.
- Maintain accurate and traceable information on relevant fiber composition, recycled content, certifications, and material origin to support downstream sorting, recycling, and responsible end-of-life management where data is available.
- Work with customers and business partners to evaluate applicable Extended Producer Responsibility (EPR), take-back, and textile collection schemes in relevant markets.
- Support consumer-facing sustainability communication, where requested by customers or brand partners, by providing accurate information on garment care, reuse, repair, recycling, collection, and appropriate disposal options.
- Promote awareness among relevant employees and supply-chain partners regarding textile circularity, waste prevention, reuse, recycling, and responsible end-of-life management.
- Track relevant circular-economy initiatives and establish measurable objectives and KPIs where Shovon has sufficient operational influence and reliable data.
- Periodically review opportunities to increase the proportion of materials and products directed toward reuse, recycling, and recovery rather than disposal.



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8. Environmental Risk and Climate Resilience

Shovon Knitwear Ltd. recognizes that climate change and other external environmental factors may affect business continuity, natural resources, infrastructure, employees, production activities, and the supply chain. The company is committed to identifying, assessing, managing, and monitoring relevant environmental and climate-related risks and strengthening operational resilience.

- Conduct a documented environmental and climate-related risk assessment at least annually and whenever significant changes occur in operations, infrastructure, location, or supply-chain exposure.
- Identify and assess relevant physical climate risks, including:
 - Flooding
 - Extreme rainfall
 - Water scarcity
 - Extreme heat
 - Cyclones and severe storms
 - Drought and other water-related risks
 - Rising temperatures and heat stress
 - Other location-specific climate hazards.
- Assess relevant environmental risks that may affect operations, including water availability, pollution incidents, natural-resource constraints, environmental emergencies, and other material environmental conditions.
- Assess the potential impact of identified risks on people, facilities, utilities, production, equipment, raw materials, logistics, suppliers, customers, and business continuity.
- Evaluate identified risks according to likelihood, potential severity, exposure, vulnerability, and business impact.
- Prioritize significant risks for mitigation and adaptation measures based on their potential impact and materiality.

9. Air Pollution and Indoor Air Quality Management

Shovon Knitwear Ltd. is committed to preventing and minimizing air pollution arising from its manufacturing activities and maintaining a healthy indoor working environment through appropriate monitoring, operational controls, maintenance, and continuous improvement.

The company will:

- Identify and maintain an inventory of significant stationary and process-related air emission sources, including boilers, generators, production processes, and other relevant sources.
- Monitor applicable air pollutants, including particulate matter (PM), nitrogen oxides (NOx),



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sulfur oxides (SOx), volatile organic compounds (VOCs), and other regulated pollutants, based on the characteristics of the operation and applicable legal requirements.

- Conduct periodic emission monitoring, testing, audits, and data logging for significant emission sources at frequencies determined by legal, permit, customer, risk, or operational requirements.
- Maintain boilers, generators, filters, ventilation systems, and other relevant equipment through preventive maintenance to optimize combustion efficiency and minimize emissions.
- Progressively evaluate and adopt cleaner fuels, lower-emission technologies, electrification, and renewable-energy alternatives where technically and economically feasible.
- Monitor fuel quality and consumption and identify opportunities to reduce fuel use and associated air emissions.
- Implement appropriate controls for dust, fumes, VOCs, chemical vapors, and other process-related emissions where relevant.
- Maintain appropriate ventilation and local exhaust systems for processes that may generate airborne contaminants.
- Conduct periodic indoor air quality assessments in relevant manufacturing and occupied areas based on identified risks and applicable requirements.
- Monitor relevant indoor air parameters, which may include temperature, humidity, particulate matter, CO₂, CO, VOCs, and other parameters relevant to specific processes, as appropriate.
- Maintain records of air-emission monitoring, indoor air-quality assessments, equipment maintenance, corrective actions, and improvement projects.
- Investigate significant deviations, complaints, incidents, or non-compliances and implement corrective and preventive actions.
- Ensure applicable air-emission permits, regulatory requirements, monitoring obligations, and reporting requirements are identified and maintained.
- Provide relevant employees with awareness and training on air-pollution prevention, chemical-vapor control, ventilation, and appropriate operational practices.
- Establish measurable objectives for reducing significant air emissions and improving air quality where reliable baseline data is available.



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10. Material and Chemical Management

Shovon Knitwear Ltd. is committed to responsible chemical management and sustainable material sourcing.

We will:

- Maintain an up-to-date digital Chemical Inventory List (CIL) with chemical usage, hazards, suppliers and compliance information.
- Maintain current SDS and ensure safe chemical storage, handling, labeling and disposal.
- Identify, assess and reduce risks associated with hazardous and restricted chemicals, considering applicable laws, customer requirements and recognized standards such as ZDHC MRSL.
- Promote safer chemical substitutions and reduce unnecessary chemical consumption where feasible.
- Increase the use of certified, recycled and responsibly sourced materials, such as GOTS, GRS, RCS, FSC or equivalent standards, where applicable.
- Require relevant suppliers to meet chemical safety and environmental requirements, including bluesign®, OEKO-TEX®, ZDHC or equivalent standards, as applicable.
- Maintain relevant certificates, SDS, test reports and supplier compliance records for traceability.
- Provide appropriate chemical safety training to employees handling chemicals.
- Establish measurable targets for chemical risk reduction and sustainable material sourcing and review performance periodically.

11. Environmental Services and Advocacy

Shovon Knitwear Ltd. is committed to promoting environmental awareness, stakeholder engagement and transparency.

We will:

- Provide environmental awareness and sustainability training to relevant employees, with a target of 100% coverage where applicable.
- Engage with local communities, schools and relevant stakeholders through environmental awareness initiatives where feasible.
- Participate in relevant industry, national and environmental initiatives that support climate action and sustainable development.
- Communicate environmental objectives, progress and key performance indicators to relevant stakeholders.



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- Where appropriate, publish or disclose sustainability performance information, including relevant environmental metrics, targets and progress.
- Maintain records of training, awareness programs, stakeholder engagement and environmental initiatives as evidence of implementation.

12. Customer Health and Safety

Shovon Knitwear Ltd. is committed to protecting customer health and safety through responsible product design, chemical control and quality assurance.

We will:

- Ensure products comply with applicable product safety, chemical and customer requirements.
- Control restricted substances in accordance with applicable regulations and recognized standards.
- Maintain appropriate product specifications, safety requirements and compliance records.
- Conduct risk-based product safety and chemical testing, including third-party testing where required by law, customer requirements or risk assessment.
- Ensure accurate product labeling, care instructions and relevant safety information, where applicable.
- Maintain a documented process for customer complaints, product non-conformities, corrective actions and product recall, where necessary.
- Monitor product safety performance and implement corrective and preventive actions to support continuous improvement.



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Quantitative Targets

1. Energy Consumption and Climate Change

Baseline Year: 2023 | Target Year: 2030

Shovon Knitwear Ltd. will establish measurable targets to improve energy efficiency, reduce GHG emissions and increase renewable energy use.

- Reduce energy consumption intensity by 42% by 2030, compared with the 2023 baseline, through energy audits, equipment efficiency improvements, process optimization and digital energy monitoring.
- Upgrade or replace at least 90% of identified inefficient HVAC, lighting and production equipment by 2030, where technically and economically feasible.
- Conduct an energy assessment/audit covering 100% of identified significant energy-consuming processes and equipment.
- Establish monitoring/metering covering at least 90% of significant energy-consuming areas/equipment.
- Provide energy and climate awareness training/communication to 100% of relevant employees.
- Achieve at least 80% renewable energy share of total electricity consumption through on-site generation and/or eligible renewable electricity procurement, where feasible.
- Document energy-saving projects, investment, responsible persons, implementation status and verified energy savings to demonstrate progress against the 2030 target.

2. Greenhouse Gas Emissions

Baseline Year: 2023 | Target Year: 2030

- Reduce total Scope 1 and Scope 2 GHG emissions by 46% from the 2023 baseline by 2030.
- Assess 100% of relevant Scope 3 emission categories by 2030, based on materiality and data availability.
- Implement at least 2 documented GHG-reduction initiatives per year, focusing on fuel efficiency, electrification, renewable energy and operational efficiency.
- Increase renewable electricity to at least 25% of total electricity consumption by 2030, where technically and economically feasible.



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- Engage at least 80% of identified significant suppliers and logistics providers on relevant GHG data and emission-reduction opportunities by 2030.
- Maintain 100% annual Scope 1 and Scope 2 GHG inventories using documented methodologies and emission factors.
- Conduct at least one annual management review of GHG performance and progress against targets.

3. Biodiversity Protection

Baseline Year: 2023 | Target Year: 2030

- Complete biodiversity and ecosystem risk screening for 100% new facility developments, major expansions and significant land-use change projects before approval.
- Complete biodiversity risk assessments for 100% of existing facilities where material biodiversity risks are identified by 2030.
- Ensure 100% of new development projects are screened for protected areas, critical habitats and ecologically sensitive locations.
- Implement appropriate mitigation or management measures for 100% of identified significant biodiversity risks.
- Use native or locally appropriate plant species in at least 80% of new landscaping activities, where feasible.
- Preserve, restore or enhance at least 75% of applicable green/open areas through native planting, green buffers or habitat-supportive landscaping by 2030.
- Reduce the use of chemical pesticides and fertilizers in landscaped areas by 20% from the 2023 baseline, where applicable.
- Conduct at least one biodiversity awareness or conservation initiative annually involving employees, contractors or relevant community stakeholders.
- Review biodiversity risks, mitigation actions and performance at least annually and document progress against targets.

4. Waste Management and Circularity

Baseline Year: 2023 | Target Year: 2030

- Reduce total waste generation intensity by 25% per unit of production compared with the 2023 baseline.
- Achieve at least 80% waste diversion from landfill or other disposal routes through reuse, recycling and recovery by 2030.



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- Ensure 100% of hazardous waste is managed through legally authorized/qualified waste handlers, with complete supporting documentation.
- Establish source segregation for 100% of identified major waste streams by 2030.
- Achieve 100% digital or controlled electronic tracking of significant hazardous and non-hazardous waste streams by 2030.
- Implement at least 3 documented waste-reduction, reuse, recycling or circularity projects annually.
- Verify 100% of applicable waste-management contractors and recyclers for legal authorization and appropriate downstream management.
- Increase the use of reusable, recyclable or recycled-content packaging through annual improvement initiatives, where technically and commercially feasible.
- Conduct at least one formal waste-performance review annually, including progress against targets and corrective actions.

5. Water Management and Stewardship

Baseline Year: 2023 | Target Year: 2030

- Reduce water-use intensity by 30% per unit of production compared with the 2023 baseline.
- Reduce absolute water consumption by 25%, where operational conditions and production levels allow meaningful comparison.
- Implement at least 3 documented water-efficiency or conservation projects annually, prioritizing water-intensive processes.
- Ensure 100% of significant water-consuming areas/processes are monitored or metered by 2030.
- Achieve at least 15% reuse/recycling of applicable process water by 2030, where technically and environmentally feasible.
- Ensure 100% compliance with applicable wastewater discharge requirements, supported by required testing and monitoring records.
- Conduct 100% of required wastewater quality monitoring/testing according to applicable legal, permit and customer requirements.
- Conduct a documented water-risk assessment for 100% of facilities by 2030, including water scarcity, flooding and groundwater-related risks where relevant.
- Correct 100% of identified significant water leaks within defined corrective-action timelines.
- Provide water-efficiency and pollution-prevention awareness training to 100% of relevant



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employees and contractors annually.

- Conduct at least one formal management review of water performance annually and document corrective/improvement actions.

6. Product Sustainability and Responsible Use

Baseline Year: 2023 | Target Year: 2030

- Ensure 100% of applicable products include accurate sustainability-related information or labeling by 2030, such as material composition, certified/recycled content, care instructions, or recyclability information, where required or applicable.
- Provide eco-design and life cycle thinking training to 100% relevant design, product development, merchandising, and sourcing staff by 2030, with training records maintained.
- Conduct documented environmental impact assessments for 100% of identified top-selling or strategically significant product lines by 2030, where sufficient product-level data is available.
- Implement and document design or material improvement actions for at least 80% of identified significant environmental impacts resulting from these assessments by 2030.
- Review product sustainability performance at least annually and track progress against established objectives and KPIs.

7. Product End-of-Life Responsibility and Circular Economy

Baseline Year: 2023 | Target Year: 2030

- Participate in or support at least 2 applicable circular-economy, take-back, recycling, reuse, or recovery initiatives by 2030, in collaboration with customers, brands, recyclers, or other relevant partners.
- Ensure 100% of applicable textile and production waste is assessed for reuse, recycling, or recovery opportunities before disposal by 2030.
- Increase the proportion of applicable textile materials directed to reuse, recycle, or recovery by 20% from the 2023 baseline by 2030, where reliable data is available.
- Maintain traceable information on fiber composition, recycled content, material origin, and applicable certifications for at least 90% of relevant materials by 2030, subject to data availability and customer requirements.
- Assess 100% of applicable product-development projects for design-for-circularity opportunities by 2030, including recyclability, durability, mono-material construction, or ease of material recovery where relevant.
- Evaluate applicable EPR, take-back, textile collection, and recovery schemes in 100% of



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relevant customer/market opportunities by 2030, where applicable.

- Assess the feasibility of digital product information/Digital Product Passport (DPP)-related solutions for relevant product categories by 2030, considering customer and regulatory requirements.
- Provide circularity, waste prevention, reuse, and recycling awareness training to 100% of relevant employees by 2030.
- Implement at least 2 documented circularity improvement actions annually where technically, commercially, and operationally feasible.
- Conduct an annual review of circular-economy performance and KPIs and identify further opportunities for reuse, recycling, recovery, and responsible end-of-life management.

8. Environmental Risk and Climate Resilience

Baseline Year: 2023 | Target Year: 2030

- Conduct a documented environmental and climate-related risk assessment for 100% of operational facilities at least annually by 2030, and whenever significant operational or location changes occur.
- Assess 100% of relevant physical climate hazards, including flooding, extreme rainfall, water scarcity, extreme heat, cyclones, severe storms, drought, and other location-specific risks.
- Maintain an Environmental & Climate Risk Register covering 100% of identified significant risks, including risk level, potential impact, existing controls, responsible person, mitigation actions, and target completion dates.
- Develop documented mitigation or adaptation measures for 100% of identified significant/high-priority environmental and climate risks by 2030.
- Achieve at least 90% on-time completion of planned climate-risk mitigation actions annually.
- Review relevant environmental and climate risks affecting critical suppliers and logistics activities by 2030, where supply-chain exposure is material.
- Review 100% of relevant emergency preparedness and business-continuity procedures annually, including scenarios such as flooding, extreme heat, storms, water shortages, environmental incidents, and utility disruption.
- Conduct at least one documented climate/environmental emergency preparedness drill or exercise annually, where applicable.
- Provide climate risk and environmental emergency awareness training to 100% of relevant employees by 2030.



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- Report significant environmental and climate-risk performance, mitigation progress, and outstanding actions during at least one formal management review annually.

9. Air Pollution and Indoor Air Quality Management

Baseline Year: 2023 | Target Year: 2030

- Maintain an up-to-date inventory covering 100% of significant stationary and process-related air-emission sources by 2027, including boilers, generators, production processes, and other applicable sources.
- Conduct legally and risk-required air-emission monitoring for 100% of applicable significant emission sources, with records maintained.
- Ensure 100% of applicable air-emission permits, approvals, monitoring, and reporting requirements are identified and maintained.
- Implement documented preventive maintenance for 100% of significant boilers, generators, filters, ventilation, and emission-control equipment according to defined schedules.
- Reduce VOC and particulate matter (PM) emissions by 30% by 2030 compared with the 2023 baseline, through improved exhaust capture and ventilation systems, process optimization, preventive maintenance, and transition to cleaner fuels where technically and economically feasible.
- Evaluate cleaner fuels, electrification, renewable energy, and lower-emission technologies for 100% of significant emission sources by 2030.
- Conduct indoor air-quality assessments covering 100% of identified high-risk or relevant occupied areas at least annually, or at a frequency determined by applicable requirements and risk.
- Monitor applicable indoor air-quality parameters, such as PM, CO₂, CO, VOCs, temperature, and humidity, based on identified workplace risks.
- Provide air-pollution prevention, ventilation, and relevant operational-practice training to 100% of applicable employees by 2030.
- Implement at least 2 documented air-emission or indoor-air-quality improvement initiatives annually, where significant improvement opportunities are identified.
- Review air-emission and indoor-air-quality performance at least annually and establish additional improvement actions where monitoring identifies material risks or performance gaps.



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10. Material and Chemical Management

Baseline Year: 2023 | Target Year: 2027

- Replace at least 85% of identified hazardous or higher-risk chemicals used in production with safer, approved alternatives by 2027, where technically and commercially feasible.
- Ensure at least 60% of applicable raw materials by purchased quantity or value are sourced from certified, recycled, or responsibly sourced materials by 2027, such as GOTS, GRS, RCS, FSC, or equivalent recognized standards.
- Maintain a digital Chemical Inventory Management System covering 100% of chemicals in use, with chemical usage records, SDS, hazard information, supplier details, approval status, and compliance monitoring.
- Implement compliance alerts for 100% of applicable restricted or non-compliant chemical requirements within the digital chemical management system by 2027.
- Ensure 100% of incoming chemicals are verified against applicable chemical safety, customer, and restricted-substance requirements before use, with recognized certification such as bluesign®, OEKO-TEX®, ZDHC-related compliance, or equivalent accepted evidence where applicable.
- Maintain 100% traceability of chemical approval and compliance records for applicable chemicals and suppliers.
- Provide chemical safety training to 100% of employees handling chemicals annually.
- Review progress against chemical substitution and sustainable-material targets at least annually and document corrective actions where targets are not achieved.

11. Environmental Services and Advocacy

Baseline Year: 2023 | Target Year: 2030

- Conduct at least 3 documented community- or sector-wide environmental awareness initiatives annually, with records of participants, topics, dates, and outcomes maintained.
- Deliver environmental literacy and sustainability training to 100% of employees annually through a combination of digital learning platforms and in-person workshops, with training completion records maintained.
- Publish one public-facing annual Sustainability Performance Report covering key environmental KPIs, quantitative targets, progress, and improvement actions.
- Ensure 100% of environmental data disclosed in the annual Sustainability Performance Report is supported by documented source records and internal verification, with independent/third-party verification applied where available or required.
- Review environmental awareness, training, stakeholder engagement, and sustainability reporting performance at least annually and implement improvement actions where appropriate.



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12. Customer Health and Safety

Baseline Year: 2023 | Target Year: 2027

- Maintain zero product recalls attributable to confirmed chemical, product-safety, or health risks through 2027, supported by documented product testing, compliance controls, and corrective-action records.
- Complete annual independent third-party product safety and chemical-compliance evaluations covering 100% of applicable product categories by 2027, based on customer, legal, market, and risk requirements.
- Ensure 100% of applicable products meet relevant chemical, product-safety, labeling, and customer requirements before shipment.
- Provide complete and accurate chemical, material, care, and allergen-related information on 100% of products where such disclosure is legally, customer, or product-specific applicable by 2027.
- Investigate 100% of customer health/safety complaints and significant product non-conformities and implement documented corrective actions within defined timelines.
- Maintain 100% traceability of applicable product safety test reports, certificates, compliance records, and corrective actions.

Responsibility and Authority

This Environmental Management Policy is issued under the authority of the Managing Director of Shovon Knitwear Ltd. Senior management is responsible for providing appropriate resources, oversight, and direction to achieve the objectives and commitments established under this policy.

- **Managing Director / Executive Leadership Team:** Provide overall leadership, approve environmental objectives and targets, allocate necessary resources, review performance, and ensure accountability for implementation.
- **Concerned Department Heads:** Ensure implementation of applicable policy requirements within their respective departments, monitor performance, maintain relevant records, and report progress, risks, and non-conformities to senior management.
- **Managers and Supervisors:** Implement applicable environmental controls and procedures, monitor operational performance, communicate requirements to employees, and report environmental issues and improvement opportunities to the relevant Department Head.
- **Environment/Sustainability Officer:** Coordinate the EMS, environmental data collection, legal compliance monitoring, KPI tracking, internal environmental reviews, reporting, awareness activities, and continuous-improvement initiatives.
- **All Employees:** Follow applicable environmental procedures, controls, and instructions; participate in required training; prevent pollution and resource waste; and promptly report environmental incidents, risks, or non-conformities.



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- **Relevant Contractors and Suppliers:** Comply with applicable environmental, chemical, waste, and resource-management requirements communicated by Shovon Knitwear Ltd., where relevant to their activities.

Environmental responsibilities, authorities, and reporting lines shall be communicated to relevant personnel and reviewed periodically to ensure continued effectiveness.

Evidence of Compliance

Shovon Knitwear Ltd. shall maintain documented information and objective evidence demonstrating implementation and effectiveness of this EMS and its environmental commitments.

Relevant evidence may include:

- Approved Environmental Management and Sustainability Policy.
- Environmental objectives, targets, KPIs, and action plans.
- Environmental procedures, standards, processes, and work instructions.
- Environmental legal and compliance registers.
- Energy, GHG, water, wastewater, waste, chemical, and air-emission records.
- Chemical Inventory List (CIL), SDS, certificates, and compliance records.
- Environmental monitoring, testing, inspection, and measurement reports.
- Internal audit and environmental assessment reports.
- Corrective and preventive action records.
- Environmental risk and climate-risk assessments.
- Employee environmental training and awareness records.
- Supplier/contractor environmental assessment records.
- Management review records and meeting minutes.
- Environmental and sustainability performance reports.
- Records of environmental initiatives, stakeholder engagement, and improvement projects.

All relevant records shall be maintained in a controlled manner and retained in accordance with applicable legal, customer, certification, and company requirements.



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Reporting and Communication

Shovon Knitwear Ltd. is committed to transparent and accountable environmental performance reporting. Environmental performance data shall be systematically collected, reviewed, communicated, and used to support continual improvement and informed management decision-making.

Reporting Frequency and Process

- Environmental performance data shall be collected and reviewed quarterly against established objectives, targets, and KPIs.
- The Environment/Sustainability function shall conduct a formal environmental performance review at least twice annually.
- Significant environmental risks, incidents, non-conformities, target deviations, and corrective actions shall be reported to the relevant Department Head and Executive Leadership Team.
- A management review of environmental performance shall be conducted at least annually, covering objectives, KPI performance, compliance status, risks, resource requirements, corrective actions, and improvement opportunities.
- An annual Sustainability/Environmental Performance Report shall be prepared covering relevant environmental metrics, targets, progress, significant initiatives, and improvement actions.

Internal and External Communication

- The Environment/Sustainability Officer shall coordinate internal environmental performance reporting and maintain relevant environmental records.
- Required environmental compliance reports shall be submitted to relevant government authorities within applicable regulatory timelines.
- Relevant environmental performance information shall be communicated to employees through appropriate awareness and communication channels.
- Where appropriate and supported by reliable evidence, sustainability information shall be shared with customers, suppliers, investors, certification bodies, and other relevant stakeholders.
- Environmental claims and sustainability disclosures shall be accurate, evidence-based, and appropriately substantiated.



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- Significant environmental incidents or regulatory non-compliances shall be communicated internally and externally where required by law, customer requirements, or other applicable obligations.

Review and Continuous Improvement

Environmental performance, policy commitments, objectives, targets, and reporting effectiveness shall be reviewed at least annually. Identified gaps shall be assigned to responsible people with defined corrective actions, deadlines, and follow-up monitoring.

Covered SDGs





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Review Mechanism

The Environment/Sustainability Officer shall coordinate the implementation, monitoring, and periodic review of this policy under the oversight of the Executive Leadership Team.

- This policy shall be formally reviewed at least once every year to assess its continued suitability, effectiveness, relevance, and alignment with the company's environmental objectives and sustainability commitments.
- The review shall consider environmental performance, KPI and target progress, legal and regulatory changes, customer requirements, audit findings, environmental risks, incidents, stakeholder feedback, and relevant changes in operations or business activities.
- An interim review shall be conducted whenever there are significant changes in operations, applicable legislation, organizational structure, environmental risks, customer requirements, or other circumstances that may affect the effectiveness or relevance of the policy.
- Where changes or corrective improvements are identified, the policy shall be updated, documented, approved by authorized management, and assigned a revised version number and effective date.
- Significant changes to the policy shall be communicated to all relevant employees and stakeholders, as applicable, through appropriate communication and awareness channels.
- Previous versions of the policy shall be retained in accordance with the company's document-control requirements to maintain revision history and traceability.
- The results of the policy review and any required improvement actions shall be documented and presented to management as part of the annual environmental/EMS management review.



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Employee Acknowledgement Form

I acknowledge that I have received, read, and understood the Environmental Policy of Shovon Knitwear Ltd.

I understand the company's commitment to environmental responsibility, including reducing environmental impacts, improving energy and resource efficiency, reducing carbon emissions, preventing pollution, promoting responsible material and chemical management, and supporting sustainable practices throughout its operations.

I understand that I have a responsibility to support the implementation of this policy by:

- Complying with applicable environmental laws, regulations, company procedures, and environmental requirements.
- Following established practices for energy and water conservation.
- Managing and segregating waste appropriately and supporting waste reduction, reuse, recycling, and recovery initiatives.
- Using chemicals, materials, energy, water, and other resources responsibly.
- Following applicable pollution-prevention and environmental-control measures.
- Participating in required environmental awareness and sustainability training.
- Reporting environmental incidents, risks, non-compliances, or concerns to the appropriate responsible person.
- Supporting environmental improvement initiatives and contributing ideas for continuous improvement.

I understand that environmental responsibility is a shared responsibility and that my actions can contribute to the achievement of Shovon Knitwear Ltd.'s environmental objectives, targets, and sustainability commitments.



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By signing below, I confirm that I have understood the Environmental Policy and agree to support its implementation within my area of responsibility.

Employee Name: Adnan Rakib

Employee ID: 2500000091

Department: HR & Compliance

Designation: Executive ECR

Signature:

Date: 01.09.2026

