

LICENSEE COMPLIANCE MANUAL

GLOBAL COMPLIANCE JANUARY 2019



Contents

Overview	1
Requirement 1: Factory Authorization	3
Factory Authorization Procedure.....	7
Requirement 2: Product Testing.....	11
Product Testing Procedure	13
Requirement 3: CTPAT Compliance	15
CTPAT Compliance Procedure	16
Appendix A: Key Terms	18
Appendix B: Forms	19
Factory & Product Information Form	19
Factory & Product Information Form <i>Example</i>	20
Audit Booking Form	21
Chemical Information List (CIL).....	22
Chemical Information List (CIL) <i>Example</i>	23
Test Request Form (TRF).....	24
Corrective Action Request (CAR)	26
Corrective Action Request (CAR) <i>Example</i>	27
Appendix C: Claims Testing Standards.....	28



Overview

Demonstrating responsible leadership, New Balance Athletics, Inc. (“New Balance”) builds global brands that athletes are proud to wear, associates are proud to create and communities are proud to host. Licensees are a part of this global brand, and are expected to meet the standards set out in the New Balance Code of Conduct.

The New Balance Licensee Compliance Program is designed to ensure that licensees meet or exceed New Balance standards in the areas of labor, employee health and safety, and the environment; and to provide tools to help improve performance in these areas over time. This manual outlines the requirements of the Licensee Compliance Program and replaces all previous editions of the Licensee Social Compliance, Product Integrity and Restricted Substance (SPIR) Compliance Program manual (“Prior Manual”) and accompanying documents. Any reference to the Prior Manual in the license agreement shall be deemed to reference this manual.

The Licensee Compliance Program applies to all brands associated with New Balance including New Balance, Warrior, Brine, and PF Flyers. Program requirements apply to all licensees and distributors who are a party to a license agreement with New Balance or its affiliates.

The Licensee Compliance Program encompasses three requirements that must be met prior to first product shipment, and annually thereafter for the duration of the license agreement:

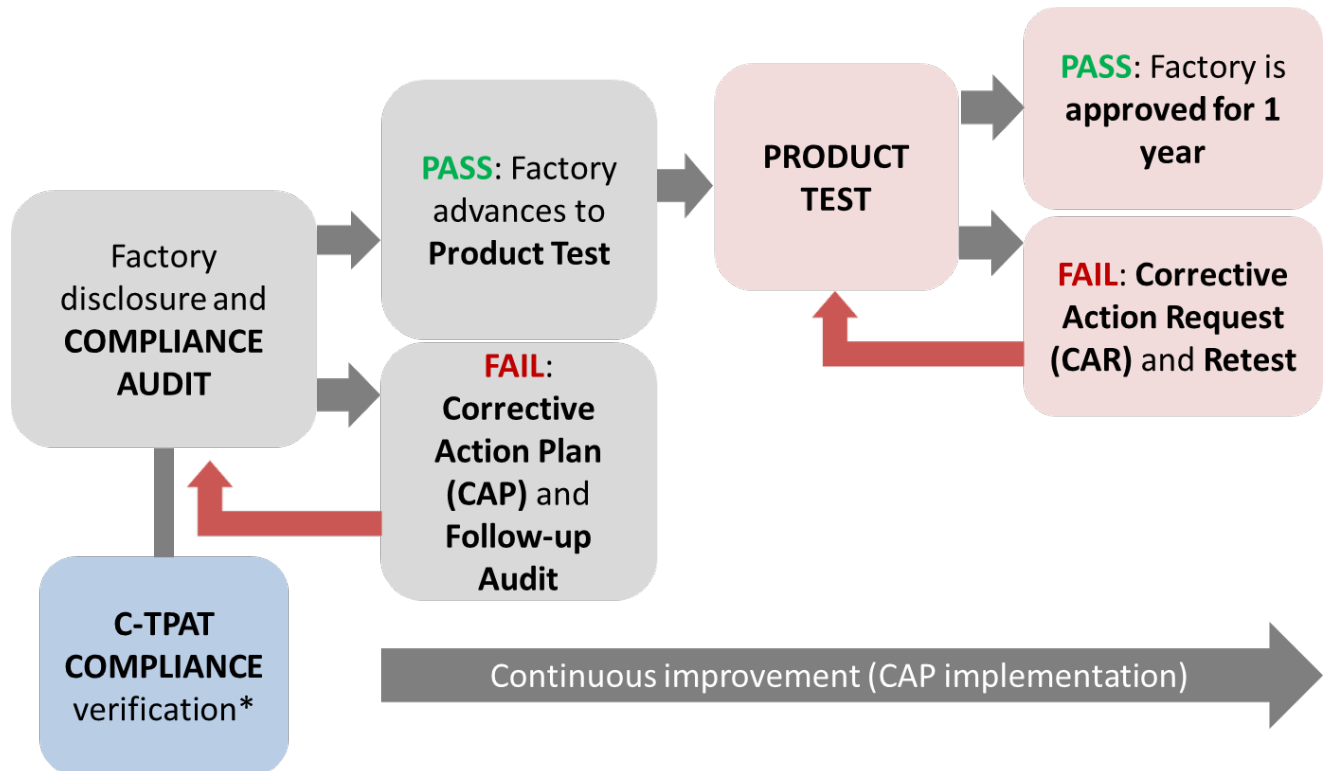
1. Factory authorization
2. Product testing
3. CTPAT compliance¹

Compliance requirements are multi-step. While a factory is authorized to produce licensed product after a passing audit, a factory is not considered fully compliant until all applicable requirements are met.

¹ CTPAT compliance is required for those licensees importing product to the United States.



Licensee Compliance Program Overview



*if importing to the United States

Licensees found to be in violation of compliance requirements, including but not limited to producing in an unauthorized factory; failing audit, product test, or CTPAT requirements; and completing compliance requirements late may lose authorization to produce and sell New Balance products, and, in serious cases, be subject to suspension or termination of the license agreement.

How to use this manual

This manual provides an overview of New Balance's three licensee compliance requirements as well as step-by-step procedures on how to meet each requirement. See Appendix A for definitions of key terms and Appendix B for copies and examples of the relevant forms.

Questions may be directed to LicenseeCompliance@newbalance.com.



Requirement 1: Factory Authorization

New Balance seeks to ensure that the people who make New Balance products are treated with dignity and respect while working in a safe and healthy environment. Licensees, their factories, and subcontractors must adhere to the [New Balance Code of Conduct](#) and standards outlined in the [New Balance Supplier Standards Manual](#). Licensees are expected to have the knowledge, capacity, and oversight of their supply chain to ensure that New Balance's standards are met. New Balance's written authorization is required before any factory may produce New Balance licensed products.

Disclosure

The first step in the factory authorization process is disclosure. Licensees are required to disclose basic information on the factories and subcontractors where licensed product will be manufactured by completing the Factory and Product Information form found in Appendix B. Licensees are expected to update the form and notify New Balance when information changes (e.g., addition of new subcontractor, change in factory address, change of factory point-of-contact), and when licensees cease production at an authorized factory.

Permitted Sourcing Countries

Licensees are only permitted to source from countries approved by New Balance. Please note those countries prohibited as listed below. For questions about any new sourcing countries, please check with New Balance Licensee Compliance as this list may change from the date of this publication.

Licensees are not permitted to manufacture New Balance product in **Bangladesh, Cuba, Iran, Myanmar, North Korea, South Sudan, Sudan, Syria, or any facility employing North Korean labor.** This policy applies to all licensee factories and subcontractors.

Subcontractors

Licensees must identify and disclose all subcontractors involved in the production of licensed products. Subcontractors include any company that works on the production of New Balance licensed products, on behalf of a licensee factory. Subcontractors do not include raw material or component suppliers. While there might be no direct contractual relationship between the licensee and subcontractors, licensees must disclose the name and address of any factory that will be working on New Balance products on the Factory and Product Information form in Appendix B. In cases where subcontractors are responsible for the manufacture of finished product (i.e., when production is outsourced to a subcontractor), the subcontractor is subject



to the factory authorization requirement and must receive New Balance’s written authorization before the factory may produce New Balance licensed product.

Subcontractors are subject to the standards outlined in the Supplier Standards Manual, and licensees must ensure that subcontractors adhere to the New Balance Code of Conduct and the Manual.

New Balance Compliance Audit

To begin producing goods bearing any of the New Balance brands (New Balance, Warrior, PF Flyers, and Brine), all factories where licensed product will be manufactured must pass a New Balance audit conducted by a designated third-party service provider.² Audits are valid for one year and must be repeated on an annual basis for the factory to remain authorized for production. Annual audits must be conducted within 30 days of the anniversary of the previous year’s audit. In cases where a factory scores a five star rating on its annual compliance audit, the next audit will not be required until two years from the date of its prior audit. The licensee is responsible for the scheduling and costs associated with the audit, which will be arranged directly with a New Balance designated or approved third-party service provider.

Audits will be scored on a scale of zero (failing) to five stars. Factories must pass the audit with a score of two stars or higher to be authorized for production. New license agreements will not be signed prior to factory authorization. In addition to the annual audits, New Balance has the right to audit any licensee factory at any time, for any reason, and licensee factories may be selected for random audits by New Balance.

Compliance Audit Scoring

Audit Result	Authorized for Production	Next Audit Date	Corrective Action Plan (CAP) Management
Fail (Annual or Initial Audit)	Not authorized	Follow-up audit permitted after 90 days	CAP Review required before follow-up audit
<i>Fail (Follow-up Audit)</i>	Not authorized	After 12 months	
** (Two-star)	Authorized	After 12 months	CAP managed by licensee
*** (Three-star)	Authorized	After 12 months	
**** (Four-star)	Authorized	After 12 months	
***** (Five-star)	Authorized	After 24 months	

² Audits are only required for finished goods manufacturers. Audits are not required for separate facilities involved in the processing or manufacturing of raw materials, components, trims, or chemicals. Audits are only required for those subcontractors that are manufacturing finished goods.



Audit results may be accompanied by a Corrective Action Plan (CAP) detailing the issues identified during the audit and corresponding recommendations for remediation. Licensees are expected to work on the CAP with their factories. Effective CAP management seeks to address the root causes behind audit findings and result in systems improvements, leading to improved compliance performance.

If a factory fails an audit, it is unauthorized for production. Production may begin after the following process is complete:

1. Complete the CAP and address the issues identified during the failed audit.
2. Undergo CAP Review with an approved third-party service provider.
3. Pass a follow-up audit.

When a factory fails an annual audit and production is ongoing, the licensee is permitted to complete open purchase orders. No new production or new purchase orders are permitted until the factory passes a follow-up audit.

If a factory fails a follow-up audit, it remains unauthorized for production and may not undergo audit again for one year, pending CAP Review and approval by New Balance.

Audit Conversion

Audit reports conducted by an approved third-party within the past six months may be eligible for conversion to the New Balance audit standard instead of initiating a new audit. New Balance will grant approval for audit conversions on a case-by-case basis. See page 10 for a description of the audit conversion process.

Better Work

The Better Work program is a partnership between the United Nation's International Labor Organization (ILO) and the International Finance Corporation (IFC), aimed at improving working conditions in garment factories across the globe.³ New Balance is a Buyer Partner in the Better Work program and encourages licensees sourcing from factories in Cambodia, Egypt, Haiti, Indonesia, Jordan, Nicaragua, and Vietnam to participate in the Better Work program. New Balance will accept Better Work program assessment reports in lieu of a third-party audit.

Shared Factories

If licensees source from a factory with which New Balance has a direct sourcing relationship, New Balance bears responsibility for the compliance audit. New Balance will keep licensees

³ <https://betterwork.org/about-us/the-programme/>



informed of factory status and share the CAP report. Licensees will still be responsible for conducting product testing.

Letters of Authorization for Export

In cases where the licensee requires a letter of authorization from New Balance to export product, licensees are responsible for requesting this letter following factory authorization. The letter will be issued by New Balance using the name and address of the factory as stated in the Factory and Product Information form, and will be valid until the expiration date of the annual audit. Please note that New Balance can only issue letters of authorization for the manufacturing facility and not an export agency which did not manufacture the product.



Factory Authorization Procedure

Before beginning the factory authorization process, prospective and current licensees must follow the preparation and onboarding steps outlined below:

- Become familiar with New Balance’s Supplier Standards, Code of Conduct, and Restricted Substances Manual (RSM).
- Understand the New Balance Code of Conduct and post a copy of the **Code of Conduct** in the local language. The Code of Conduct is available in over 30 languages upon request to LicenseeCompliance@newbalance.com.
- Sign the RSM **Certificate of Acknowledgement** (available in the [RSM](#)) and remit to the New Balance Product Chemistry Team at Environmental.ProgramOffice-US@newbalance.com. Ensure it is familiar with the RSM (available in Chinese upon request).
- Ensure that factories complete or update a **Chemical Information List (CIL)**, available in Appendix B. Each factory is required to maintain this list documenting all chemicals used in manufacturing and associated processes (e.g., stain removers, disinfectants, air fresheners, dyes, machine oil). The list will be checked during the compliance audit.
- Review guidance on how to manage compliance data and actions in the [Fair Factories Clearinghouse \(FFC\) database](#).

Factory authorization and annual renewal:

1. The licensee completes the following forms for each factory intended to manufacture licensed product:
 - a. **Factory and Product Information form** (Appendix B) – the licensee communicates with factory to complete the form and ensure that subcontractors, addresses, and contact information are complete and up-to-date.⁴
 - b. **Audit Booking form** (Appendix B) – check “Initial Audit” for a new factory or “Annual Audit” for a current factory due for annual renewal.⁵
- *If a factory is no longer in use, licensee must notify New Balance at LicenseeCompliance@newbalance.com.*
2. The licensee submits both completed forms to the current third-party service provider, Bureau Veritas, at nb.bvcpsenquiry.hk@hk.bureauveritas.com with copy to LicenseeCompliance@newbalance.com.

⁴ Refer to page 3 for more information on subcontractors.

⁵ If a factory recently underwent an audit, it may be eligible for an audit conversion. Additionally, if a factory participates in the ILO Better Work Program, the Better Work assessment report replaces the New Balance audit. Refer to page 10 for further instruction.

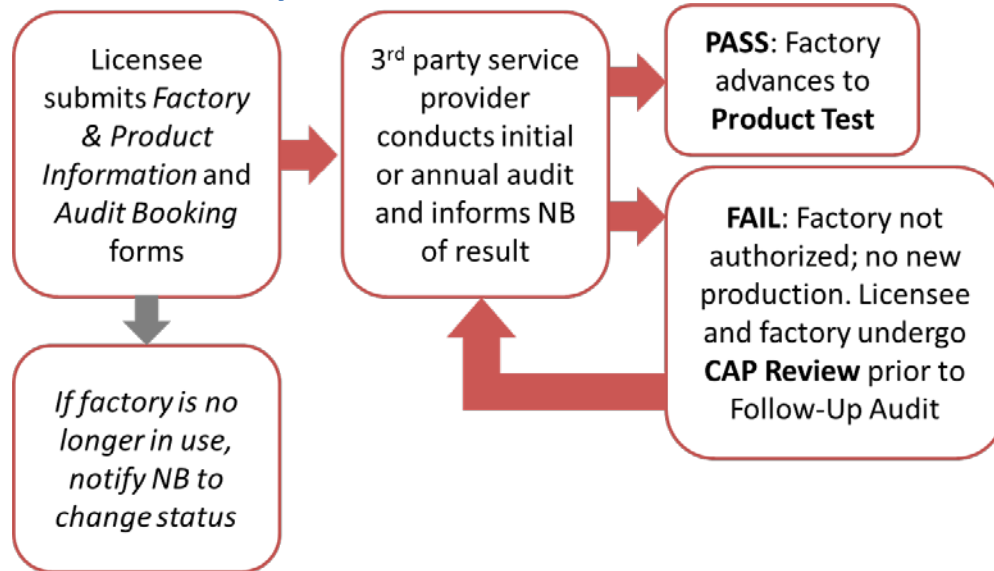


3. The licensee completes payment for the audit following the procedure outlined by the designated third-party service provider. Following payment, the third-party service provider schedules the audit directly with the factory (typically, audit date is within 30 days of payment).
4. The audit score and CAP are provided to the licensee (typically two weeks after the audit date).
 - a. **Passing audit result (2-5 stars)** – factory moves on to *product testing* and is authorized for one year unless otherwise stated by New Balance. The licensee is expected to schedule the annual audit each year (audit should take place within 30 days of the previous year’s audit date to ensure that the factory remains authorized). The licensee works with the factory on the CAP during the course of the year toward continuous improvement. The licensee may request a letter of customs authorization for export if required.
 - b. **Failed audit result** – factory is unauthorized for production. For a new factory, no orders may be placed. For a factory that was previously authorized (a current factory undergoing annual audit), the licensee may complete orders that were placed prior to the failed annual audit, but may not place any new orders with the factory. The licensee proceeds to **CAP Review** or notifies New Balance (LicenseeCompliance@newbalance.com) if discontinuing use of the factory. Pending CAP Review and approval by New Balance, a follow-up audit may take place after 90 days.
 - **Failed follow-up audit result** – factory is unauthorized for production. The licensee proceeds to **CAP Review** or notifies New Balance (LicenseeCompliance@newbalance.com) if discontinuing use of the factory. Pending CAP Review and approval by New Balance, a follow-up audit may take place after one year.
5. If the licensee requires a **letter of authorization for export**, the licensee must:
 - a. Confirm that the factory is authorized by New Balance.
 - b. Send a request along with the Factory and Product Information form (Appendix B) to LicenseeCompliance@newbalance.com. Ensure that the factory name and address in English and Chinese are in Microsoft Word format or plain text characters in the body of the e-mail request (Chinese will be copied and pasted into a template).

Note that letters may only be issued in the name of the authorized factory of manufacture (not a separate export company) and are typically available one week after the request.



Factory Authorization and Annual Renewal



If a factory fails an audit, a **CAP Review** is required as outlined:

1. The licensee works with the factory management to complete the CAP and monitor its implementation.
2. The licensee submits the completed CAP with supplemental evidence indicating resolution of audit findings (e.g., photographs, work orders, certificates, permits, training materials and attendance sheets) to the designated **third-party service provider** along with the **Audit Booking form** (check "CAP Review").
3. The third-party service provider issues an invoice to the licensee.
4. Following payment, the third-party service provider reviews the CAP and provides **Acceptable** or **Needs Improvement** rating.
5. New Balance reviews for final approval.
 - a. When CAP is **Acceptable**, the third-party service provider books a Follow-Up Audit.
 - b. If CAP **Needs Improvement**, the licensee takes recommended action and re-submits the CAP.



Instructions for Audit Conversions (see page 5)

If a factory has recently undergone an audit, **Audit Conversions** are considered on a case-by-case basis (submit the Factory and Product Information form and existing audit report to LicenseeCompliance@newbalance.com, New Balance will review and advise on next steps) and must meet the following pre-requisites:

- Audit was industry standard two man days and was conducted within the last six months.
- Audit was conducted by a New Balance approved third-party audit firm. Current approved firms include: Innovatus, Intertek, Omega, SAI, SGS, TUV, UL/STR, Verité, and Fair Labor Association-accredited assessment organizations such as Openview and ELEVATE.

Instructions for Better Work Factories

New Balance will accept Better Work assessment reports in lieu of a separate initial/annual audit by New Balance's designated third-party service provider for factories participating in the ILO's Better Work Program. Learn more about the Program at the following link: <https://betterwork.org/our-work/brand-retailer-engagement/>. Factory authorization instructions for licensees sourcing from Better Work factories are as follows:

1. [Register with Better Work as a Participant.](#)
2. See the [Report-Sharing Authorization Guidelines](#) and complete and submit the [report-sharing form](#) to Better Work (buyers@betterwork.org). Follow payment instructions.
3. Complete and submit Factory and Product Information form (Appendix B) to New Balance (LicenseeCompliance@newbalance.com).



Requirement 2: Product Testing

The New Balance Restricted Substances Program is designed to protect the environment of the host communities where New Balance products are made, the health of workers and consumers, and brand integrity. [New Balance's Restricted Substances Manual \(RSM\)](#) is updated annually, available in both English and Chinese, and applied to all footwear, apparel, accessories, and equipment manufactured by licensees. Licensees are expected to become familiar with the RSM and to ensure that their products are compliant.

Following factory authorization, licensees are responsible for completing one finished product test for each authorized factory on an annual basis, and for demonstrating that all products with performance property claims meet applicable standards. The product test will verify RSM compliance (standards outlined in the RSM) and performance property claims (standards outlined in Appendix C). The licensee is responsible for the costs associated with product testing. Licensees must conduct product testing at the New Balance designated third-party laboratory or another New Balance approved laboratory (see the RSM).

Licensees are expected to have their own internal processes and controls in place to ensure product integrity, and New Balance may request formal documentation from licensees on a case-by-case basis. In addition to meeting the requirements outlined in the RSM, licensees must:

- Meet applicable product safety standards in countries of sale.⁶
- Address product test failures, including managing Corrective Action Requests (CARs) in a timely fashion (within 10 business days).
- Maintain a formal product recall process.

Licensees making products outside of the three categories covered by the RSM (footwear, apparel and equipment) may be subject to additional requirements and/or testing, and are responsible for ensuring that these products meet applicable legal requirements and industry standards. These products include children's wear, hydration/food contact, shoe care, accessories, and sports medicine products.

If products are found to be in violation of the RSM after mass production, the licensee is responsible for recalling and/or destroying the non-compliant products using a licensed waste disposal vendor and to provide evidence of destruction to New Balance.

⁶ E.g., Guobiao (GB) standards for products sold in China, Korea Certification Mark (KC Mark) for products sold in South Korea, CPSIA for children's products sold in the USA.



Product Claims – Licensees are responsible for demonstrating that all products with a New Balance performance technology claim (*NB DRY, NB DRY X, NB ICE, NB ICE X, UV Protection, QMAX, NB HEAT, WIND DEFY, WIND DEFY X, WATER DEFY, WATER DEFY X*) meet the standards detailed in the material performance testing rubric in **Appendix C**. Licensees must either test each finished product with a claim or test the material to be used for products with claims. Product claims tests may be conducted by a New Balance approved third-party laboratory equipped to conduct American Association of Textile Chemists and Colorants (AATCC) and/or American Society for Testing and Materials (ASTM) tests.

Any product claims, other than New Balance technologies, such as “antimicrobial”, “odor-resistant”, etc., must be communicated to New Balance (LicenseeCompliance@newbalance.com), and are subject to review and approval.



Product Testing Procedure

1. Following the annual audit each year, the licensee submits a product list per factory with images and notation of any product claims to LicenseeCompliance@newbalance.com and New Balance will select item(s) for testing.
2. The licensee completes pages 1 and 2 of the **Product Test Request form** (Appendix B) and submits the form and five (5) product samples to one of the designated third-party laboratories at the addresses below (or to a New Balance approved laboratory as documented in the RSM):

RS & HBHF Division
Bureau Veritas Hong Kong Limited (Kowloon Bay Office)
Rm 324-326, 3/F, Pacific Trade Centre
2 Kai Hing Road, Kowloon Bay, Kowloon, Hong Kong

Bureau Veritas Consumer Products Services L OO
No. 183, Shi Nan Road, Mei Lin Plaza Block B, Dong Chong, Pan Yu,
Guangzhou, China

Bureau Veritas Consumer Products Services L JV
No.168, Guanghua Road, Zhuanqiao Town, Minhang,
Shanghai, China, 201108

BV Korea CPS L S OO
RM 812, 8F, O-Biz Tower, 126, Beolmal-ro,
Dongan-gu, Anyang-si, Gyeonggi-do, 14057, South Korea

Bureau Veritas Guatemala S.A.
Boulevard Rafael Landivar 10-05 Zona 16 Edificio
P-2 3er. Nivel Oficina 301 Paseo Cayala
Guatemala, Guatemala

Bureau Veritas Consumer Products Services
100 Northpointe Parkway, Buffalo NY 14228

3. The licensee submits the Product Test Request form with the Air Waybill (AWB) tracking number for the sample shipment to nb.bvcpsenquiry.hk@hk.bureauveritas.com and follows the payment instructions provided by the laboratory.
4. The product test report is provided to the licensee (typically two to three weeks after product samples arrive at the laboratory) with the following results:

A note on product testing vs. product *claims* testing:

While New Balance requires one product test per factory each year, licensees must ensure that all products with performance property claims meet industry standards, and as such, should maintain claims testing documentation on all products bearing New Balance technology or other claims hangtags/packaging. Test reports may be requested by New Balance



- a. **Passing product test** – factory is fully compliant and authorized for ongoing production until the next annual audit date. The licensee carries out the product test each year to ensure the factory remains fully compliant.
- b. **Failed product test** – if the failure is caused by the presence of restricted substances (RS failure), the licensee must stop the production of the failed product unless otherwise instructed by New Balance. A **Corrective Action Request (CAR) and Product Retest** may be required prior to recommencing production or sale of the product.
 - **Product disposal** – the licensee is required to ensure the safe and responsible disposal of non-compliant products that cannot be corrected and sold. The licensee must use a licensed waste disposal vendor and provide proof of disposal to New Balance.

For a product test failure, a **CAR and Product Retest** are required as outlined, unless otherwise instructed by New Balance:

1. The licensee stops the production of the non-compliant product and works with the factory to identify the root cause of the product test failure and complete the CAR (Appendix B).
2. The licensee submits the completed CAR to New Balance at LicenseeCompliance@newbalance.com.
3. New Balance reviews the CAR to ensure that the corrective action proposed is sufficient and advises the licensee accordingly.
4. Pending New Balance approval, the licensee and factory implement the approved corrective action and submit the Product Test Request form with samples for retest.



Requirement 3: CTPAT Compliance

New Balance participates in the Customs-Trade Partnership Against Terrorism (CTPAT) supply chain security program, a voluntary public-private sector partnership with US Customs and Border Protection aimed at strengthening international supply chains and improving United States border security. **The CTPAT compliance requirement applies to licensees and their non-US factories that are manufacturing and importing product for sale in the United States.** If eligible, licensees and their non-US factories are expected to demonstrate compliance with CTPAT minimum security criteria on an annual basis.

Licensees have two options by which to meet this requirement:

- 1) Declare US Customs and Border Protection CTPAT certification on the Factory and Product Information form (Appendix B); or
- 2) Complete a self-assessment (for each factory exporting to the United States) indicating that CTPAT minimum security requirements are met.

Using one of the two methods mentioned above, New Balance will verify the CTPAT compliance status of the licensee factories and will require non-compliant licensee factories take Corrective and Preventative Action (CAPA). In some cases, licensee factories may be subject to an on-site audit to verify CTPAT compliance.

Licensees manufacturing and importing product for sale in the United States will indicate this on the Factory and Product Information form in Appendix B and will be required to demonstrate CTPAT compliance.



CTPAT Compliance Procedure

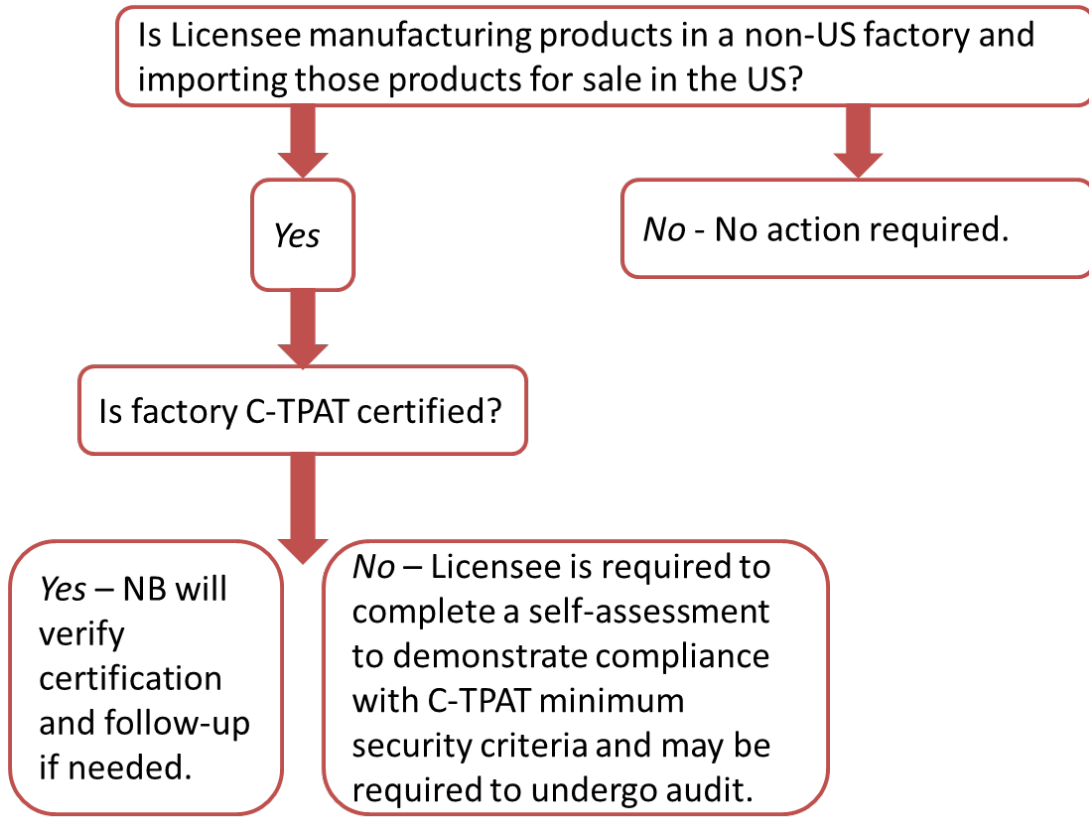
This requirement applies to licensees with non-US factories that manufacture products to be sold in the United States, and can be satisfied through: (1) official CTPAT certification, or (2) successful completion of a self-assessment indicating that the licensee meets CTPAT minimum security criteria. Learn more about CTPAT at the [US Customs and Border Protection \(US CBP\) website](#), and see below for instructions on satisfying the CTPAT compliance requirement.

CTPAT compliance will be monitored and verified on an annual basis. The licensee is required to notify New Balance of any change in status.

1. The licensee answers questions 1-1a on the Factory and Product Information form (Appendix B) indicating if the products will be imported to the United States for sale and if the factory is CTPAT certified or not.
 - a. If the licensee is CTPAT certified, New Balance will verify certification in the US CBP CTPAT portal.
 - b. If the licensee is not CTPAT certified, New Balance will provide the licensee with a self-assessment (issued by the third-party service provider, BSI) aimed at determining whether the licensee and factories meet CTPAT minimum security criteria.
2. New Balance will follow-up with the licensee to confirm CTPAT compliance status and review any Corrective and Preventative Actions (CAPA) required (relevant form will be provided by the third-party service provider). Licensees may be required to undergo an on-site audit to verify CTPAT compliance and will be responsible for any associated costs.



CTPAT Compliance





Appendix A: Key Terms

Term	Definition
AWB	Air Waybill – Tracking information accompanying shipment of product test samples. The AWB number must be provided to the laboratory by email along with the TRF once the product test samples have been shipped.
AATCC	American Association of Textile Chemists and Colorists – A textile industry professional association responsible for standards and test guidelines that apply to products with performance technology claims.
ASTM	American Society for Testing and Materials – An international standards organization responsible for standards and test guidelines that apply to products with performance technology claims.
BSI	British Standards Institution – The designated third-party service provider administering the New Balance Licensee Compliance Program’s CTPAT requirement.
BV	Bureau Veritas – The designated third-party service provider and laboratory for the New Balance Licensee Compliance Program’s audit, CAP Review, and product test requirements.
CAP (for audit)	Corrective Action Plan – A list of actions and associated timetable for addressing issues identified during a factory audit.
CAPA (for CTPAT)	Corrective and Preventative Action – A list of actions and associated timetable that, when implemented, should enable a facility to meet CTPAT minimum security standards.
CAR (for product test)	Corrective Action Request – Following a product test failure, this form must be completed and sent to New Balance for approval.
CIL	Chemical Information List – A list documenting all chemicals used in a factory in manufacturing and associated processes (stain removers, disinfectants, air fresheners, dyes, machine oil). The list is checked during the compliance audit.
COC	Code of Conduct – Sets forth the basic requirements that New Balance suppliers, including licensee factories and subcontractors, must meet.
CPSIA	Consumer Product Safety Act of 2008 – A US law mandating third-party testing and certification for toys and children’s products.
CTPAT	Customs Trade Partnership Against Terrorism – A logistics security compliance requirement for licensees importing New Balance-licensed products for sale in the United States.
FFC	Fair Factories Clearinghouse – A third-party sharing platform for factory information used by New Balance for compliance data and program management.
RSM	Restricted Substances Manual – This document defines the substances banned or limited in the production of components, packaging materials, and materials used for New Balance products.
TRF	Test Request Form – Document to be completed to request an annual product test.



Appendix B: Forms

Factory & Product Information Form

Licensee name:

Date:

Factory Information:

Factory Name	Product	Factory Key Contact			Address
		Name	Email	Phone Number	
ENGLISH					
LOCAL LANGUAGE					
Indicate if this is a new or current factory: New (seeking authorization) <input type="checkbox"/> Current (annual renewal) <input type="checkbox"/>					

Subcontractor Information **(This is required if any applicable. Please use extra sheets if needed):**

Subcontractor Name	Subcontractor Key Contact			Subcontractor Process(es)	Subcontractor Address
	Name	Email	Phone Number		

1. Will products manufactured at this factory be exported to the United States? Yes No

1a. If you answered yes to (1), are you CTPAT certified? Yes No



Factory & Product Information Form Example

Licensee name: Clear Winners Inc.

Date: October 31, 2018

Factory Information:

Factory Name	Product	Factory Key Contact			Address
		Name	Email	Phone Number	
Best T-Shirt Co., Ltd	T-shirts	Mr. Zhu	lzhu@bestt.com	86-789-22487715	No. 14 Wuxi Road, Dongsheng Town, Zhongshan, Guangdong Province, PRC
佳艺制衣有限公司					中国广东省中山市东升镇五西路
Indicate if this is a new or current factory: New (seeking authorization) <input checked="" type="checkbox"/> Current (annual renewal) <input type="checkbox"/>					

Subcontractor Information (This is required if any applicable. Please use extra sheets if needed):

Subcontractor Name	Subcontractor Key Contact			Subcontractor Process(es)	Subcontractor Address
	Name	Email	Phone Number		
Z-Printco 1	Mr. Guo	wguo@zp.com	86-789-34598816	Printing	No. 8 Third Industry Park, Sanxiang Town, Zhongshan, Guangdong Province, PRC
印刷					中国广东省中山市三乡镇第八工业园

1. Will products manufactured at this factory be exported to the United States? Yes No

1a. If you answered yes to (1), are you CTPAT certified? Yes No



Audit Booking Form

Client / Program name: New Balance Licensee Compliance Program			
Service Type Requested:			
<input type="checkbox"/> Initial Audit (new factory)			
<input type="checkbox"/> Annual Audit (current factory annual renewal)			
<input type="checkbox"/> Follow-up Audit (failed factory re-audit)			
<input type="checkbox"/> Limited-scope Audit – <i>Zero Tolerance only</i>			
<input type="checkbox"/> Limited-scope Audit – <i>Environment module only</i>			
<input type="checkbox"/> Audit Conversion			
<input type="checkbox"/> CAP Review			
All audits will be scheduled within 30 days of receipt of this form & payment			
Licensee Name:			
Address:			
City:	Province or state:	Postal Code:	
Contact Person(s):	Tel:	E-mail:	
Additional notes:			
Factory Name (audit site):			
Factory Name (audit site) in local language:			
Address:			
City:	Province or state:	Postal Code:	
Address in local language:			
Contact person(s):	Tel:	E-mail:	
Directions to factory if needed:			
Production Process:	Product(s) produced:	No. of Employees:	
Primary language(s) spoken by management:		Primary language(s) spoken by employees:	
Additional notes:			
Audit Payor: (licensee, factory, or other – please specify)			
We apply for the above services and agree that all services will be carried out subject to the Bureau Veritas Consumer Products Services quotation and/or proposal received by our company as amended by the special terms and conditions stated in the program.			
Date:	Authorizing name:	Signature and company chop:	
Total Quotation (For BV use only): New Balance Licensee Program	Per Manday:	Mandays:	Travel quotation if applicable: N/A
Report Type (For BV use only):	BVPAS SA _New Balance		



Chemical Information List (CIL)

Licensee factories are responsible to maintain and update this CIL and ensure that all chemicals used meet all New Balance Restricted Substance Manual (RSM) requirements.

Factory Name:

Licensee Name:

Chemicals, Solvents, Primers, Cements, Inks/Paints, Cleansers & Additives

NO.	Name (Commercial)	Product Code	Supplier Name	Manufacture Location	Why it is used?	MSDS (Y/N)	Meet NB RSM (Y/N)	RSM Test Report (if any)



Chemical Information List (CIL) Example

<p>Licensee factories are responsible to maintain and update this CIL and ensure that all chemicals used meet all New Balance Restricted Substance Manual (RSM) requirements.</p>								
<p>Factory Name: Best T-Shirt Co., Ltd</p>					<p>Licensee Name: Clear Winners Inc.</p>			
<p>Chemicals, Solvents, Primers, Cements, Inks/Paints, Cleansers & Additives</p>								
NO.	Name (Commercial)	Product Code	Supplier Name	Manufacture Location	Why it is used?	MSDS (Y/N)	Meet NB RSM (Y/N)	RSM Test Report (if any)
1	Cleanmax Z100	4839	Major Chemical Supply, Ltd.	Dongguan PRC	Used for degreasing machinery	Y	Y	2167-5036 (SGS report maintained at factory)
2	Fresh Linen	N/A	Industry Supply Corps	Shenzhen PRC	Washing detergent	Y	Y	N/A, common detergent product
3	WF77 Series	7728	Trust Inks	Ho Chi Minh City, Vietnam	Screen printing ink	Y	Y	3122-8970 (Intertek)



Test Request Form (TRF)

Submitting For Company Name:	New Balance Licensee Compliance	JDE Number:	260117	*Mandatory field
ALL TEST REPORTS TO BE SENT TO NEW BALANCE LICENSEE COMPLIANCE AT: LicenseeCompliance@newbalance.com				
Service Requested:	<input type="checkbox"/> ANNUAL PRODUCT TESTING	<input type="checkbox"/> RETEST - Reference previous report #		
Return sample:	<input type="checkbox"/> No (default)	<input type="checkbox"/> Yes, (shipping and handling charges apply)		

LICENSEE/ FACTORY INFORMATION:			
*Licensee Company:		Contact Name:	
*Email:		Tel No.:	
*Factory (Supplier) Name:			

INVOICE INFORMATION:			
*Invoice to:			
*Company Name:		*Contact Name:	
*Address:		*Email:	

PRODUCT SAMPLE INFORMATION			
*Product Category:	<input type="checkbox"/> Apparel <input type="checkbox"/> Equipment <input type="checkbox"/> Footwear <input type="checkbox"/> Other (if other list product):		
Sample Description:			
Color (s):		Model or Style No.:	
*Country of Destination:		*Age Group: <input type="checkbox"/> Adult <input type="checkbox"/> Child (age: _____)	
NB Technology Testing (check if applicable):			
<input type="checkbox"/> NB DRY	<input type="checkbox"/> NB DRY X	<input type="checkbox"/> NB ICE	<input type="checkbox"/> NB FRESH (antimicrobial)
<input type="checkbox"/> UV PROTECTION	<input type="checkbox"/> NB HEAT (outer layer)	<input type="checkbox"/> NB HEAT (mid layer)	<input type="checkbox"/> NB ICE X
<input type="checkbox"/> WIND DEFY	<input type="checkbox"/> WIND DEFY X	<input type="checkbox"/> WATER DEFY	<input type="checkbox"/> QMAX
			<input type="checkbox"/> WIND DEFY X
Licensees add any additional notes or additional testing requirements here:			

Please include page 2 (terms and conditions of testing) when submitting the signed TRF.

This test request is subject to the conditions of testing set forth on page two. We request the above testing and/or services and agree that all testing and/or services will be carried out subject to BVCPs' scale of charges and turnaround time as set forth in the current price list at the time of testing and/or service delivery.

Date:		Authorized Signature:	
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CONDITIONS OF TESTING

Bureau Veritas Hong Kong Limited ("BVHK"), a Hong Kong corporation, or a subsidiary or affiliate of it (collectively, the "Company"), as identified in a written report (the "Report") issued by BVHK or such subsidiary or affiliate, will conduct at the request of the Submitter ("Client"), the required tests specified on the on the submitted Test Request Form or the reverse side of this Test Request Form in accordance with, and subject to, the following terms and conditions (collectively, "Conditions"):

1. All orders for tests are subject to acceptance by the Company, and no order will constitute a binding commitment of the Company unless and until such order is accepted by it, as evidenced by the issuance of a written report ("Report"). The Report is issued solely by the Company, is intended for the exclusive use of Client and shall not be published, used for advertising purposes, copied or replicated for distribution to any other person or entity or otherwise publicly disclosed without the prior written consent of the Company. By submitting a request for services to the Company, Client consents to the disclosure to accreditation bodies of those records of Client relevant to the accreditation body's assessment of the Company's competence and compliance with relevant accreditation criteria. If Client anticipates using the Report in any legal proceeding, arbitration, dispute resolution forum or other proceeding, it shall so notify the Company prior to submitting the Report in such proceeding. The Company has no obligation to provide a fact or expert witness at such proceeding unless the Company agrees in advance to do so for a separate and additional fee. The Company may delegate the performance of all or a portion of the services hereunder to an affiliate, agent or subcontractor of the Company, and Client consents to such delegation.

2. The Report will set forth the findings of the Company solely with respect to the test samples identified therein. Unless expressly indicated in the Report, the results set forth in the Report are not intended to be indicative or representative of the quality or characteristics of the lot from which a test sample is taken, and Client shall not rely upon the Report as being indicative or representative of the lot or of the tested product in general. The Report will reflect the findings of the Company at the time of testing only, and the Company shall have no obligation to update the Report after its issuance. The Report will set forth the results of the tests performed by the Company based upon the written information provided to the Company as set forth in, or attached to, this Test Request Form. The Report will be based solely on the samples and written information submitted to the Company by Client.

3. The Company may, in its sole discretion, dispose of samples furnished to the Company for testing and not destroyed in the course of that testing.

4. The names, service marks, trademarks and copyrights of the Company and its affiliates (collectively, the "Marks") are and shall remain the sole property of the Company or its affiliates and shall not be used by Client except solely to the extent that Client obtains the prior written approval of the Company and then only in the manner prescribed by the Company. Client shall not contest the validity of the Marks or take any action that might impair the value or goodwill associated with the Marks or the image or reputation of the Company or its affiliates.

5. Unless a shorter period is provided for on the front of this Test Request Form, payment in full shall be due 30 days after the date of invoice. Interest shall be due on overdue amounts from the due date until paid at an interest rate of 1.5% per month or, if less, the maximum rate permitted by law. The Company reserves the right, at any time and from time to time, to revoke any credit extended to Client. Client shall reimburse the Company for any costs it incurs in collecting past due amounts, including court costs and fees and expenses of attorneys and collection agencies.

6. Client shall provide, or cause Client's suppliers and contractors to provide, on a timely basis, to the Company all documents and information necessary to enable the Company to properly perform its services.

7. Client represents and warrants to the Company that (a) each sample submitted is representative of the lot from which it was taken and is identical in all aspects to the products that will be shipped or sold to its customers (b) Client will cease to use and rely upon the Company's Report for any product whose properties are altered from the sample provided to the Company for testing and upon which the Report is based (c) Client accepts sole responsibility and liability for the accuracy of documents submitted to government or other regulatory bodies, including for avoidance of doubt, certificates of compliance required under the United States Consumer Product Safety Information Act and EU requirements under REACH regulations. This obligation for accuracy and liability shall apply even where the Company has provided assistance to Client in preparation of such documentation and Company shall assume liability only for its negligent acts and then only to the extent of the limitations of liability set forth in Article 13 of these terms and Conditions.

8. The Company shall undertake due care and ordinary skill in the performance of its services to Client, and the Client will hold the Company responsible only where such skill has not been exercised and, even in such event, only to the extent of the limitation of liability set forth herein.

9. Client understands and agrees that the Company is neither an insurer nor a guarantor, that the Company, by providing the services, does not take the place of Client or any third party including designers, manufacturers, agents, buyers, distributors or transportation or shipping companies, and that the Company disclaims all liability in such capacities. If and to the extent that Client releases any third party from its liabilities, obligations and duties with respect to the tested goods, Client will assume and undertake as its own such liabilities, obligations and duties. Client further understands that if it seeks assurance against loss or damage, it should obtain appropriate insurance.

10. If Client desires to assert a claim arising from or relating to (i) the performance, purported performance or non-performance of any services by the Company or (ii) the sale, resale, manufacture, distribution or use of any tested goods, it must submit that claim to the Company in a writing that sets forth with particularity the basis for such claim within 60 days from discovery of the potential claim and not more than six months after the date of issuance of the Report to Client. Client waives any and all such claims including, without limitation, claims that the Report is inaccurate, incomplete or misleading or that additional or different testing is required, unless and then only to the extent that Client submits a written claim to the Company within both such time periods.

11. CLIENT SHALL HOLD HARMLESS AND INDEMNIFY THE COMPANY, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND SUBCONTRACTORS AGAINST ALL ACTUAL OR ALLEGED THIRD PARTY CLAIMS FOR LOSS, DAMAGE OR EXPENSE OF WHATSOEVER NATURE AND HOWSOEVER ARISING FROM OR RELATING TO (i) THE PERFORMANCE, PURPORTED PERFORMANCE OR NON-PERFORMANCE OF ANY SERVICES BY THE COMPANY, (ii) THE SALE, RESALE, MANUFACTURE, DISTRIBUTION OR USE OF ANY TESTED GOODS, OR (iii) BREACH OF CLIENT'S WARRANTIES UNDER ARTICLE 7 OF THIS AGREEMENT.

12. EXCEPT AS MAY OTHERWISE BE EXPRESSLY AGREED TO IN WRITING BY THE COMPANY AND NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED HEREIN OR IN ANY REPORT, NO WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, IS MADE BY THE COMPANY.

13. LIMITATIONS OF LIABILITY

(A) IN NO EVENT WHATSOEVER SHALL THE COMPANY BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES IN CONNECTION WITH, RELATING TO OR ARISING OUT OF THE REPORT, THE PRODUCT TESTED OR THE SERVICES PROVIDED BY THE COMPANY HEREUNDER, INCLUDING WITHOUT LIMITATION LOSS OF OR DAMAGE TO PROPERTY OR REPUTATION; OR LOSS OF INCOME, PROFIT OR USE.

(B) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED HEREIN, AND IN RECOGNITION OF THE RELATIVE RISKS AND BENEFITS TO CLIENT AND THE COMPANY ASSOCIATED WITH THE TESTING SERVICES, THE RISKS HAVE BEEN ALLOCATED SUCH THAT UNDER NO CIRCUMSTANCES WHATSOEVER SHALL THE LIABILITY OF THE COMPANY TO THE CLIENT OR ANY THIRD PARTY IN RESPECT OF ANY CLAIM FOR LOSS, INDEMNITY, CONTRIBUTION, DAMAGE OR EXPENSE, OF WHATSOEVER NATURE OR MAGNITUDE, AND HOWSOEVER ARISING, EXCEED AN AMOUNT EQUAL TO FIVE (5) TIMES THE AMOUNT OF THE FEES PAID TO THE COMPANY FOR THE SPECIFIC SERVICES WHICH GAVE RISE TO SUCH CLAIM.

14. The Company shall not be liable for any loss or damage whatsoever resulting from any delay in the performance of its obligations hereunder or from the failure of the Company to provide its services within any time period for completion estimated by the Company, regardless of the cause of the delay or failure. In addition, if any event of force majeure or any event outside the control of the Company occurs, the Company may immediately cancel or suspend its performance hereunder without incurring any liability whatsoever to Client.

15. These Conditions shall be governed by, and construed in accordance with, the local laws of the country where the Company performs the testing services or, in the case of tests performed in Hong Kong, the laws of Hong Kong. Client waives the right to interpose any counterclaim or setoffs of any nature in any litigation arising hereunder. Any proceeding related to the subject matter hereof shall be brought, if at all, in the courts of the country where the Company performs the tests or, in the case of tests performed in Hong Kong, in the courts of Hong Kong. Client waives the right to interpose any counterclaim or setoffs of any nature in any litigation arising hereunder.

16. These Conditions and the Report represent the entire understanding of the parties hereto with respect to the subject matter hereof and the Report, and no modification, variance or extrapolation with respect thereto shall be permitted without the prior written consent of the Company.



Corrective Action Request (CAR) Example

Licensee: <i>BN Athletics</i>	Factory: <i>W Performance Sports</i>	Test Report #: <i>(5216)-145-0531</i>	Laboratory: <i>Bureau Veritas HK</i>	Test Date: <i>January 28, 2017</i>
Licensee Contact: <i>Anne Smith asmith@bna.com</i>	Factory Contact: <i>Kay Allen Kallen3@wperformanc esports.com</i>	List Restricted Substance (RS) Failures: <i>PAHs (naphthalene)</i>	RS failure concentration: <i>11.2 mg/kg</i>	NB RS Limit: <i>10</i>
Region of sale: <i>USA</i> Quantity produced: Check if failed product on market: <input type="checkbox"/>		CAS#: <i>91-20-3</i>	Failed Material/Component/Product description: <i>Shoe insole</i>	

1. Why is this chemical used in your process?

This chemical was not present in raw materials—after investigation it appears that the chemical was a byproduct of a high-temperature assembly process.

2. What is your action plan & timetable to correct this problem (include all actions that will be implemented for production to prevent failures in the future. What is the chemical replacement or production process change to ensure NB RSM compliance)?

After discussing possible causes of the failure with laboratory technicians, we intend to reduce temperature during the assembly process and reduce the amount of approved adhesive used for polymer assembly.

3. Who will be responsible to manage the action plan and communicate back to New Balance?

Anne Smith, Compliance Manager at BN Athletics, will coordinate with Kay Allen and the materials team at W Performance Sports factory to ensure the change is made.

Signature:

Date:

Submit form to New Balance for approval at LicenseeCompliance@newbalance.com.

By signing this document, the licensee acknowledges that their material/component and/or product have been found to be non-compliant with the New Balance Restricted Substances Manual. The licensee bears all responsibility for the cost of implementing approved corrective actions, product retest, and failed product recall/disposal where applicable.



Appendix C: Claims Testing Standards

Standard 3 Performance: All Fiber Contents - Only tested upon request, updated March 2018			
	PERFORMANCE PROPERTIES	TEST METHOD	REQUIREMENT
<p><u>NB DRY</u> Moisture Wicking Fabric</p> <p>(testing to be done as original swatch as well as after 10 wash cycles - 40C gentle cycle, low tumble dry)</p> <p><i>FOR SOCKS: see separate requirements and testing to be done as original and after 5 wash cycles</i></p>	Vertical Wicking	AATCC 197	12cm @ 30 min <i>FOR SOCKS: Min 6cm at 30 min (rate of 0.20 cm/min)</i>
	Drying Time	AATCC 201	Full synthetic - 20 minutes Natural blends - 30 minutes <i>FOR SOCKS: max 20 minutes</i>
	Absorbency	AATCC 79	Knit: ≤ 3 seconds Woven: ≤ 5 seconds *5CM WATER DROP HEIGHT <i>FOR SOCKS: max 30 seconds</i>
<p><u>NB DRY X</u> Premium wicking fabric</p> <p>(testing to be done as original swatch as well as after 10 wash cycles - 40C gentle cycle, low tumble dry)</p>	Vertical Wicking	AATCC 197	10cm @ 15min
	Drying time	AATCC 201	Full synthetic - 10 minutes Natural blends - 20 minutes
	Absorbency	AATCC 79	Knit: ≤ 3 seconds Woven: ≤ 5 seconds *5CM WATER DROP HEIGHT
	MMT <i>(tested only upon special request)</i>	AATCC 195	Grade 3



	PERFORMANCE PROPERTIES	TEST METHOD	REQUIREMENT
NB FRESH Antimicrobial treatment resists odors	Anti-microbial	AATCC 100	After 10 washes, 99% minimum reduction of bacteria (odor management test for both S. aureus and K. pneumoniae)
NB ICE Intuitive Cooling Fabric with high air perm (testing to be done as original swatch as well as after 10 wash cycles - 40C gentle cycle, low tumble dry)	Vertical Wicking	AATCC 197	12cm @ 30 min
	Drying time	AATCC 201	Full synthetic - 20 minutes Natural blends - 30 minutes
	Absorbancy	AATCC 79	Knit: ≤ 3 seconds Woven: ≤ 5 seconds *5CM WATER DROP HEIGHT
	Air permeability	ASTM D737	Knit: ≥ 160 cfm Woven: > 60 cfm
NB ICE X Intuitive Cooling Fabric with cooling yarn/fiber/finish (testing to be done as original swatch as well as after 10 wash cycles - 40C gentle cycle, low tumble dry)	Vertical Wicking	AATCC 197	10cm @ 15 min
	Drying time	AATCC 201	Full synthetic - 10 minutes Natural blends - 20 minutes
	Absorbancy	AATCC 79	Knit: ≤ 3 seconds Woven: ≤ 5 seconds
	Air permeability	ASTM D737	Knit: ≥ 160 cfm Woven: ≥ 60 cfm
UV PROTECTION Measures sun protection (to be tested on white/lightest color in order)	UV (UPF)	AATC183, ASTM D6603 and ASTM D6544 required.	US Requirement MIN UPF 40 UVA Transmission = Max 5%
	UVA Transmission	EN 13758-1/2	EU Requirement: UPF 40 UVA MAX 5%



	PERFORMANCE PROPERTIES	TEST METHOD	REQUIREMENT
QMAX Measures "cool to touch" handfeel	Qmax	FTTS-FA-019 test method	Knits: 0.13 Wovens: 0.16
NB HEAT (Mid Layer) *Captures warmth, Wicks dry, Lightweight Cold Weather Fabric (testing to be done as original swatch as well as after 10 wash cycles - 40C gentle cycle, low tumble dry)	Vertical Wicking	AATCC 197	10cm @ 30cm
	Drying Time	AATCC 201	Full synthetic - 20 minutes Natural blends - 30 minutes
	Absorbency	AATCC 79	Knit: ≤ 5 seconds Woven: ≤ 8 seconds *5CM WATER DROP HEIGHT
	Thermal Resistance (with air flow)	ASTM D1518 opt 2	.30 Clo or higher
NB HEAT (Outer layer) *Captures warmth, Cold Weather Fabric	Thermal Resistance (with air flow)	ASTM D1518 opt 2	0.45 Clo or higher
WIND DEFY Wind resistant fabric	Air permeability	AATCC D737	Knit: ≤ 35 CFM Woven: ≤ 20 CFM
WIND DEFY X Windproof fabric	Air permeability	AATCC D737	≤ 1 CFM
WATER DEFY Water resistant fabric	Spray Test	ISO 4920	As original: 4.0 After 3 washes: 3.0
		AATCC 22	As original: min 90 After 3 washes: min 80
	Rainwear (Rain Test)	AATCC 35	As Original: 1 gram max After 5 washes: 1 gram max
WATER DEFY X Waterproof breathable fabric	Hydrostatic Pressure	ISO 811	Waterproof: min 5000 mm/H2O
	Rainwear (Rain Test)	AATCC 35	As Original: 1 gram max After 5 washes: 1 gram max
	Spray Test	ISO 4920	As original: 4.0 After 3 washes: 3.0
		AATCC 22	As original: min 90 After 3 washes: min 80
	Air Permeability	ASTM D737	Wind Resistant: < 5 cfm
Moisture Vapour Transmission Test	ASTM E96	Min .900gm/m2 per 24 hours	