



7 December 2012

ESPRIT Agreement with Greenpeace

Commitment to Detox Solution and Individual Action Plan

In line with ESPRIT's long-term sustainability program ESPRIT recognises the urgent need for eliminating industrial releases of all hazardous chemicals¹. According to its approach based on prevention² and the Precautionary Principle³ ESPRIT is committed to zero discharges⁴ of all hazardous chemicals from the whole lifecycle and all production procedures that are associated with the making and using of all products ESPRIT sells⁵ by 01 January 2020.

We recognise that to achieve this goal, mechanisms for disclosure and transparency about the hazardous chemicals used in our global supply chains are important and necessary, in line with the 'Right to Know' principle⁶. In line with this principle we will increase the public availability and transparency of our restricted substance list⁷ and audit process and will set up public disclosure of discharges of hazardous chemicals in our supply chain.

ESPRIT also commits to support systemic (i.e. wider societal and policy) change to achieve zero discharge of hazardous chemicals (associated with supply chains and the lifecycles of products) within one generation⁸ or less. This commitment includes sustained investment in moving industry, government, science and technology to deliver on systemic change and to affect system change across the industry towards this goal.

The 2020 goal also demands the collective action of industry, as well as engagement of regulators and other stakeholders. We believe that the elimination of hazardous chemicals needs not only collaboration and partnership with our industry peers, but also a holistic and integrated approach. We will apply value-chain as well as life-cycle thinking and innovation towards the development of integrated chemicals management. To this end, ESPRIT will work with other companies in the apparel sector and other brands we sell, as well as material suppliers, the broader chemical industry, NGOs and other stakeholders to achieve this goal.

ESPRIT understands the scope of the commitment to be a long term vision - with short term practice to be defined by the following individual action plan:

Individual Action Plan

1. Supply-chain disclosure

In line with ESPRIT's commitment to the public's 'right to know' the chemical substances used within its global supply-chain and the products it sells, ESPRIT will be taking the following actions:

1. Publish its updated 'Restricted Substances List' and audit processes by the end of April 2013, and annually thereafter.
2. Begin public disclosure of discharges of hazardous chemicals in its supply chain via individual facility level disclosure of chemical use and discharges data, to be achieved via an incremental process, beginning with the following actions:
 - i) By no later than end of March 2013, at least 4 Chinese supplier facilities, plus at least 6 additional facilities in China by no later than the end of June 2013 (i.e. 10 facilities in total);
 - ii) By no later than end of December 2013, at least another 20 Chinese supplier facilities (in addition to the facilities in i) above), i.e. 30 facilities in total;
 - iii) When a credible platform is available, suppliers from the other regions of the 'global south' (in addition to China) will be included.

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Using an online platform, (using the Institute of Public and Environmental Affairs platform and the data collection template agreed with same) with full facility transparency (i.e. location and individual data of facilities) and covering at least the 11 priority groups of hazardous chemicals⁹.

2. APEO Elimination Policy

We recognise the intrinsic hazardousness of all APEOs, and therefore acknowledge it is a priority to eliminate their use across our global supply chain. There are multiple supply-chain pathways for potential APEO contamination (including chemical formulations) and will enhance both training and auditing of our supply-chain in conjunction with other global brands, as well as ensure our suppliers have the latest information on APEOs, highlighting where there is a risk that APEOs may enter into the undocumented contamination of chemical supplier formulations.

In addition to these actions, ESPRIT will enforce its APEO ban with the following actions:

- i. Initiate an investigation into the current compliance to this requirement, reporting the findings to the public and simultaneously strengthening our supplier contract language to ensure only APEO-free chemical formulations are utilized by the end of June 2013,
- ii. Work with our supply chain and other global industry leaders, to ensure the most current technological limits of detection are reflected via the lowest detectable limits within our testing regimes.

3. Perfluorocarbon (PFC) Elimination Policy

Consistent with the precautionary principle and the potential intrinsic hazardousness of all PFCs, ESPRIT commits to eliminate any PFCs in any of the products it sells by no later than 31 December, 2014. The elimination of all PFC use by the products we sell will be supported by:

- i. A review of all products we produce to ensure there are no PFCs in the products we sell,
- ii. A rigorous system of control to ensure that no traces of PFCs find their way into our supply chain in line with the above.
- iii. Work in partnership with our supply chain and other global industry leaders to accelerate the move to non-PFC technologies.

4. Targets for Other Hazardous Chemicals

ESPRIT commits to regularly review the science of the chemicals used in the textiles/apparel industry and periodically update our chemical policy, at least annually, to further restrict or ban chemicals, as new evidence on their impact becomes available.

In this context, we recognize the need to not only report to the public the evidence of elimination of the 11 groups of hazardous chemicals identified as a priority but also set clear intermediate progress targets on the elimination of hazardous chemicals (beyond these 11 priority chemical groups) and the introduction of non-hazardous chemistry by 2015 on the road to elimination by 01 January 2020.

We will also ensure it is part of an industry wide approach to ensure the use of chemicals in the products we sell is managed responsibly and in line with the above commitment and in particular the intrinsic hazards approach. In line with this, ESPRIT commits to support the work of a sectoral chemical inventory and hazardous substance black list, aiming to establish this inventory, and the black list, based on an intrinsically hazardous screening methodology, by no later than December 2013.

The individual actions covered above will be reassessed by ESPRIT at regular intervals - at least annually.

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¹ All hazardous chemicals means all those that show intrinsically hazardous properties: persistent, bioaccumulative and toxic (PBT); very persistent and very bioaccumulative (vPvB); carcinogenic, mutagenic and toxic for reproduction (CMR); endocrine disruptors (ED), or other properties of equivalent concern, (not just those that have been regulated or restricted in other regions). This will require establishing - ideally with other industry actors - a corresponding list of the hazardous chemicals concerned that will be regularly reviewed.

² This means solutions are focused on elimination of use at source, not on end-of-pipe or risk management. This requires either substitution with non-hazardous chemicals or where necessary finding non- chemical alternative solutions, such as re-evaluating product design or the functional need for chemicals.

³ This means taking preventive action before waiting for conclusive scientific proof regarding cause and effect between the substance (or activity) and the damage. It is based on the assumption that some hazardous substances cannot be rendered harmless by the receiving environment (i.e. there are no 'environmentally acceptable'/'safe' use or discharge levels) and that prevention of potentially serious or irreversible damage is required, even in the absence of full scientific certainty. The process of applying the Precautionary Principle must involve an examination of the full range of alternatives, including, where necessary, substitution through the development of sustainable alternatives where they do not already exist. The Precautionary Principle is applied across all products sold by ESPRIT (and any entities directed by, or licensed by the ESPRIT "Group" of entities).

⁴ Zero discharge means elimination of all releases, via all pathways of release, i.e. discharges, emissions and losses, from our supply chain and our products. "Elimination" or "zero" means 'not detectable, to the limits of current technology', and only naturally occurring background levels are acceptable.

⁵ This means the commitment applies to the environmental practices for the whole textile, apparel and footwear product-portfolio of the entire company (group, and all entities - e.g. including ESPRIT Holdings Ltd. And ESPRIT Europe Services GmbH - it directs or licenses) and for all such related products sold by ESPRIT or any of its subsidiaries. This includes all its suppliers or facilities horizontally across all owned brands and licensed companies as well as vertically down its supply chain.

⁶ Right to Know is defined as practices that allow members of the public access to environmental information - in this case specifically about the uses and discharges of chemicals based on reported quantities of releases of hazardous chemicals to the environment, chemical-by-chemical, facility-by-facility, at least year-by-year.

⁷ ESPRIT Restricted Substances List (RSL) - <http://www.esprit.com/press/rsl.pdf>.

⁸ One generation is generally regarded as 20-25 years.

⁹ The 11 priority hazardous chemical groups are: 1. Alkylphenols - 2. Phthalates - 3. Brominated and chlorinated flame retardants - 4. Azo dyes - 5. Organotin compounds - 6. Perfluorinated chemicals - 7. Chlorobenzenes - 8. Chlorinated solvents - 9. Chlorophenols - 10. Short chain chlorinated paraffins - 11. Heavy metals such as cadmium, lead, mercury and chromium (VI).