



Review of Esprit's Detox Commitment - January 2017

Supply-chain disclosure

In August 2016 Esprit published its supplier list on the Esprit Sustainability Web Site. In November 2016 we signed the Human Rights Watch Transparency Pledge. A reformatted list matching the requirements of Human Rights Watch will be posted in February 2017. Esprit will update the list semi-annually.

[Esprit's supplier list](#)

RSL/MRSL

Esprit's Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL) are available on the Esprit Sustainability Web Site. In 2016 we updated the list to include applicable detection limits for end products and wastewater.

[Esprit's RSL and MRSL Supplier Guideline](#)

Disclosure of Hazardous Chemical Discharges

In 2016, Esprit completed an exercise in narrowing our supply base. Gathering data on lower tier suppliers is now a routine part of onboarding new suppliers. This work increased our visibility to the lower tiers of our supply chain, and allowed us to undertake some important work, which will continue to bear fruit going forward. Our wet process suppliers vary considerably in the effectiveness of their efforts to manage their chemical use. The more advanced suppliers have been urged to post data on the IPE database. We are working with the less advanced suppliers to move toward the point where they will be able to release data. Esprit currently has nearly 100 suppliers registered on the IPE database, roughly a third of which are located outside of China. We expect this number to grow considerably between now and the end of the fiscal year. We will commence analyzing the data at the end of the current fiscal year in June 2017.

We recognize that posting wastewater data, while important, is not the end goal. Posting data is merely the means by which suppliers demonstrate progress toward our 2020 goals. Esprit has begun assessing our wet process factories in a number of areas, including chemical management, chemical inventories, and waste management. By the end of our fiscal year in June 2017, we will have assessed 60% of our Tier 2 suppliers in China, and 40% each in Bangladesh and India in order to determine their improvement needs in terms of overall chemical management. As the factories are assessed, Esprit staff work with them to develop a factory-specific program to bring improvements. Part of this process includes an evaluation of the factories' chemical inventories to identify chemicals that can and/or should be eliminated, and to assure that proper steps are taken to do so.

In working for improvement in our supply chain, Esprit recognizes that the size of the job means that we cannot do everything at once. To maximize our impact, we prioritize as follows:

1. Suppliers that are not already working on Detox-related projects
2. Our most important vendors/ those with highest volumes
3. Where a supplier is already undertaking work to improve their chemical handling, Esprit supports the effort and avoids duplication.



APEO Elimination Policy

APEOs have been on Esprit's RSL since before we signed our Detox Commitment. In apparel manufacturing, the chemicals are mostly used in fabric softeners. These softeners are usually washed out of the product before packaging, which makes standard tests of finished products ineffective to confirm whether APEOs have been used in production. Esprit tackles this challenge in a number of ways. The first is through the supplier's own chemical inventory. Alternatives to APEO-containing fabric softeners exist. In reviewing the chemicals used in a factory, Esprit tries to assure that suppliers make use of these alternatives rather than relying on softeners containing APEOs. We also require that wastewater tests include tests for APEOs, since the wastewater is where these chemicals would most likely be found.

Perfluorocarbon (PFC) Elimination Policy

Having eliminated PFCs from our products in 2014, Esprit's work to assure that our products remain PFC-free continued in 2016, with particular focus on avoiding cross contamination in production facilities that use PFCs for other customers. We completed a case study describing the process of how we eliminated PFCs in 2014, as well as the on-going work we are undertaking to assure that Esprit products remain free of these chemicals. Our case study can be found [here](#).

Targets for Other Hazardous Chemicals

Following up on our work with PFCs, Esprit has begun to investigate the feasibility of switching to water-based polyurethane (PU) in our products. Making such a switch would eliminate dimethyl formamide (DMF), a toxic solvent, from the supply chain. The change is not straight-forward, since water-based PU requires different machinery and processes. The change may have an impact on cost, and solvent-free PU is not available from all suppliers.