



Sustainability Report 2017/18

ESPRIT HOLDINGS LIMITED | YEAR ENDED 30 JUNE 2018 | STOCK CODE 00330

ESPRIT

Index

01	Welcome	03
02	About Esprit	06
03	Towards circularity	14
04	Set the frame	73
05	How we report	81



01

Welcome

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Letter from our CEO

Dear reader,

Our industry is going through a period of great change as consumers and organizations become more concerned with environmental and social impacts. Esprit is committed to being a positive part of this change and we have developed a plan, including targets and tools to make it happen. The core of this plan is the concept of circular economy. We firmly believe this is the right direction, and we have applied this philosophy to all levels of our business operations, leading by example and bringing this concept to life.

With this report, I am proud to share our progress, as we work toward a fashion system that is built around respect for human beings and care for our environment.

Aligning our sustainability strategy with global trends and priorities

It is our role as a responsible company to stay abreast of global initiatives and to adopt those that have the greatest potential to make a positive impact. At Esprit, we continue to position ourselves at the leading edge of these shifts.

Since 2012, with our Greenpeace Detox Commitment, we strive towards cleaner manufacturing and the elimination of hazardous chemicals from our supply chain, a journey we are still on today.

Last year, we began to embed the United Nations Sustainable Development Goals into our sustainability framework, which has been a key step in bringing the topic of sustainability into all areas of the company. Applying this framework enables

us to add our momentum to targets that are being pushed by businesses and governments around the world.

Growing out of these initiatives, we see circular fashion as the broader trend that has the potential to reshape our industry. We joined the Global Fashion Agenda 2020 Circular Fashion System Commitment, taking immediate action to support the transition to a circular system. Applying a circular lens to our activities requires us to rethink many of our assumptions and expectations—which is why it has the potential to transform the way we do business and the way we think about fashion.

What we are focusing on now

Our top priority is to make products that meet our goals in terms of sustainable materials, elimination of hazardous chemicals, and design for circularity. We believe international standards and certifications are a valuable tool for helping us to achieve this. That's why we collaborate with the Better Cotton Initiative, certified organic cotton and recycled materials, the Responsible Wool Standard, and the Canopy initiative for more sustainable viscose. The second part of this equation is to communicate these initiatives in our stores and our e-shop, so that we can build awareness and enthusiasm among our customers, and inspire them to join the circular movement with us.

On the social side, we are proud of our new Global Framework Agreement with IndustriALL where we support workers' freedom of association. We are also an active member of Act on Living Wage, a



— Anders Kristiansen
Executive Director
and Group CEO

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

collaborative approach working toward living wages in apparel exporting countries. We are constantly trying to improve our own buying practices to ensure that our actions support a living wage. We are also focusing our energy on empowering the women in our supply chain, where we are actively working with our suppliers in India and Bangladesh to increase the percentage of women in leadership positions. Additionally, we are piloting the Sustainable Apparel Coalition's Social and Labour Convergence Project protocol.

"We are convinced that we will transform our business and continue to demonstrate leadership in the fashion industry."

Within our supply chain, we are striving to achieve our Detox commitment with a focus on waste water testing. Our efforts are based on the Zero Discharge of Hazardous Chemicals (ZDHC) Wastewater Guidelines, our industry's most respected and internationally recognized standard for ensuring that wastewater meets quality expectations. We are focused on ensuring that 100% of our wet processing mills are audited annually, and that they meet all requirements.

What we have accomplished — what we have learned

As you read through this report, we are particularly proud of the following achievements:

- 164 of our wet process mills took part in ZDHC wastewater testing
- We held our first Circular Fashion trainings, kick starting our transition into circularity
- We have developed ambitious targets to shift our key material groups into more sustainable options: cotton, man-made cellulosic fibers, animal fibers and synthetics.
- We were recognized as being among the most transparent fashion brands in the Fashion Revolution Transparency Index 2017 — a huge accolade as we believe that transparency is the key for sustainability
- We signed the Global Union Framework Agreement with IndustriALL

Moving forward, we will focus more on improving communication to key stakeholders. This process is already underway with a redesign of our corporate website. We are convinced that we will transform our business and continue to demonstrate leadership in the fashion industry. I hope you will join our excitement about the progress we have made and the plan moving forward.

Anders Kristiansen

Executive Director and Group CEO

02

About Esprit



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments

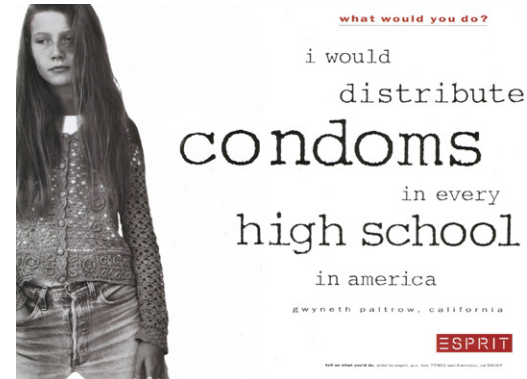
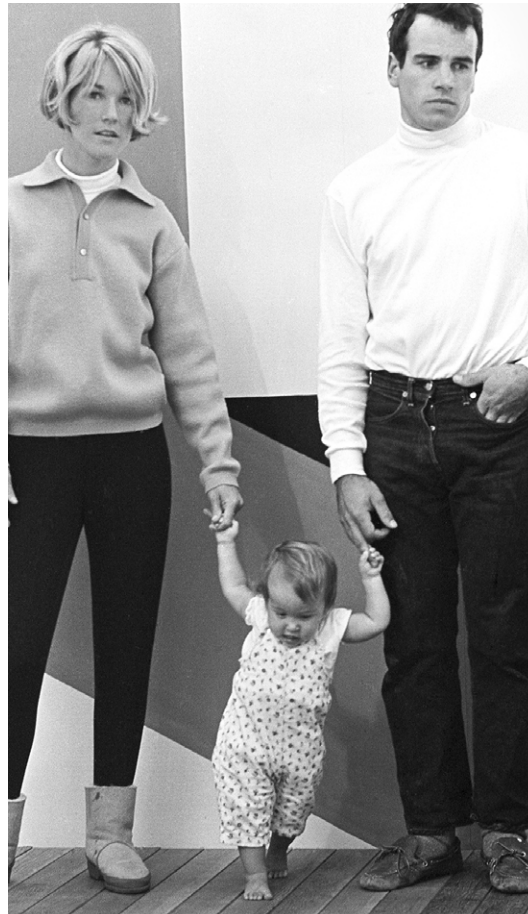


Write us
an email

Where we come from

Esprit was born in 1968, an era known for the revolutionary spirit of its people, and the cultural shifts they inspired. Fifty years later, we believe that now is the time for the next revolution; a revolution in terms of how we interact with our environment, how we support our fellow global citizens, and how we create and care for the things we love.

It's time to rethink the way we do business, which has long been based on the linear model of take, make, waste. It's time to go circular.





Previous
page



Go back
to index



Next
page

Our business

over 40
countries

HK\$ 15,455_m
revenue

20
e-shops

586
retail stores

5,482
wholesale points of sale

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

→ for more financial data, please read our Annual Report FY17/18



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Our products



Casual



Sports



Bodywear



Edc



Accessories



Kids



Collection



Licence



Shoes

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

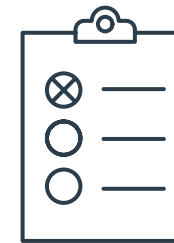
Our people

Long term success hinges on talented people and an engaged work force. We are proud to be an international company with more than 8,000 people worldwide. At our global headquarters in Germany, people from 45 nations work together. The diversity within our teams enriches our experience as Esprit staff and as global citizens; we learn about new languages and cultures as well as different perspectives and values as we go about our business and our daily lives.



Learning

We offer training from entry level to management training and thus support our employees along their professional career development. To bring our people to the next level, we also offer multi-module development programs in preparation for a retail and office leadership position. In addition, we support our employees with softskill trainings.



2,196

employees in Europe and Asia have been invited to evaluate their 394 team leads. The participation rate was at 63%.

37

apprentices successfully finished our apprentice program. 62% of them stayed at Esprit.



15

trainees successfully finished our graduate program. 73% of them stayed at Esprit.

Occupational Health and Safety at Esprit

In our German operations we provide first aiders and evacuation assistants at each location. First aiders and evacuation assistants have an initial training and afterwards regular trainings. In Germany, we have around 250 first aiders and 600 evacuation assistants.



>90

nationalities
at Esprit



55%

of our people are covered by collective bargaining agreements.



6

talents from all over Europe have started our new Sales Management Trainee Program.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Our people



I oversee the Esprit business in 11 countries including Russia, Bulgaria, Croatia and Greece. This involves also many different cultures. However, all our partners appreciate the same thing—good quality products and responsive communication. In 2018 I supported the opening of a new store in Croatia. It was a great experience to oversee the process from end-to-end. It's amazing to create something new from the very beginning.

— **Louisa Arntz**
Area Manager Satellite Markets



After studying International Information Management, I joined Esprit in 2017 as Community Manager. I am confident that social media is the future for communication. In my team, we are given freedom to come up with ideas and try them—I love this supportive and encouraging spirit. There is so much potential and so much for us to do.

— **Dilini Murray**
Community Manager



I started at Esprit December 2005 in the HR department. Having a background in business informatics I've been working in the area of technology in e-commerce in the past 5 years. I lead a team of twelve with no hierarchy. By setting clear goals and giving my team freedom, people drive themselves and support each other. In the fast moving world of digital commerce, no one really knows what will be important to the customer in the future. So I give my team confidence to explore new ways and to test and learn.

— **Nam Hoang Dong**
Vice President—Head of Marketing Technology Management

I've been living in Germany since 2014 but I am originally from Romania. My early education was very science orientated (math, informatics), but my heart was always with the arts. While studying filmmaking in the UK, I did photography and graphic design as a passion. These skills combined and I joined the Esprit team in 2016 as a junior art director. Put shortly, my job is solving this equation over and over: images + words = emotion → action. Together with the team, I work to find cool new solutions to showcase our collections and to grow the Esprit brand.

— **Ionut Barbu**
Junior Art Director



I'm from Belfast in Northern Ireland. After my design studies in Central Saint Martins, I worked in London, New York and Milan. In 2012, I joined Esprit. My role at Esprit is to ensure there is a 'red thread' through the aesthetic of the women's collections. After the direction for each line is established, I set about travelling, getting inspiration and sketching. For me, the essence of Esprit is quality and value for money, "items she can wear through the seasons."

— **John Connor**
Head of Design (Women Woven)



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Esprit Cares

What is your role as Global Culture and Esprit Cares Manager?

My role is two parts—to understand and strengthen Esprit culture across regions and to build out and grow Esprit Cares globally. I listen to understand what makes people want to come to work each day, what makes them happy, how we can be a better employer, and what are the challenges they face. I try to find ways to match these intangible feelings of what makes Esprit culture to tangible actions that strengthen the positive aspects and diminish the challenges. For Esprit Cares, it's creating a culture of volunteers and it's giving people a platform where they're inspired to give back to the community, internally and externally.

Talking about our culture, what do you see as the key elements of the Esprit culture?

Esprit is made up of many people, perspectives, and personalities, each bringing their unique style to our company. We manage this because we are humble, authentic, and we celebrate our diversity. Despite our growth into a global brand, at our core we are a real people company. We have a hands-on, entrepreneurial approach to business and we try to have a fun while we do it. Of course, each person has their own experience within our culture, but I have found it to be welcoming, caring, and a place where people want to help.

Coming to Esprit Cares, who participates here and what is it about?

Esprit Cares is our global volunteer group. This is open to everyone, across hierarchy, department, and region. Our goals are—do good for others, do good together, and do good for ourselves. Often these themes overlap and we look to do initiatives for community development, ways to build teams for a better work environment, and also to help the individual employee. Further, taking cues from hybrid organizations, we look to connect business solutions with charitable causes. A great example of this is the Pop Up sales we organize—unneeded clothing is sold to our employees at a low cost, which is a sustainable solution while giving a benefit for the employees. The money we raise from these sales goes directly back into our local community, where colleagues nominate charities and the entire company votes on which organization receives the donation. Our only criteria is that the organization is small (so the impact of the donation is felt greatly) and local. So far this year we have donated over €35k total across 10 charities and we have another €18k to donate from our last sale. Further, we invite the charities and those who nominated the charity to our HQ so we all get to meet those in the community making a difference. From these meetings, some colleagues have further donated their professional services to the charities! For us, it's all about engaging people to give back and creating the platforms to enable it.



— Kate Deckman
Global Culture and
Esprit Cares Manager



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

What were the highlights in FY17/18?

Mind body earth week. This is the first time we ran this event and we will continue annually. It was a week based on the three namesake themes, which are interconnected. We had a daily global challenge to encourage people to take positive actions and/or rethink their habits. Each office was able to organize as best for them and we offered lectures, workshops, volunteer hours, yoga, clothing and IT donations drives, and healthy foods. This was my favorite week, not just because of the huge success globally, but also to see how each regional office took our global theme and expressed it locally. It captured what Esprit Cares is by giving back to the community while helping ourselves, as a company and individually.

Highlights from this past year include:

- Our on-going donations from our Pop Up Sales
- Esprit Cares x Earth, where colleagues donated their lunch time to pick up litter and plastic in the area.
- Esprit Fit, which are fitness classes taught by fellow Esprit colleagues before and after work hours. We have morning gym for, boot camp, meditation, capoeira fit, and basketball
- Holiday Giving where each Chapter does a clothing, toy, or food drive.
- IT donation pilot — we are working with a local organization that collected unneeded laptops to donate the schools and charities worldwide. They are a hybrid organization and they sanitize our data with an agency that employs a work force of those with physical handicaps. They are CO₂ neutral due to their large network of people already traveling to these regions who carry an extra laptop on their journey. The partnership was suggested by a fellow Esprit colleague and we're running a pilot test now. It's also cost neutral for us so this is an added benefit for the business while we give back.

“We have rolled out Esprit Cares globally with local chapters in our regional offices. This is a great platform for colleagues to participate all over the world.”

What are your future goals for the Esprit Cares program?

For Esprit Cares, we have rolled out the program globally with local chapters in our regional offices. We have four global initiatives and each chapter is encouraged to do local events. We share best practices to learn from each other and build a sense of community. This helps us stay connected despite our geographical distances and develop the program in the spirit of togetherness and helping others. Going forward, the plan is to grow and have greater involvement in initiatives. I also want to use this to connect colleagues that don't know each other across other regions—we can all inspire each other to do good and part of that is by getting people in contact with each other. Finally, I want people to see business as a way to do something good in tandem with the bottom line and I think Esprit Cares is a platform to do just this.

03

Towards circularity

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

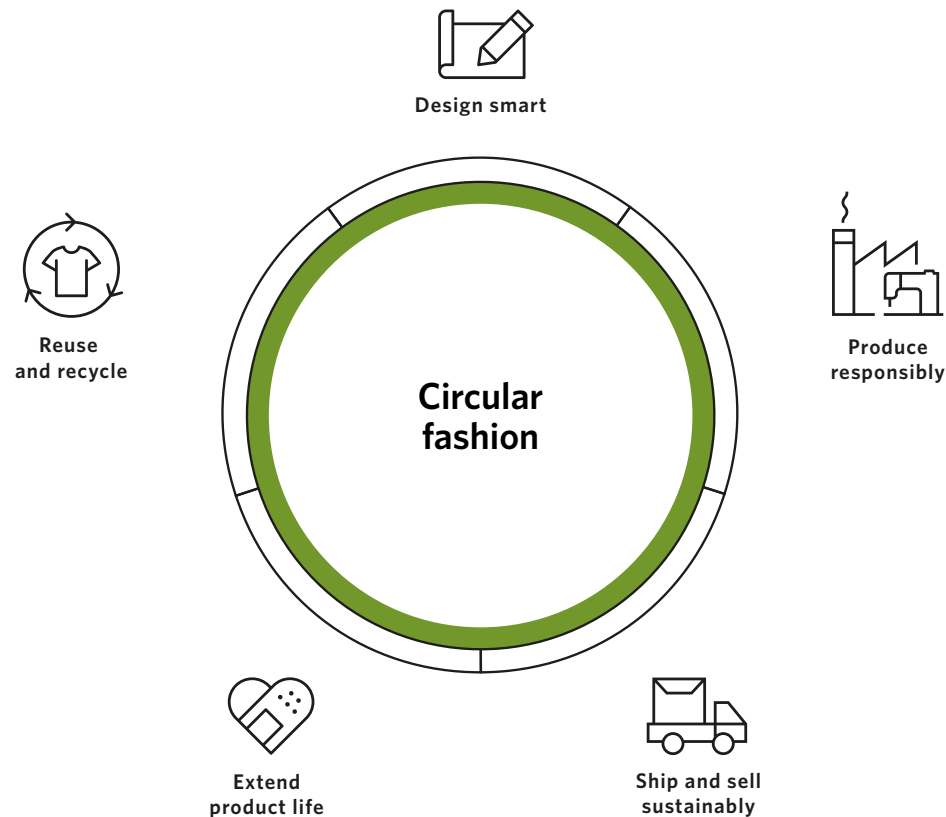
Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Towards circularity



We close the loop

Inclusive circularity rests on the respectful use of both material resources and human resources: in an inclusive, circular economy, growth will be based on human capital instead of the extraction of natural resources. Waste is no longer an option. Ensuring that our actions at Esprit embody this philosophy means rethinking every step

of the fashion lifecycle. So we are re-examining the way we approach design, material selection, manufacturing, and distribution, and building or aligning with new streams to support care, collection, resale, recycling, and reutilization.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Design smart

We are conscious of the impact of our design choices. Design is not only about style and functionality; choices made in the design phase set the stage for circularity. We consider the impact our design and product development have on the planet, and whether the choices we make will bring the industry closer to closing the loop. Specifically, at the design stage we think about:

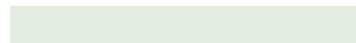
- Durability, so each product has a long lifespan,
- quality sustainable materials, so inputs can be recycled as materials or nutrients, and
- safe processing, so that the environment and our workers are protected, and new products can meet our high quality standards.

These are prerequisites for materials to be able to recirculate and become part of a new product's lifecycle.

Our accomplishments



We have sourced...



13% Better Cotton



5% organic and recycled cotton



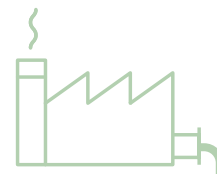
We have developed a first collection of **handbags made of water-based PU**.



100% of Esprit down products are certified according to the **Responsible Down Standard**.



We have decided to **ban mohair wool** from mid of 2019 onwards.



We have joined the **Roadmap towards a responsible viscose production** of the Changing Markets Foundation.

We have increased the amount of more sustainable viscose by switching the first products to **LENZING™ ECOVERO™**



We have signed the **2020 Circular Fashion System Commitment** and have started to train our product teams on **circular fashion**.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Design smart

Where we want to be

TOPIC	TARGET BY JULY 2021	PROGRESS	SDG*
Cotton	100% more sustainable cotton	18%	
Man-made cellulosic fibers	30% more sustainable man-made-cellulosic fibers	23%	
Synthetics	30% more sustainable synthetic fibers	<1%	
	100% of the synthetic down we use is made from recycled or biodegradable materials	<1%	
Better processes	60% DMF-free synthetic leather (100% by 2025)	<1%	
	30% of our leather is tanned using a chrome-free tanning process	<1%	
Animal fibers	100% of our down products are certified according to the Responsible Down Standard (ongoing)	100%	
	50% of our wool is certified according to the Responsible Wool Standard by 2022	<1%	

* UN Sustainable Development Goals

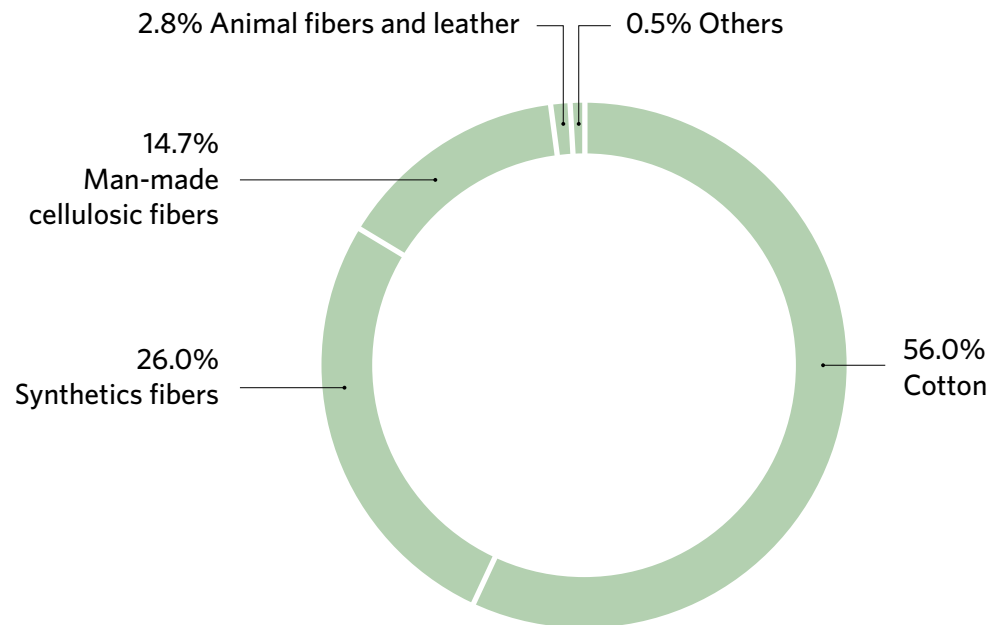
[Previous page](#)[Go back to index](#)[Next page](#)[01 Welcome](#)[02 About Esprit](#)[03 Towards circularity](#)[Design smart](#)[Produce responsibly](#)[Ship and sell sustainably](#)[Extend product life](#)[Reuse and recycle](#)[04 Set the frame](#)[05 How we report](#)[Search document](#)[See attachments](#)[Write us an email](#)

How we choose more sustainable materials

Choosing the right materials is another essential part of our circular fashion strategy, as our ultimate goal is for the materials we use to continually sustain the fashion cycle.

We have started this journey by pairing our designers and Product teams together with our Environmental Sustainability and Product Safety teams to ensure that we select more sustainable materials that promote circularity whenever possible. This means selecting high quality materials that are ethically sourced, whether they are plant-based, such as cotton and cellulose, or animal-derived, such as down and leather. Choosing more sustainable materials means emphasizing recycled materials and supporting our suppliers to implement innovative and sustainable processes. It also means considering whether these materials, and the finished garments they are used to create, lend themselves to recycling, or to a decomposition process that nourishes the environment.

Our fiber use in FY17/18





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



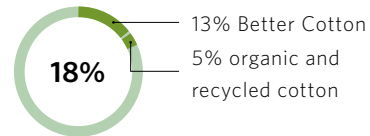
See
attachments



Write us
an email

How we choose more sustainable materials

Cotton



100% MORE SUSTAINABLE
COTTON BY JULY 2021

Cotton is our favorite material, used in around 56% of our products. Cotton generally has reliable quality performance, it is versatile, breathable, and is very comfortable to be wear. However, conventional cotton growing often requires large quantities of pesticides, herbicides and fertilizers, which can harm the environment. In addition, cotton growing requires a lot of water, which is an increasingly scarce natural resource in many cotton-producing regions.

In order to improve the environmental profile of cotton, we have identified three more sustainable cotton options: Better Cotton, organic cotton and recycled cotton.

Better Cotton

We became a member of the [Better Cotton Initiative](#) in February 2016. The Better Cotton Initiative is a non-profit organization that takes a holistic approach to sustainable cotton production. The initiative trains cotton farmers on how to best manage the environmental, social and economic aspects of cotton production. It supports the people who grow cotton to implement more environmentally-friendly cultivation methods that also help farmers reduce costs and increase profits.

Organic cotton

Organic cotton is grown according to strict standards, without pesticides or synthetic fertilizers. Currently, less than 1% of the world's total cotton production is grown organically, making it difficult to source organic cotton in large quantities. However, we still consider it to be a crucial part of our multi-faceted strategy to use more sustainable cotton, and so we have increased the use of organic cotton in our collections. We are using the [Organic Content Standard](#) and the [Global Organic Textile Standard](#) to trace and certify our organic cotton. Both standards verify the presence and amount of organically grown materials in a final garment by tracking the chain of custody from the certified field to the end product.

Recycled cotton

We also focus on increasing the use of recycled cotton, which comes from both post- and pre-consumer waste. Post-consumer waste means that the cotton is sourced from other products that have already had a first life, for example old garments that have been donated. Pre-consumer waste includes cutting scraps from production. The aim is to keep both kinds of waste out of landfill. We use the [Recycled Claim Standard](#) and the [Global Recycling Standard](#) to accurately represent the presence and amount of recycled material in our finished garments.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

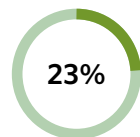
04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

How we choose more sustainable materials

Man-made cellulosic fibers



30% MORE SUSTAINABLE
MAN-MADE CELLULOSIC
FIBERS BY JULY 2021*

Man-made cellulosic materials, such as viscose, rayon and lyocell are manufactured artificial fibers. The raw material is derived from natural sources of cellulose, often trees, and then a chemical process is applied to extract the cellulose and spin it into a fiber that can be woven or knitted. In comparison to conventional synthetic fibers, such as polyester, cellulosic fibers are biodegradable. But there are several other key sustainability considerations when working with cellulose, including sustainable farming and cleaner manufacturing. Taking all of these factors into consideration, we have increased our use of two specific kinds of cellulosic fiber: Lyocell and more sustainable viscose.



Lyocell

Lyocell is a material made mostly from eucalyptus trees. It is considered a more sustainable option because eucalyptus trees grow more quickly compared to other trees commonly used as sources for cellulose, and they require minimal water and pesticides. The resulting fiber is also biodegradable. Around 10% of our products with cellulose fibers are made with lyocell.

Lenzing™ Ecovero™ branded viscose

We are starting to integrate a new viscose fiber called LENZING™ ECOVERO™ which is made by LenzingAG. This material stands out from conventional viscose because it has a lower footprint in terms of emissions and water use**, and the cellulose is derived from the renewable raw material wood that come from certified, responsibly managed forests. Traceability from the fibre to the final product is achievable through a special manufacturing system which enables LENZING™ ECOVERO™ fibers to be identified, even after long textile processing and conversion steps.

LENZING™ ECOVERO™ viscose fibers are certified with the EU Ecolabel, signifying that they result in lower environmental impact throughout the full lifecycle, from raw material extraction to production, distribution and disposal.

**These Results were calculated using the Higg Material Sustainability Index (Higg MSI) tools provided by the Sustainable Apparel Coalition. The Higg MSI tools assess impacts of materials from cradle-to-gate for a finished material (e.g. to the point at which the materials are ready to be assembled into a product). However, this figure only shows impacts from cradle to fiber production gate. LENZING™ ECOVERO™ branded viscose fibers' Higg MSI score was calculated based on Lenzing fibers which are already in the Higg MSI.

* FY17/18: 7% Lyocell, < 1% Ecovero



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

How we choose more sustainable materials

Protecting forests

In order to responsibly source cellulosic fabrics, the cellulose needs to come from properly managed forests, as opposed to endangered or old-growth forests. We partnered with the environmental non-profit organization [CanopyStyle](#) in September of 2015 to ensure that our cellulose fabrics are not sourced from at-risk or old-growth forests. Canopy is also partnering with global non-profit organization The Rainforest Alliance to audit global producers of man-made cellulosic fibers, verifying that producers are meeting the robust criteria set by Canopy regarding cellulose sources. We use these audits as a reference point when implementing our Canopy commitment. We support a future that does not exploit ancient and endangered forests to create man-made cellulosic fabric. For more information, please see Esprit's Policy on Protecting Forests through Fabric Choices.



More sustainable viscose production

At the end of May 2018, we committed to the Roadmap Towards Responsible Viscose as outlined by the [Changing Markets Foundation](#). We defined steps we will take to further promote and improve the sustainable production of viscose and modal fibers. Beyond committing to clearly communicate our procurement requirements to our suppliers, we will evaluate both the environmental impact of the production process and the social impacts on the suppliers along the whole supply chain. Our goal with this commitment is to push the wider industry to adopt a closed-loop manufacturing process in order to minimize the use of harmful chemicals.

Additionally, we have worked on achieving greater transparency in our viscose supply chain. We've done this by mapping our viscose producers, which are part of our Tier 3 supplier network. The results has been published from August 2018 onwards in our publicly available supplier list.

Another way we are working to improve viscose production is through our participation in the Task Team for Man Made Cellulosic Fibers, launched by the Zero Discharge of Hazardous Chemicals Group in the beginning of 2018. Through this joint effort, which includes brands, viscose producers and various other industry stakeholders, we are developing tools and protocols to improve viscose manufacturing.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

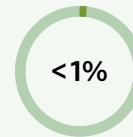
05 How we report

Search
documentSee
attachmentsWrite us
an email

How we choose more sustainable materials



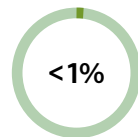
Synthetic fibers



30% MORE SUSTAINABLE
SYNTHETIC FIBERS BY JULY 2021

Polyester, polyamide and acrylic are the most commonly-used synthetic fibers at Esprit. They are often used in functional sportswear and blends. However, we are quite aware that conventional synthetic fibers are derived from petroleum, which is not a renewable resource, and they are also not biodegradable. Another issue that we continue to monitor is microplastic pollution. Small pieces of synthetic fibers can be released during washing, ultimately ending up in oceans where they can pose a danger to wildlife and the environment as a whole. We are working to decrease the amount of synthetic fibers we are using and to instead select more sustainable options wherever possible.

More sustainable fillings



100% OF THE SYNTHETIC DOWN WE USE
IS MADE FROM RECYCLED OR BIODEGRADABLE
MATERIALS BY JULY 2021

Ongoing research and innovation is leading to the development of new bio-based polyesters, as well as polyesters that are designed to decompose at rates similar to natural fibers. However, most of these innovations have not yet been scaled to the point that we are able to incorporate them. So our focus, currently, is on increasing our use of recycled synthetic fibers. A common source for recycled polyester is used PET bottles. This reduces waste and emissions, and encourages more thoughtful material selection. One example is the polyester

fleece that is often used in padded jackets: We have made the decision to switch our polyester fleece to recycled polyester. Esprit uses the [Recycled Claim Standard](#) and the [Global Recycling Standard](#) to ensure recycled materials are indeed being used. Both standards affirm the presence and amount of recycled material in a finished garment. The next challenge is to move towards closing the polyester loop, which is why we are investigating opportunities to reuse recycled synthetic fibers coming from our own collections.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

How we choose more sustainable materials

Better processes

In addition to choosing more sustainable materials, our Environmental Sustainability team is working together with our suppliers and the chemical industry to improve the production processes behind the materials we use.

More sustainable processes may require less energy, less water, fewer chemicals, safer alternatives, or several of these improvements. Overall, they aim to be better for our workers as well as the environment.



WE ARE PFC-FREE

Since December 2014, all our water-repellent products have been made without per-fluorinated chemicals (PFCs). PFCs are known for polluting the environment, so we have switched to safer alternatives. Read more in our case study.

<1%

30% OF OUR LEATHER IS TANNED USING A
CHROME-FREE TANNING PROCESS BY JULY 2021

Leather

Leather tanning is a chemically complex process. Around 85–90% of leather undergoes chrome tanning. However, if this process is not carried out properly, chromium (III) may, in certain circumstances, give rise to chromium (VI), which is hazardous to the environment and potentially to customers. We are working toward safer leather tanning in several ways.

We are supporting our suppliers to conduct better chrome tanning, and we have developed special capacity assessments for leather tanneries to ensure that they understand how to conduct proper tanning. We also provide our suppliers with guidelines for the prevention of chromium (VI).

We are also working to introduce chrome-free alternatives to tanning, such as vegetable tanning and reactive tanning; we continue to monitor these processes for proper and safe implementation as well. These approaches are informed by a study we conducted on alternative tanning processes.



<1%

100% OF OUR SYNTHETIC
LEATHER PRODUCTS ARE
MADE WITH WATER-BASED
POLYURETHANE BY JULY 2025

Synthetic leather

Synthetic leather, which is generally polyurethane-based, allows us to create leather-like products without using material derived from an animal. However, manufacturing conventional polyurethane (PU) requires a solvent called dimethylformamide (DMF), which can be hazardous for workers and can pollute the environment. We are working to shift our production from conventional polyurethane to water-based polyurethane which does not require DMF.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

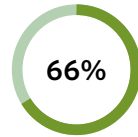
04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

How we choose more sustainable materials

Less water, less chemicals, better denim



50% OF OUR DENIM IS RATED
AS LOW IMPACT* BY 2021

We are working very closely together with our suppliers to develop more sustainable denim. Our suppliers use innovative techniques, such as laser, ozone and “nano-bubble” technology, to reduce the use of water, chemicals and energy during production. We also use a software system developed by Jeanologia™, the Environmental Impact

Measuring (EIM) system, to help us assess and reduce the footprint of our products. EIM evaluates water consumption, energy consumption, chemical use and worker health during production. We use the information from this program to identify more sustainable washes and to create more sustainable denim garments.



5% of our denim
uses Lyocell

6% of our denim
is made with
recycled materials



27% of our denim
contains organic cotton



33% of our denim
range is rated ‘low
impact’ because it has
a lower footprint in
terms of water, chemicals,
and/or energy.

* We are using the Environmental Impact Measuring software by Jeanologia™



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



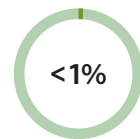
Write us
an email

How we choose more sustainable materials

Animal welfare

As part of our commitment to living our ideals, we believe in animal welfare and the humane treatment of animals. All products derived from animals must be produced in accordance with our Code of Conduct and the Five Freedoms of the Farm Animal Welfare Committees (FAWC).

Wool



50% OF OUR WOOL IS CERTIFIED ACCORDING
TO THE RESPONSIBLE WOOL STANDARD BY 2022

Wool, coming from sheep, is both durable and biodegradable. This makes it a sustainable choice particularly for garments that are intended to have a long lifespan. In order to protect the welfare of sheep, we worked with Textile Exchange and other brands to develop the [Responsible Wool Standard](#). The Responsible Wool Standard seeks to ensure that the sheep in our supply chain are treated with respect and in accordance with the Five Freedoms of the Farm Animal Welfare Committee.

The standard also focuses on sustainable management of grazing land. In 2017, we funded the Responsible Wool Standard Kickstarter program to support the implementation of the standard in textile supply chains. We are currently working to incorporate wool that is certified according to the Responsible Wool Standard into our products. As this is still a relatively new program, RWS-certified wool is still a challenge to source. However, we remain committed to our goal that 50% of our virgin sheep wool will be sourced according to the Responsible Wool Standard by 2022.

Additionally, since 2012, Esprit has expressly prohibited surgical mulesing of sheep in our supply chain.

Five Freedoms

- ① Freedom from Hunger and Thirst
- ② Freedom from Discomfort
- ③ Freedom from Pain, Injury or Disease
- ④ Freedom to Express Normal Behaviour
- ⑤ Freedom from Fear and Distress



HUMANE CHOICES FOR FUR AND WOOL

Fur free

Esprit is a fur free company and part of the Fur Free Retailer Program. This means that we only use simulated fur in our products.

Angora

Since November 2013, angora wool, which comes from the angora rabbit, has been banned from all our products. The ban on angora wool will remain in place until proper controls and transparency can be established to assure the humane treatment of angora rabbits.

Mohair

Mohair fiber comes from the angora goat. We have decided to discontinue selling mohair by mid-2019, as the humane treatment of the goats can't be assured.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

How we choose more sustainable materials



100% OF OUR DOWN PRODUCTS ARE CERTIFIED WITH
THE RESPONSIBLE DOWN STANDARD (ONGOING)

Down

We take extra care when we use down and feathers so we can be sure that the ducks and geese providing these materials for our products are treated humanely. In accordance with our Animal Welfare Policy, Esprit strongly condemns force-feeding animals and plucking feathers and down from live birds. To ensure that these practices do not occur in our supply chain, all Esprit products containing feathers and down are certified according to the [Responsible Down Standard](#). This has been the case since fall 2016. The standard, managed by the non-profit organization Textile Exchange, examines all stages of the supply chain—from duck and goose farms to Esprit itself—to ensure that no live-plucked down or feathers are used in Esprit's garments.

Leather

We have strict rules for the use of leather in our products. We require our leather to be a by-product of the food industry, and our suppliers must be able to trace raw hides and skins back to their country of origin. We do not source leather from endangered or threatened species that appear on lists from the International Union for the Conservation of Nature or the Convention of International Trade in Endangered Species of Wild Fauna and Flora.

One major challenge we face in trying to source more sustainable leather is that there is not one overall apparel industry standard for leather that includes animal welfare. To overcome this, Textile Exchange launched the Responsible Leather Initiative in early 2017. The initiative takes a multi-stakeholder approach that brings together interested parties to help develop the best possible solutions for the industry. As a member of this group, we aim to address the many issues found within the global leather supply chain, including animal welfare, as well as social and labor issues and deforestation.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Design for long-lasting products

Esprit strives to ensure that our garments are of the highest quality so that they are durable and can remain in the hands of our customers for a long time. We have started to train our designers on circular

fashion and working on a process to ensure that all our garments are well-constructed, and where possible creating garments that are timeless or flexible in how they can be worn and adapted.

Making a long-lasting product

01. Design phase



02. Product development



03. Risk assessment



04. Quality assessment



01. Design phase

Our designers set the foundation for each individual product by creating the styles, selecting the materials, and identifying the colors and patterns that will be used. The creative process begins with ideas on a mood board. This is informed by trend research, forecasts and color schemes. This planning all comes together to create the baseline for a new collection. Our designers make crucial decisions on materials, selecting high quality, more sustainable options with the aim of creating long-lasting products both in terms of strength and integrity of construction, and enduring, timeless designs. The goal is that each designed item shall have its own unique and intrinsic value so that our customers will care for and enjoy every piece for a long time.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Design for long-lasting products



02. Product development

Our products begin to take shape after the ideas and sketches from design are shared with specially trained sewing technicians in our sampling room. For some products, our sewing technicians translate the designers' ideas into a prototype, examining qualities such as dimensional stability, workmanship and fit. This allows our designers to see their ideas transformed into a finished garment in one day. Our product teams can then examine and adjust the cut and fit of each garment before production begins. Once quality and fit meet our standards, we share these prototypes with our suppliers so that they have a tangible example that illustrates both the design idea and the quality expectations.

Our suppliers then develop and send to us a fit approval sample, which demonstrates the final expectations regarding cut, fit, workmanship, and quality. An identical version is kept at the supplier's place of manufacture to serve as a reference.



03. Risk assessment

Selecting the right fabrics and trims is very important when it comes to influencing durability, and ultimately extending the lifespan of a product. Prior to production our Product Safety team conducts assessments based on internationally recognized norms and our own quality standards for properties such as resistance to pilling, color fastness, shrinkage and appearance after home laundering. One way we aim to strengthen our suppliers' capacity is by supporting them to establish their own in-house quality control systems. We do this by sharing best-practices, creating guidelines and supporting implementation on-site. During the risk assessment, the products are also evaluated with regard to the chemicals used.



Hints for customers — what you can do:

- **Hangtags:** Carefully read all hangtags attached to your garment. We use these to communicate special care advice or warnings to customers, for example if we've used a special dyeing technique or if any special care is required.
- **Esprit Care Guideline:** Carefully read the washing and care instructions in the care labels. Do you need help to understand them? We've prepared some guidance for you here.
- **Clevercare:** Clevercare is a system for communicating more sustainable washing instructions that will help you to maintain the high-quality look and feel of each garment by using less water and energy.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Design for long-lasting products



04. Quality assessments

Good quality is the secret to a long-lasting product. With this in mind, Esprit conducts a multi-step quality assessment to assure the construction and workmanship of our garments. With this workmanship assessment, our Quality Assurance team determines whether patterns, seams and structures chosen at the product development stage are adequate for the different fittings and garment types. We conduct technical workmanship audits to strengthen our suppliers' capacity in workmanship and garment construction. We have also

developed workmanship guidelines for our suppliers to understand how our garments must be constructed, and we have created guidelines for how to measure them. The quality assessment is done at the same time as our risk assessment- right before bulk production. During production we continue to monitor the workmanship of our products. We include workmanship quality and visual quality on-site during in-line and final inspections to ensure compliance with our requirements in the final product.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Produce responsibly

Fashion relies both on people and on the planet. This is why, on our way to closing the loop, we always put the environment, the people working in our supply chain and our customers in the center of our efforts.

Applying this circular lens to production helps us to ensure that we work in an enriching and regenerative way. This includes promoting respect for workers' rights, safe work places, fair wages, and supporting the overall wellbeing of people employed in our supply chain. In this way, our circular fashion philosophy contributes to safeguarding our human capital.

Closing the loop also requires the responsible management and safe use of all production inputs, such as fabrics, trims and chemicals, and control of all production outputs and emissions, such as waste water and—eventually—the product itself. This is why we strive to find ways to minimize and redirect waste, to eliminate the use of hazardous chemicals, and to address other forms of pollution, such as greenhouse gas emissions. Thinking of the future, we are exploring new ideas we can implement that will help us work in an environmentally responsible way.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Transparency

Our network of suppliers spans 25 countries and includes hundreds of globally interlinked partners. Over recent years we have drastically reduced the number of supply chain partners we work with so that we can go beyond building business relationships and instead focus on creating a collaborative community. Working with fewer suppliers enables us to really know them, understand their needs and challenges, and support them to achieve our standards.

Our accomplishments



We award good sustainability performance.

Every six months we evaluate our suppliers' sustainability performance and assign each supplier a score using our Vendor Scorecard.



We are among the most transparent fashion brands in the **Fashion Revolution Transparency Index 2017**

Where we want to be

TOPIC	TARGET BY 2021	PROGRESS	SDG*
Transparency	Map and publish our Tier 1 and Tier 2 suppliers every six months (ongoing)	100%	—
	Map and publish key Tier 3 suppliers every six months	15%	—

* UN Sustainable Development Goals



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



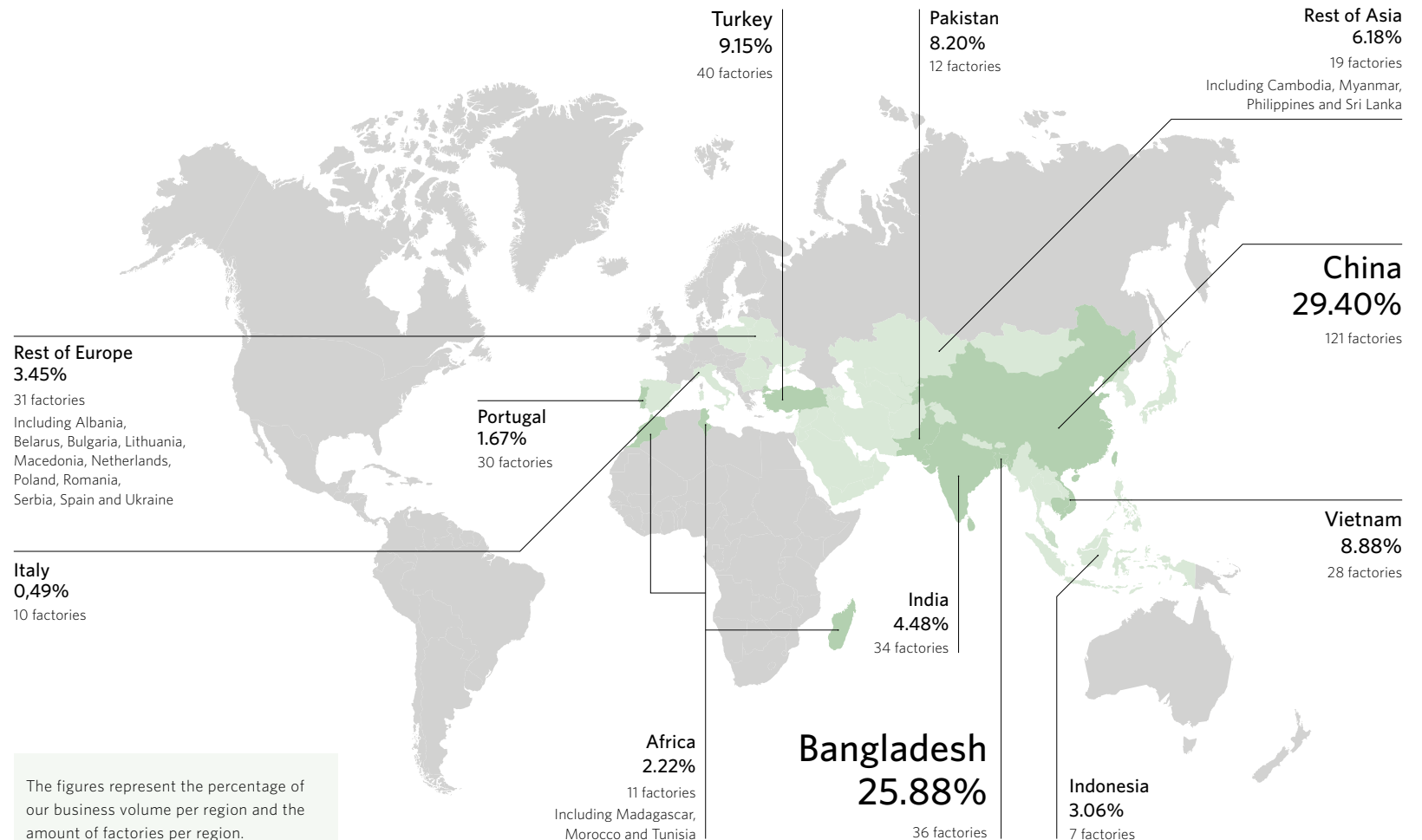
See
attachments



Write us
an email

Where Esprit is made

Ensuring that our products are made in a clean and responsible way requires that we know a lot about our supply chain partners.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

How we choose our suppliers

100%

MAP AND PUBLISH OUR TIER 1 AND TIER 2
SUPPLIERS EVERY SIX MONTHS (ONGOING)

Supply chain transparency means more than knowing where in the world we produce—it means knowing who our production partners are, how they work, and how we can best support them to work in a clean, responsible and efficient way. Our supply chain mapping process helps us to stay on top of this information by working with our Tier 1 suppliers to capture and update information about our deeper supply chain.

15%

MAP AND PUBLISH KEY TIER 3
SUPPLIERS EVERY SIX MONTHS*

Every six months we update our supplier list. The list includes factory names, locations, types of goods produced, and numbers of workers, and covers our master vendors and points of fabrication (Tier 1), wet processors (Tier 2), and viscose fiber producers (Tier 3). It is in alignment with the Human Rights Watch Transparency Pledge as well as our Greenpeace Detox and Changing Markets commitments.

Tier 3



Raw material source

Raw materials providers:
Chemical suppliers,
sewing yarn suppliers,
machinery suppliers,
filament and staple
fiber suppliers



Spinning

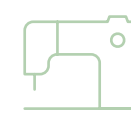


Weaving / knitting

Spinning, weaving,
dyeing, printing,
fabric finishing,
knitting



Finishing



Sewing

Place of fabrication:
garment sewing, linking,
garment finishing,
packaging and storage



Final product



* The progress is an estimation based on the data Tier 3 supplier data of FY17/18. We expect to have a more comprehensive data collection in FY18/19.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

How we monitor our suppliers

At Esprit, we focus on building long-term business relationships with a small number of top performing suppliers. This allows us to build a community, and support each of our supply chain partners to help them meet our standards.

We have strict requirements that suppliers must fulfill before starting a cooperation with us. An absolute prerequisite is the disclosure of our direct suppliers' supply chain so we can monitor not only the suppliers we are directly working with (Tier 1), but also our suppliers' subcontractors (Tier 2) and, starting August 2018, our viscose producers (Tier 3). In addition to demonstrating transparency, we expect that our suppliers commit to our Esprit minimum requirements, and that they are willing to work with us to fully and continuously guarantee them. To this end, we have developed an ongoing monitoring and capacity development program that encompasses not only our most direct partners, but also the deeper supply chain.



The Esprit Minimum Requirements

Our suppliers are committed to our Esprit Minimum Requirements, which are an integral part of our supplier contracts: The Esprit Minimum Requirements include the following:

- Esprit Supplier Code of Conduct
- Esprit Material Quality Requirements
- Esprit Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL)

Since these requirements cross different functions and roles, in 2015 we created the Esprit Minimum Requirements Steering Committee (EMRSC), including all the departments having a direct impact on sustainability: Environmental Sustainability, Product Safety, Social Sustainability and Quality Assurance. The EMRSC's task is to agree upon and create an overarching framework of requirements, guidelines and implementation tools, all of which are aligned among the three departments and binding for all suppliers.

Potential new supplier



disclosure of supply chain (no tolerance!)

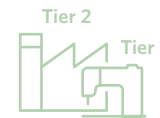
Supplier screening



- desktop risk assessment
- disclosure of supply chain

if there is no disclosure
→ no tolerance issue
→ no collaboration

Supplier assessment



- Tier 1**
- Technical workmanship assessment
 - Social compliance assessment
 - Check Higg index FEM score
- Tier 2**
- Capacity assessment
 - Check waste water testing
 - Check Higg index FEM score

Supplier commitment



contractual agreement to Esprit minimum requirements

Regular follow-up assessments





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

How we monitor our suppliers

The factories producing our finished products (Tier 1) are responsible for sourcing components such as fabrics, trims and accessories; however, all components must meet our requirements. Our Tier 1 partners must ensure that their subcontractors are aware of and in compliance with our standards.

In the spirit of our partnership approach, we support our direct suppliers in this endeavor to cascade our requirements through their own supply chains. Working transparently, our suppliers disclose to us who their subcontractors are so that we can directly assess and strengthen the deeper supply chain. We conduct audits through several key industry initiatives, and we also have our own Tier 1 and Tier 2 supplier assessments in place. Through working this way with our direct suppliers, involving them in the assessments, we contribute to increased quality, safety and compliance along the entire supply chain.



Our assessments

Besides being a member of several key industry initiatives that conduct monitoring and assessment on behalf of their member brands, we have our own audit teams that visit our suppliers regularly.

Social Compliance Audits

To ensure that the all production facilities used by Esprit operate in accordance with the Esprit "Supplier Code of Conduct", the Esprit social compliance team regularly conducts both unannounced and announced audits at the facilities where Esprit products are manufactured.

Capacity assessments

Our Environmental Sustainability team, which is based in the production countries as well in the Global headquarters in Germany, assesses our Tier 2 suppliers' performance in environmental and chemical management as well as proper process control.

This approach helps us ensure compliance with our RSL and MRSL and our Material Quality Requirements.

Technical workmanship audits

The right equipment and machinery, combined with knowledge and experience of a supplier and factory staff is needed in order to make products in the right quality. Our Quality Assurance (QA) team audits every supplier (Tier 1) to make sure that its factory complies with our technical standards with regards to organization and management, capacity and equipment. During these visits, our QA team also trains factory staff and management on our quality requirements and procedures. Our technical workmanship audits are done periodically, depending on the score of the initial audit. After every audit factory management receives a plan for corrective measurements which is checked by the QA team during the next audit.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

How we monitor our suppliers

No “cut and run”

We don't believe that pulling orders from suppliers who are facing challenges, a practice known as “cut and run”, is the right way to achieve real improvements in the textile supply chain. In the spirit of honoring the sense of community, we want to support our suppliers to improve while upholding the business relationship. When we find shortcomings, we develop a Corrective Action Plan (CAP) together with the supplier, and conduct regular re-audits to verify improvement. A relationship is only ended if we see that improvements are not made, or that there is a lack of willingness to address the issues.



Supplier empowerment

Overall, we want to empower our suppliers and help them grow in both their understanding of what sustainable production looks like, and in their ability to independently identify and implement improvements. One way we support this growth is through the use of self-assessments conducted by our suppliers. To this end, we are a member of the [Sustainable Apparel Coalition \(SAC\)](#) and advocate for the use of the Higg Index Facility Environmental Module throughout our entire supply chain.

Rewarding sustainable suppliers

We believe that good sustainability performance should be incentivized and rewarded. This is why every six months we evaluate our suppliers' sustainability performance using both social and environmental criteria and we assign each supplier a score using our Vendor Scorecard. Our buying teams consider this score as part of their decision-making process when selecting which orders to place with our approved suppliers. This is one way we incentivize our suppliers to ensure fair and safe working conditions, or to scale up their ability to offer sustainable materials or processes.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for the planet

Our accomplishments

There are many different steps that are undertaken on the way toward making fashionable clothing. This might include washing processes, dyeing and printing techniques, or other chemical or physical processes that add to the final look and feel of a product. Our ambition to work in a responsible, circular way requires that we closely manage each of these steps and ensure they are all done in ways that meet our expectations. This includes, for example, our capacity assessments in wet processing mills, and our comprehensive wastewater testing program.



73% of our wet process mills took part in our capacity assessment initial or re-audit

98% of our re-audited mills could increase their score in our capacity assessment due to improvements



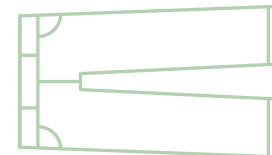
More than **24%** of our factories (Tier 1 and Tier 2) work with the Higg Index Facility Environmental Module to evaluate their sustainability efforts.



All mills we work with based in China participate in a real-time emission mapping provided by the **Institute of Public and Environmental Affairs (IPE)**.



56% of our wet process mills conducted waste water testing over the past year.



For **90%** of our denim we use the Environmental Impact Measurement software by Jeanologia to evaluate the environmental impact of our denim finishes.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Responsible for the planet

Where we want to be

TOPIC	TARGET BY JULY 2021	PROGRESS	SDG
Capacity assessments	100% of our wet processing mills have been audited based on the Esprit technical audit protocol	73%	
Wastewater testing	100% of our wet processing mills test their wastewater according to the ZDHC Wastewater Guidelines	56%	
Performance measuring	100% of our suppliers (Tier 1 and Tier 2) conduct the Higg Index Facility Environmental Module self-assessment	24%	



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Responsible for the planet

In December of 2012, we signed the Greenpeace Detox Commitment, launching a series of ongoing efforts aimed at achieving zero discharge of hazardous chemicals. We are committed to eliminating hazardous chemicals throughout the supply chain.

Why detox?

Making fashionable clothing requires many different production processes, from harvesting our raw materials all the way through to packaging. Some of these processes, particularly dyeing, printing and finishing, involve the use of chemicals that—if not handled correctly—can have negative impacts on the environment and on the people working with them. This status quo is not an option within our circular fashion approach: Closing the loop requires the responsible and safe management of all production processes, both inputs (such as chemicals and fabrics) and outputs (such as wastewater and end-products).

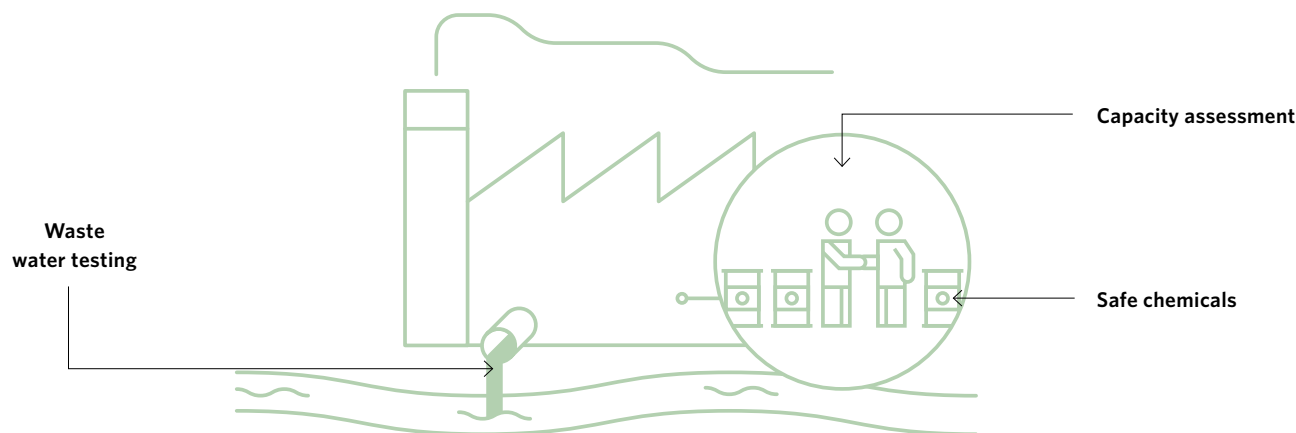
Our Detox Commitment

In 2012 we committed to phase out eleven groups of hazardous chemicals from our supply chain by 2020.

This extended the scope of the work already in place, which had mainly centered on ensuring that our products were safe for our customers. This initial process was purely based on our Restricted Substances List (RSL), which lists chemicals that are forbidden from remaining in the end products when they reach the customers.

Following our 2012 Detox Commitment, we broadened our approach to chemicals and began to address the chemicals used in manufacturing, even when they did not remain in our products when they reached our customers. We needed to start thinking about the impact of processing chemicals on the environment and on worker safety, not just product safety.

We launched a major Detox program within our supply chain, which is based on building awareness and knowledge among our wet processing suppliers, focusing on chemical and environmental management as well as process control. This work enables our suppliers to comply with our Esprit Manufacturing Substances List (MRSL). To complement this, we require our suppliers to implement wastewater testing for all facilities that conduct wet processing.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for the planet

How we detox

We can only close the loop if all materials and substances entering into production and released into nature are clean and safe. To meet our Detox commitment, we need to empower the entire supply chain to establish good housekeeping practices, which includes maintaining a chemical inventory, establishing sound environmental and chemical management processes, implementing process control, and conducting wastewater testing.

Combined RSL and MRSL

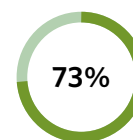
Starting in 2013, we created a combined Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL) which each supplier is required to follow. The Restricted Substances List defines both international chemical requirements as well as our own standards—beyond legal requirements—that finished products and packaging must meet. While the Restricted Substances List focuses on restricted chemicals in the final Esprit product, the Manufacturing Restricted Substances List focuses on identifying and phasing out hazardous chemicals or formulations that may be used during the manufacture of Esprit products. In this way, we are looking beyond the safety of end products to the safety and health of the workers in our supply chain, their communities and the environment.

To identify chemical risks, we developed a hazard screening methodology to continuously evaluate chemicals that are used during the manufacture of our products.

In addition, we are taking into consideration the demands and requirements of other stakeholders such as non-governmental organizations, customers, and research institutes. We are a member of several collaborative industry and multi-stakeholder initiatives, such as the [Zero Discharge of Hazardous Chemicals \(ZDHC\) Group](#), the [Sustainable Apparel Coalition \(SAC\)](#) and the [German Partnership for Sustainable Textiles](#).

At least yearly, we aggregate the findings from our chemical risk assessment into an update of our RSL and MRSL.

Capacity assessments and supplier support



100% OF OUR WET PROCESSING MILLS
HAVE BEEN AUDITED BASED ON THE
ESPRIT TECHNICAL AUDIT PROTOCOL

Since July 2016, we started to conduct audits to assess the capacity of the wet-processing facilities in our supply chain, where the dyeing, printing, washing and finishing processes take place. These processes potentially have the biggest environmental impact during the production. In our capacity assessments we cover environmental and chemical management as well as process control. All these aspects are essential to comply with our MRSL during production—and later on, with our RSL in the final product.

Our local Environmental Sustainability team runs the audits. The capacity assessments help us to understand the performance level of the suppliers in our supply chain, and serve as a baseline for the continuous improvement we support our partners to undertake.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for the planet

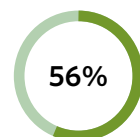
RSL and MRSL Guideline

To support our suppliers to achieve compliance with our Restricted Substances List (RSL) and Manufactured Restricted Substances List (MRSL) we created a RSL and MRSL Supplier Guideline. The Guideline supports our suppliers in understanding the main chemical risks in textile production, and provides guidance on implementing proper chemical management, including a sound chemical inventory.

Knowledge sharing via our “Chemical Corner”

Whenever we come across a problem related to chemical non-compliance, we investigate further to fully understand the root cause of the issue and to help us learn from it. We share lessons-learned from each root-cause analysis with our suppliers to raise everyone’s level of knowledge and performance. We have used this information to create a “blacklist” of chemicals likely to cause non-compliances, as well as a “green list” with non-hazardous alternatives from the same chemical supplier portfolio.

Wastewater testing



100% OF OUR WET PROCESSING MILLS TEST THEIR WASTEWATER
ACCORDING TO THE ZDHC WASTEWATER GUIDELINES

Wastewater testing is an important tool for monitoring compliance with our chemical requirements. Esprit adopted the [ZDHC Wastewater Guidelines](#) in February 2016, enabling wet-processing facilities to align under one harmonized standard instead of separate standards from different customers. Our suppliers with wet processes must have their wastewater tested twice per year and upload testing data on the [Institute of Public & Environmental Affairs \(IPE\)](#) or [Zero Discharge of Hazardous Chemicals \(ZDHC\)](#) platforms. We established an Esprit Wastewater Case Study based on the findings of the first and second testing rounds. To support our suppliers, we are cooperating with partners to offer trainings on managing chemicals and wastewater treatment appropriately, and how to have wastewater testing done in compliance with the Wastewater testing Guideline by the ZDHC. In FY17/18, 164 wet process mills took part in the wastewater testing, which is around 56% of all wet process mills.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

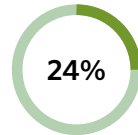
04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for the planet

Assessing environmental performance



100% OF OUR SUPPLIERS (TIER 1 AND TIER 2) CONDUCT
THE HIGG INDEX FACILITY ENVIRONMENTAL MODULE
SELF-ASSESSMENT BY JULY 2021

The Higg Index is a self-assessment tool developed by the Sustainable Apparel Coalition, of which Esprit is a founding member. We request that our suppliers complete the Higg Facility Environmental Module to get a clearer picture of their performance in environmental and chemical management as well as process control. We verify the data gathered through these self-assessments during our capacity assessments.

Our progress

We are proud of our achievements under the Detox commitment, which show significant progress toward the goal of zero discharge of hazardous chemicals. Greenpeace's assessment of our performance, published in the most recent July 2018 Detox report, highlights the positive progress we have made so far.



Our memberships

Ø ZDHC

To achieve our Detox commitment, we have partnered with leading brands from the apparel and footwear industry to exchange best practices, and to align on industry-wide substances limits, standards and wastewater testing methods.



We are member of AFIRM, an industry body dedicated to maintaining the highest standards for implementing chemical restrictions. Members exchange on latest testing methods and, by involving the chemical industry, work together to increase the demand for more sustainable chemical alternatives.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for the planet

Safe products

Our top priority is ensuring that Esprit products are safe and healthy so our customers can enjoy them without any concerns. Before any product reaches the hands of a customer, it has passed through several chemical and mechanical tests to ensure that it is safe, and that it meets our high quality requirements. All products undergo intensive testing by independent and certified testing institutes several times along the product development process. The chemical tests are in accordance with our Restricted Substances List (RSL), which

is based on REACH, the European Union regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals, as well as applicable national legislation in Esprit's sales markets. The mechanical tests are in accordance with our Material Quality and Safety Requirements, based on global standards and norms. We are also monitoring our packaging for safety. In July 2018, we adopted the AFIRM Packaging Restricted Substances List.

How we ensure safe products



<	Go back to index	>
Previous page		Next page
<hr/>		
01 Welcome		
<hr/>		
02 About Esprit		
<hr/>		
03 Towards circularity		
<hr/>		
Design smart		
<hr/>		
Produce responsibly		
<hr/>		
Ship and sell sustainably		
<hr/>		
Extend product life		
<hr/>		
Reuse and recycle		
<hr/>		
04 Set the frame		
<hr/>		
05 How we report		
<hr/>		
Search document	See attachments	Write us an email

Responsible for the planet

Our testing program

All Esprit products are tested by independent and certified laboratories before leaving the factory. Only products that have a test report showing they have passed this inspection stage are allowed to be shipped to our Distribution Centers. Our product safety managers review the test reports and advise our suppliers about improvements if they are needed.

Post-testing at incoming goods

Our Esprit in-house laboratory also checks goods as they are delivered to our distribution center. This serves to verify testing results and ensure that any required improvements have been applied to bulk production.

Improvement of production

Our work to monitor and improve production aims to pre-empt issues that could result in unsafe or unsellable goods. However, if during testing we find a chemical non-compliance and improvement of production is impossible, then we must opt for destruction to protect the safety of our workers and our customers. Destruction is done safely and in accordance with legal requirements, and monitored by our own staff.

Reinforced controls on site

Throughout product development and production, our Quality Assurance and Environmental Sustainability teams, located in our sourcing offices near the production sites, are overseeing testing and providing support to suppliers.

Root cause analysis

Any instance of chemical non-compliance is investigated by our Environmental Sustainability team on site together with the supplier. We then work with them to implement proper chemical management and process controls to address the root cause of the problem.

Lessons learned from our analyses are shared with all suppliers to prevent future non-compliances from happening.

We are convinced that we must focus on using better chemicals from the start and we must empower our suppliers to manage chemicals safely, instead of waiting for product testing at a later stage.

Our quality inspections

Production samples are closely monitored and controlled both at the supplier's factory and by our own quality and technical teams to ensure that the quality standards are maintained.

On-site check

Before shipment, an inline and final inspection is performed by the local Esprit quality assurance team, following our strict standards. For onsite inspections, we use our digital quality assurance (QA) tool, designed by Esprit. Via this QA tool our Quality Inspection teams based in our production countries can transmit via mobile devices real time information on the status of the production to the Quality Assurance team at our headquarters in Germany. This increases the speed and efficiency of the final inspection process.

Incoming goods quality check

Goods are examined again by our quality control teams when arriving in our European Distribution Center. These controls serve to check if the material or workmanship quality were impacted during transportation, and also verify again that our standards, and any improvements we identified, were applied for bulk production.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for people

The fashion industry provides jobs for millions of people, with over 525,000 people creating Esprit garments every year. Applying a circular lens to fashion includes prioritizing respect and care for all of the people engaged in creating our products. We do not own any production facilities, so we take particular care to choose the right partners, and to ensure that our choices contribute to the fashion

industry's role as a powerful source of economic development and financial independence for workers—and female workers in particular. In support of this goal, we have taken concrete steps to build stronger relationships with our suppliers, and we have developed a more transparent way of working focused on creating a safer and more positive working environment within our supply chain.

Our accomplishments

96%

of our Tier 1 factories in Bangladesh have completed their improvement plan within the **Bangladesh Accord on Fire and Building Safety**.



All of our Tier 1 suppliers in India and Bangladesh have set targets to **increase the number of female line supervisors** by the end 2018.

We have signed onto the **2018 Transition Accord, successor to the 2013 Bangladesh Accord on Building and Fire Safety** and are member of the Steering Committee.



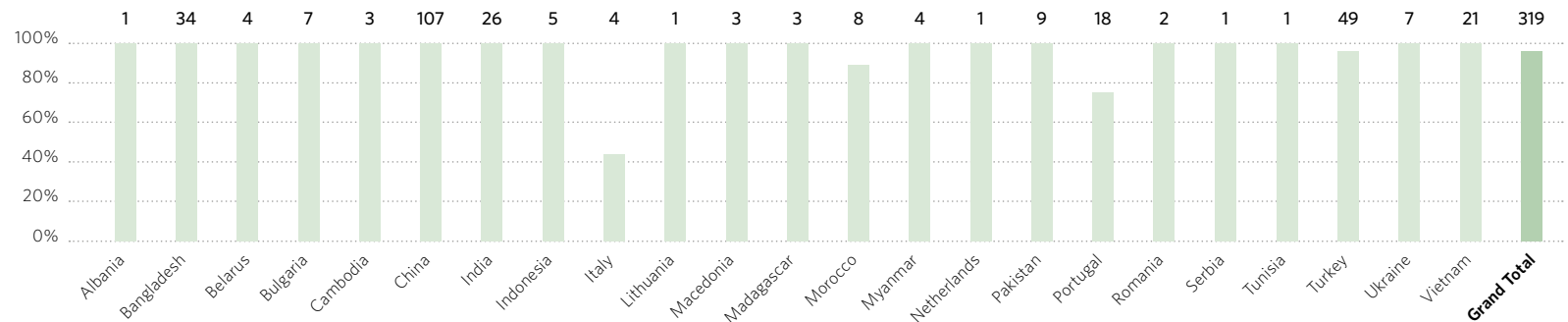
We have signed a **Global Framework Agreement with IndustriALL Global Union**.



We have conducted **334** social compliance audits in **25** countries.

Overview social compliance audits per country

Total number of operations that have completed human rights reviews or human rights impact assessments.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Responsible for people

Where we want to be

TOPIC	TARGET BY 2021	PROGRESS	SDG
Social compliance	All factories (Tier 1) have at least a C-rating (acceptable) in their social compliance audit (ongoing)	95%	
Women empowerment	Our factories (Tier 1) in Bangladesh increase the percentage of female line supervisors to their percentage in the factories' workforce overall	16%	
Safe buildings	Our factories (Tier 1) in India increase the percentage of female line supervisors to their percentage in the factories' workforce overall	19%	
Safe buildings	100% of our suppliers in Bangladesh have accomplished their corrective actions identified during inspections by the auditors of the Bangladesh Accord (ongoing)	96%	

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

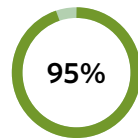
05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for people

All factories producing Esprit garments must comply with our Supplier Code of Conduct which is part of the basic supplier agreement that all of our suppliers must sign. We have also developed a detailed guideline to support our suppliers implement the Code of Conduct. This guideline describes the internal processes our suppliers should establish to meet our social standards. The guideline also includes remediation steps that suppliers must immediately implement in the event of a problem.

How we ensure fair and safe working conditions



ALL FACTORIES (TIER 1) HAVE AT LEAST A
C-RATING (ACCEPTABLE) IN THEIR SOCIAL
COMPLIANCE AUDIT (ONGOING)

We continuously monitor our supply chain to understand how our suppliers work, to help them overcome challenges they face, and to ensure that they meet our requirements. Our Supplier Code of Conduct forms the basis of this monitoring, which is done by our internal teams and through partnerships with external auditing bodies.

Additionally, in order to achieve industry-wide improvements, we are part of various multi-stakeholder and industry initiatives, such as [Amfori Business Social Compliance Initiative \(BSCI\)](#), [Better Work](#), the [Bangladesh Accord on Fire and Building Safety](#), the [German Partnership for Sustainable Textiles](#), and the [Dutch Agreement on Sustainable Garments and Textiles](#). These initiatives allow us to work with other companies and stakeholders in the industry, aligning our approaches and building collective momentum toward shared goals. Suppliers benefit from this form of collaboration since it allows them to work to

a single set of requirements instead of many different ones. We also work with international and local unions and NGOs in order to improve working conditions and safety of workers. We have set the target of having 100% of our suppliers achieve a C-rating or above. The BSCI's grading system for factories ranges from A (Outstanding) to E (Unacceptable). While 100% is our aspirational goal and the actual number will constantly fluctuate slightly, we are proud of reaching 95%, with the remaining 5% of our suppliers still working on improvement plans, or new suppliers that have yet to undergo an approved audit to receive a score.



01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

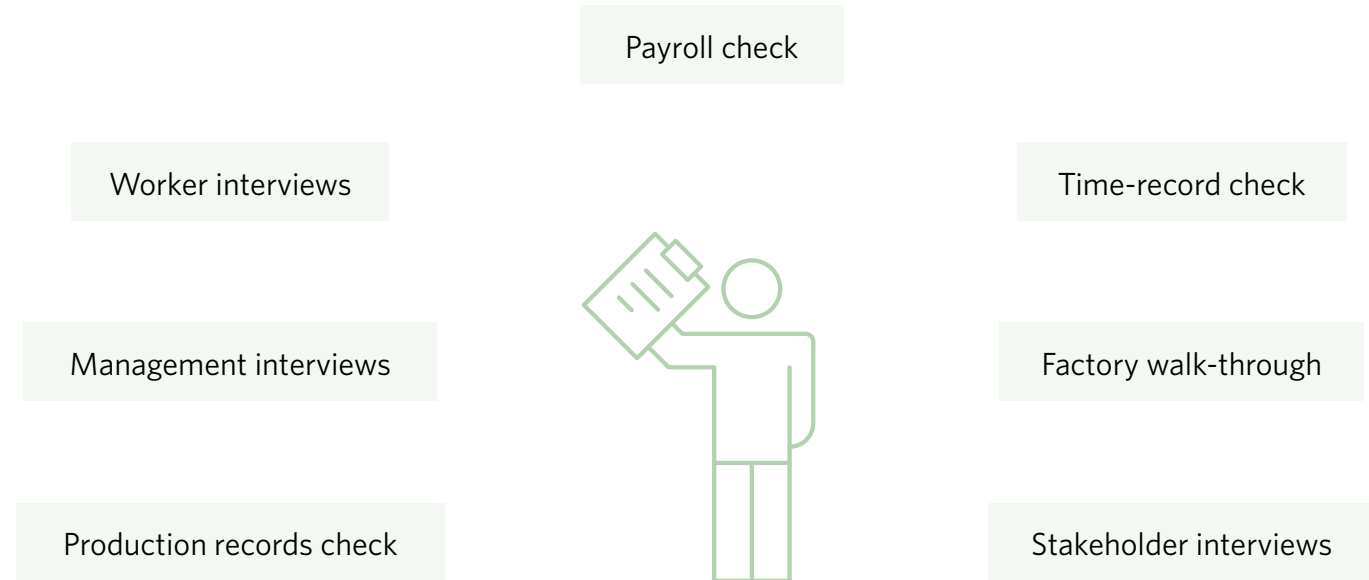
Reuse and recycle

04 Set the frame

05 How we report

Responsible for people

What a social compliance audit looks like



External social compliance auditing

Esprit is a member of Amfori Business Social Compliance Initiative (BSCI), a group of over 2000 companies that works to ensure that conditions in our suppliers' factories are appropriate, safe, and meet legal requirements. We are also a Global Buyer Partner of Better Work. Third-party audits are conducted on our behalf by both Better Work and Amfori BSCI.

Internal social compliance auditing

Esprit's internal staff also conducts audits and follow-up visits as needed to ensure that factories make progress toward aligning with the Esprit Supplier Code of Conduct, as well as to verify the quality of the third-party audits. In high-risk regions, we audit our suppliers' factories at least once per year. The findings of each audit are used to create a time-bound corrective action plan so that the factory knows the steps they must take to address any problems found.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for people

Non-compliance

We have clear requirements for factory working conditions based on local law and the International Labour Organisation (ILO) standards. Monitoring compliance with these standards is a constant challenge in our industry. To ensure that factories meet and maintain our requirements we work closely with our suppliers together. Our audits are an important tool to detect violations and make plans to improve factories, together with our suppliers. All factories that are audited receive a corrective action plan that lists any problems that were found, outlines the actions they must take to address the problem, and provides a timeline within which improvements must be completed. We support our suppliers for improvement beyond our minimum standards, focusing on helping factories to build better management systems so that they can be better equipped to maintain their progress.

When efforts to address problems fail, Esprit may find it necessary to stop doing business with the supplier. In FY17/18 Esprit dropped 2.6% of suppliers for poor social compliance performance. If an issue is exceptionally severe, however, it may be necessary to take immediate action, which could include suspending orders and shifting cut pieces or materials to other factories to be completed.



Non compliance issues in FY17/18

The most common non-compliance issues were as following:

- Inconsistencies between compensation policies and wage calculation/incorrect wage calculation
- Inconsistencies between payroll, attendance and production records
- Inconsistencies between factory policies and information obtained in worker interviews
- Work hours in excess of 60 hours per week as per ILO standards, including regular and overtime hours
- Failure to provide one day off over a seven day period as per ILO and BSCI standards
- Inadequate first aid supplies on factory floors
- Inadequate machine safety (e.g. missing safety guards, etc.)
- Poor emergency procedures in place (e.g. fire safety, emergency evacuation, etc.)
- Poor handling and disposal of hazardous chemicals
- Lack of written and enforced policies on discrimination such as related to race, gender, marital status, union or political affiliation and sexual orientation, as well as policies governing maternity leave and dormitory rules
- Lack of effective workers' grievance management system
- Management's interference in union's activity
- Lack of management system to monitor subcontractor's compliance system



Zero tolerance

Zero tolerance issues are relatively rare. In FY 17/18, the most common non-compliances that lead to a termination of business were the following:

- Work hours in excess of 60 hours per week as per ILO standards, including regular and overtime hours
- Failure to provide one day off over a seven day period as per ILO and BSCI standards
- Inconsistencies between payroll, attendance and production records



Child labor

Production can continue only if management immediately implements the remediation plan outlined in Esprit's Social Compliance Standards Manual



Non-transparency

Refusing audits, actively hiding documents or producing falsified records, actively misleading the auditor, failing to participate in the audit process as agreed upon becoming an Esprit supplier

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

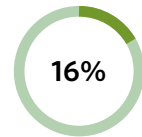
05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for people

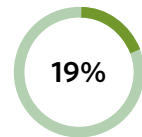
Empowering women

Bangladesh



OUR FACTORIES (TIER 1) IN BANGLADESH INCREASE THE PERCENTAGE OF FEMALE LINE SUPERVISORS TO THEIR PERCENTAGE IN THE FACTORIES' WORKFORCE OVERALL BY JULY 2021*

India



OUR FACTORIES (TIER 1) IN INDIA INCREASE THE PERCENTAGE OF FEMALE LINE SUPERVISORS TO THEIR PERCENTAGE IN THE FACTORIES' WORKFORCE OVERALL BY JULY 2021*

Apparel factories are well known for employing a largely female workforce—however, management positions are still primarily held by men. We strongly believe that women workers must have the same opportunities as their male co-workers to learn, thrive, and advance on the job.

Esprit women in leadership survey

In early 2018, Esprit set out to learn the exact distribution of women in our supply chain, and in particular to confirm the percentage of women in management positions. We analyzed the gender distribution of the workforce in the factories we work with in Bangladesh and India, and we compared that with data we gathered from factories in Ukraine, where women are more prominent in management than in other countries. Our findings were not surprising: Women are underrepresented at all levels of factory management in all factories that we surveyed. However, we also discovered that there was significant variation among factories in the same areas, indicating a good deal of room for quick progress. We are optimistic that improvements are possible within a reasonably short period of time, so we have set the goal of helping our suppliers achieve a percentage of female line supervisors that aligns with their overall percentage of female workers. Read more in the case study.



Supplier social performance monitoring

One way we can support our suppliers to achieve our standards, and support the industry to achieve better social performance, is to help streamline the auditing process. The Sustainable Apparel Coalition (SAC) launched the Social and Labor Convergence Project (SLCP) to do just that; combine the different audit protocols that are in place in the industry and to align them into one set of requirements. The Social and Labor Convergence Projects is currently in the final stages of developing what will become the Higg Social and Labor Module. Esprit has piloted the SLCP tool in factories in Turkey and Bangladesh, and over the second half of 2018 will conduct final testing in China. When the tool is incorporated into the Higg Index in January 2019, Esprit will begin asking suppliers to use it. Using the Higg Social and Labor Module will empower our suppliers take ownership of their social performance to be responsible business partners, with an increased understanding of what is sustainable, responsible and safe.

* Baseline FY17/18: Factories in Bangladesh have 7% female line supervisors whereas the total female workforce is 44%

**Baseline FY17/18: Factories in India have 6 % female line supervisors whereas the total female workforce is 31%

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for people

Yes Center

Our YES Centers brighten the futures of young people in regions of the world where educational and economic opportunities can be hard to find. In partnership with the [YOU Foundation](#), a UN-endorsed organization in Germany, Esprit pledged a million euros to open five YES Centers, starting in Bangladesh in 2016. These centers not only provide education, but they offer young people hope and the opportunity to take control of their own destiny through economic participation. Each YES Center aligns its curriculum with local industry, local culture, and local needs, and aims to train young people in areas including English, computers, and fashion/textiles. The life skills curriculum helps to build self-esteem, educates young people about their rights, and teaches them how to handle their new world with confidence.



This is particularly valuable for the young women in the program, as they generally have fewer options, but have the potential to be a driving force for building stronger communities.

Esprit supports each center for two years before handing it over to local partners. The first YES Center in Cox's Bazaar, Bangladesh, has provided training to over 300 young people, and has now transitioned to local ownership. YES Centers are also running in Pakistan, in Vietnam, and in a second location in Bangladesh (Dhaka). A YES Center in India will be inaugurated later this year. Every YES Center is supported by local partners to ensure that the needs of each unique community are met. Each month, a student interview is shared with the wider Esprit community. To strengthen this connection further, our team is currently exploring a new video conference-based skill share and mentorship program.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Responsible for people

Freedom of association

Freedom of association is a fundamental right and the basis for employees to participate in shaping their working conditions. While most companies include respect for workers' freedom of association as a key part of their codes of conduct, brands often lack the tools to uphold this commitment in a meaningful way.

In order to support this important work, Esprit joined IndustriALL Global Union in signing a Global Framework Agreement. Under this agreement, IndustriALL and its affiliates in apparel producing countries will work with Esprit to support workers' freedom of association in countries where such rights are all too often ignored. Currently, Esprit is one of five global apparel brands to have signed such an agreement.

Living wage

Esprit feels strongly that the workers making our products should be able to live on the money they earn. Low wages are a long-standing problem in the apparel industry for several reasons. The industry is highly fragmented, with multiple competing brands often sharing factories. This makes it difficult to bring about systemic change without cooperation among competitors in the industry, as well as with governments, labor unions, workers, and factory owners. Production is scattered across the globe, which makes calculating a living wage in myriad locations a complex task. Reaching a consensus on the understanding of fair wages presents one of the industry's biggest challenges.

To overcome this challenge, Esprit joined with 18 other brands in signing a memorandum of understanding with IndustriALL Global Union to form an initiative known as ACT, which stands for Action, Collaboration and Transformation. ACT seeks to address the problem of low wages in the apparel industry by promoting industry-wide,

nation-wide collective bargaining agreements in key apparel exporting countries. Through their union representatives, workers can negotiate higher wages within agreements that address a range of concerns about working conditions, while preserving the competitiveness of their industry.

Review of buying practices

ACT members commit to supporting productivity improvements, and to reviewing our own internal buying practices and their potential impact on workers. As an initial step, in June 2017 Esprit's buying team took part in a pilot self-assessment study which was the start of a larger process of reviewing our buying practices to identify what Esprit needs to change to support a living wage for factory workers.

This helped us identify significant opportunities to improve our company purchasing practices. We began by reformulating our training materials to focus order placement procedures, vendor selection, price calculation, and conditions of payment. An initial training was conducted in June 2017 for all sourcing and buying employees, with a refresher course offered during the summer of 2018.

Wage data compilation

Esprit compiles wage data for the areas where our products are made, in addition to knowing the local minimum wage. The goal is to understand how much workers actually earn and take home, as to understand the basic cost of living in their communities. Part of this data comes from the Fair Remuneration Scan that is part of BSCI audits. We are taking a special look at countries where a wage ladder is built into minimum wage regulation to find ways to move workers up the wage ladder as their skills and productivity improve.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document

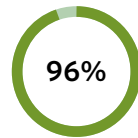


See
attachments



Write us
an email

Responsible for people



96%

100% OF OUR SUPPLIERS IN BANGLADESH HAVE ACCOMPLISHED THEIR CORRECTIVE ACTIONS IDENTIFIED BY THE AUDITORS OF THE BANGLADESH ACCORD (ONGOING)

Fire and Buildings Safety

Esprit was one of the first companies to sign onto the [Bangladesh Accord on Fire and Building Safety](#), which launched following the collapse of the Rana Plaza complex in 2013.

For the last five years, we have worked within the Accord to improve building, fire and electrical safety in our factories in Bangladesh. The original Accord expired in May 2018. Many participants recognized that, although the agreement accomplished a great deal, much work remains. Esprit became a member of the negotiating team that successfully worked with the trade union members of the Accord to extend the agreement. Esprit is pleased to be part of the new three-year effort to finish the important safety work that the Accord set out to do.

As of December 2017, we achieved our target of having 100% of our suppliers in Bangladesh complete all of their Accord improvements, but factory performance is not static, and neither is this score. To reflect the fluctuating nature of this target, we have adjusted our wording slightly as compared to our previous report. As of the end of FY17/18, we were at 96%.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Ship and sell sustainably

As we work toward circularity, we are also considering our own operations, such as how we transport products, how we sell products in our retail stores, how we run our warehouses, and how we work within our headquarters and offices.

We run different initiatives throughout these various parts of our business to demonstrate and live up to our circular values, but our overall goal is to reduce both our carbon footprint, and our waste.

Our accomplishments



Our Distribution Center in Mönchengladbach, Germany received the **BREEAM certification.**



We have reduced the number of new hangers we need **by 10% in the first 3 months** of our new hanger reuse program.

We have optimized the cardboard box sizes used for our shipments to reduce the use of cardboard and promote more efficient packing.



We ship **80%** of our e-com parcels in Europe by climate-neutral or reduced-emissions modes of transport..





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Ship and sell sustainably

Where we want to be

TOPIC	TARGET BY 2021	PROGRESS	SDG
Carbon footprint	Reduce greenhouse gas (GHG) emissions by 30%	0%	
	Increase train shipments to 5%	82%	
	Reduce air shipments to 5%	0%	
	90% carbon-neutral or carbon-reduced shipping methods in our European e-shop	80%	
Reducing and handling waste	Reduce the amount of damaged cardboard boxes for product shipment by 11%	0%	
	50% of hangers used for garment transportation are reused and made of recycled PET bottles	20%	

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Carbon footprint

0%

REDUCE GREENHOUSE GAS (GHG)* EMISSIONS BY 30%

Esprit operates local offices in Europe and the Asia-Pacific region. Warehouses in Europe and the APAC region support direct sales in those areas as well. All of these operations influence our company's carbon footprint.

We first published data on our company's carbon footprint for FY14/15, which focused on our German operations and the inbound transportation of our goods. This year, we were able to widen the reporting scope, which now includes our operations and logistics in Europe and the APAC region.



SCOPE 1 covers all emissions related to fuel combustion, such as gas combustion for heating or fuel combustion in a car.



SCOPE 2 is the applicable scope for emissions related to purchased electricity.



SCOPE 3 is for all emissions generated by logistics processes, employee commuting and business travel.



SCOPE 1

Gas for heating

- Stores
- Offices

Fuel

- Fleet cars

Total GHG: 2,106t CO₂e

SCOPE 3

Emissions

- Logistics airplane, truck, rail, vessels
- Business travel train, airplane

Total GHG: 24,649t CO₂e

SCOPE 2

Electricity

- Warehouses
- Local offices / showrooms
- Retail stores

Total GHG: 14,048t CO₂e

Total:
40,803t CO₂e

*Baseline FY17/18: 40,674 CO₂e

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

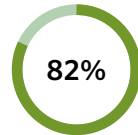
04 Set the frame

05 How we report

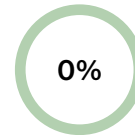
Search
documentSee
attachmentsWrite us
an email

Carbon footprint

Shipments



INCREASE TRAIN SHIPMENTS
TO 5% BY JULY 2021*

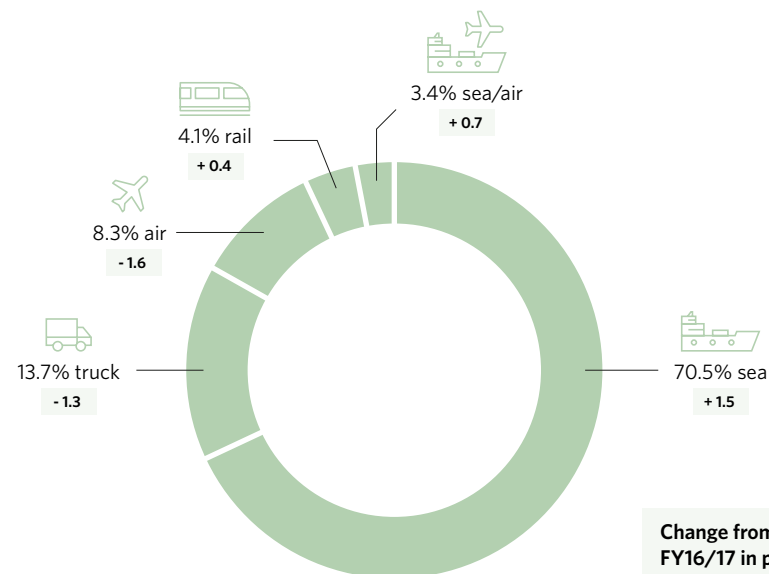


REDUCE AIR SHIPMENTS
TO 5% BY 2021**

Esprit products are mainly made in Europe and in the Asia-Pacific region, and sold all over the world, so our goods often travel quite a long way before reaching the hands of our customers. The main modes of transport we use to move our garments from the factories to our distribution centers are sea, truck, air, rail, and combined sea/air. We are aware that each shipment mode has different risks, benefits and impacts on the environment. For example, air and truck shipments are associated with high CO₂ emissions, and only small volumes can be transported at a time; we opt for air shipments only as a last resort. Sea shipments, while also linked to air pollution and noise pollution — both of which impact sea life — have the benefit of being very efficient in comparison to other modes of transport since very large quantities can be moved. Train, which is the most environmentally-friendly shipment mode, is our preferred method of shipment and we aim to increase the use of trains in the future. This option has the lowest amount of emissions and the smallest carbon footprint. We are able to use trains to transport a portion of our goods that are produced in China. We carefully select the best transportation option that will meet our business needs, and also live up to our environmental commitments. Regardless of the mode selected, we aim to reduce the carbon footprint by making sure cartons and containers are full, space is efficiently used, and orders are combined where possible.

How we ship

Status: FY17/18



* Baseline FY17/18: 4.1% train shipments

** Baseline FY17/18: 8.3% air shipments

Change from previous year
FY16/17 in percentage points



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



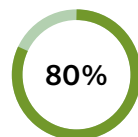
See
attachments



Write us
an email

Carbon footprint

E-shop shipments



90% CARBON-NEUTRAL OR REDUCED-EMISSIONS
SHIPPING METHODS FOR PRODUCTS SOLD THROUGH
OUR EUROPEAN E-SHOPS BY JULY 2021

We have been working hard to reduce the impact of shipping online purchases to our customers. In 2017, we were able to neutralize more than 3,588 tons of CO₂e through more sustainable shipping. We set an even more ambitious target for 2018: Our original goal was that 90% of our European e-commerce shipments would be carbon-neutral or shipped via reduced-emissions programs by the end of June 2018. We developed more sustainable shipping programs with our carriers, and we are proud of making progress toward achieving this goal. While we fell just short of the 90% target, by the end of FY17/18, around 80% of our European e-shop orders were shipped in a carbon-neutral way or through reduced emissions programs. Working toward this target has taught us that the transition to more sustainable shipment programs takes more time than expected, and in some



countries these programs simply are not available yet. We are still aiming for target of shipping 90% of European e-commerce through carbon-neutral or reduced-emissions modes of transport; based on the information learned so far, our revised target date is July 2021.

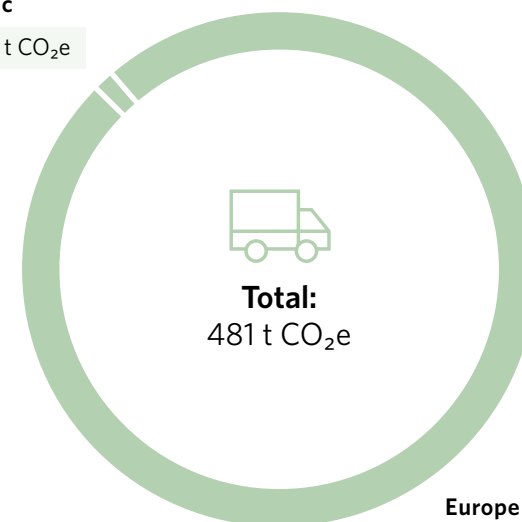
Outbound shipments

After our products have arrived in our distribution centers, they have to be further shipped to our retail stores and wholesale partners. These shipments are called outbound shipments. In FY17/18, we had a total of 481,19t CO₂e in our outbound shipments. This reflects around 1% of our tracked emissions.

Overview of our outbound shipments

Asia Pacific

Total: 0.5 t CO₂e



Total:
481 t CO₂e

Europe

Total: 480,7 t CO₂e

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

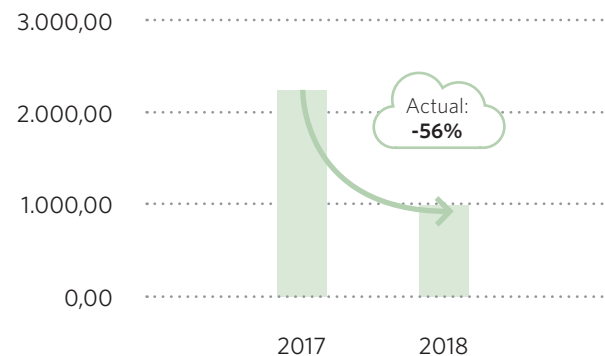
Carbon footprint

Environmental impact of buildings and traffic

We have established a taskforce at our headquarters that is charged with monitoring the environmental impact of our day to day operations. Our gas, water, and electricity use is measured every 2 weeks, and we have put automatic monitoring and control systems in place for heating, ventilation, window shade, and air conditioning systems. Settings must be adjusted centrally, and timers are used to turn off lights after regular hours.

We have reduced the carbon footprint of our headquarters by 56% in FY17/18, mainly because the energy mix which we contracted with our service provider now includes 45,3 % of carbon neutral energy.

Reduction of carbon footprint in our headquarters



We first began tracking and publishing data on the carbon footprint of our headquarters operations in 2014, and we are now able to include information about the carbon footprint of our offices in Europe and Asia Pacific.

Energy efficiency audits

One way we monitor the environmental performance of the buildings we operate is through energy efficiency audits, which are conducted according to DIN 16247-1, an accredited set of energy efficiency standards. Nineteen of the buildings we use in Germany have been through this process so far, with the most recent audit taking place in 2015. Our German warehouse is certified according to the BREEAM standard, which evaluates and scores parameters such as energy and water use, health and well-being, pollution, transport, materials, waste, land use and ecology, management and innovation.

Green buildings

We are proud that our HQ building and our own outlet in Ratingen (Germany) both have green roofs, and we are exploring opportunities to use our roofs for solar power generation. We are also looking into installing charging stations at our outlet for e-cars and e-bikes.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Carbon footprint

Business travel and employee commuting

For business travel, our teams aim to use trains operated by Deutsche Bahn AG. These trains use renewable energy and are carbon-neutral. Business air travel is also closely monitored so that emissions can be tracked. We aim to reduce air travel as much as possible.

Esprit has a fleet of cars available in Ratingen, Germany for local business travel. We track all emissions associated with these vehicles, and we continually renew the fleet to use vehicles with low emissions. While the actual number of kilometers driven has increased by 9% compared to the previous FY, we had a 2% reduction in CO₂e emissions due to the improved efficiency of our new vehicles.

Commuting

We track distances and modes of transport used by our colleagues to travel to work every day. Overall, nearly 40% of our employees have a carbon-neutral commute.

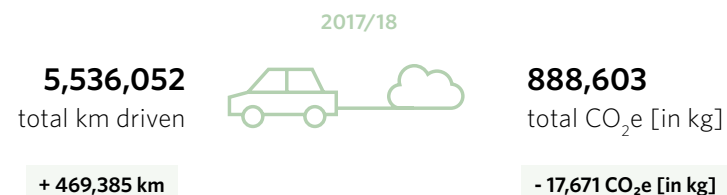
Commuting awareness

In order to raise awareness of climate issues, 31 of Esprit's employees and friends in Germany participated in the 2018 "City Cycling" Campaign, developed by "Climate Alliance," a European network of cities, towns and districts. Local teams cycle as many kilometers as possible during 21 consecutive days to raise awareness for climate protection. During the 3 weeks of the campaign, the Esprit team cycled nearly 6,000 kilometers and saved 840 kg of CO₂.

Green culture

We continually look for opportunities to expand the environmental awareness, and build a conscientious culture at Esprit. We are also working on an individual level to create a culture of energy efficiency, encouraging our staff shut down computers, turn off monitors and printers, and contribute to our overall energy efficiency goals however they can.

Carbon footprint of Esprit car fleet per km driven



Carbon footprint generated by business flights



* Headquarter Germany
** Headquarter Germany and APAC

[Previous page](#)[Go back to index](#)[Next page](#)[01 Welcome](#)[02 About Esprit](#)[03 Towards circularity](#)[Design smart](#)[Produce responsibly](#)[Ship and sell sustainably](#)[Extend product life](#)[Reuse and recycle](#)[04 Set the frame](#)[05 How we report](#)[Search document](#)[See attachments](#)[Write us an email](#)

Carbon footprint

Green canteen

We have one of the most sustainable canteens throughout Europe. In March 2018, Esprit has been awarded with the Internoge Future Award 2018 in the category “Trendsetter Company.” The Internoge is of one Europe's greatest trade shows for foodservice and hospitality. The award acknowledges the clear and straight-forward communication on sustainability at Esprit's canteen. Our canteen strives for transparency, sharing not only what kind of food is served but how it gets to the plate. It also features an open kitchen. Regional and organic food is highlighted on the menu, with around 60% of the food meeting organic standards. Additionally, the canteen takes into consideration things such as animal welfare, fairtrade practices, and seasonal availability of foods when planning menus. While vegetarian options are always available, our monthly Veggie Day with meat-free meals is both well established and popular. When it comes to waste, plastic packaging is avoided, and glass bottles are promoted.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Reducing and handling waste

We use a lot of cardboard boxes when we are moving our products to our retail stores, to our wholesale partners, or directly to our customers via e-commerce. In FY17/18 we began to implement several projects to improve our processes and reduce waste.

Managing waste at own operations

According to the "Commercial Waste Ordinance" legislation in Germany, we have implemented proper waste disposal systems in all German locations. We segregate waste within our office buildings, separately handling paper, plastics, and other recyclable material.

Reducing waste before receiving goods

0%

REDUCE THE AMOUNT OF DAMAGED CARDBOARD
BOXES FOR PRODUCT SHIPMENT BY 11%

In 2017, we began streamlining and optimizing how we select the right cardboard box size for all shipments from the factory to Esprit, and how we fill each box. This reduces the amount of cardboard we use, and the amount of cardboard waste created, and it also reduces the weight in our shipments. Smarter packing also means fewer broken boxes, and fewer damaged items. This all leads to a smaller carbon footprint. We have also implemented a system to optimize how we fill our shipping containers, leading to further reductions in emissions.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document

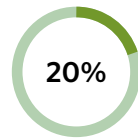


See
attachments



Write us
an email

And what about hangers?



50% OF HANGERS USED FOR GARMENT TRANSPORTATION
ARE REUSED AND MADE OF RECYCLED PET BOTTLES

Many of our more formal or more delicate garments, like blazers and dresses, are shipped on hangers. Because these hangers could potentially become waste, Esprit has developed a program to reuse these hangers instead. The first step, however, was to standardize the type of hangers being used. We discovered that different suppliers were using different kinds of hangers, and not all of them were compatible with the automatic systems in our warehouses, while others were not good enough quality. At the end of 2017, we selected and nominated a single hanger supplier, consolidating the number of hangers in use, and ensuring that hangers are durable enough to be reused at least ten times.

These hangers are made out of recycled plastic bottles, and we have a program with the hanger producer to collect, reuse or recycle these hangers. Implementation of this program started in March 2018. The target is to reduce the usage of new hangers by 50%.

Over the next year, we will extend the program to our retail stores. After the hangers are no longer used in stores, they will be collected and re-used in our warehouses.

Why reusable boxes?

In our European Distribution Center we use reusable boxes made out of robust plastics to ship the goods to our retail stores. By avoiding single-use boxes, we are able to save more than 790,000 boxes per year.



Recycled packaging for e-commerce

All of our e-commerce packaging, including cardboard boxes and the envelopes for smaller pieces, are made out of recycled paper. We have six different parcel and cardboard box sizes to achieve the best filling rate.

* Baseline FY17/18: 10% of our garments on hanger business is already in the program



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

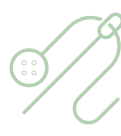
Extend product life

A key tenet of circular fashion is extending a product's lifetime. We want our customers to enjoy their Esprit product as long as possible by taking care of them the right way and choosing to repair them, instead of throwing them away. So we are focusing on giving our customers the right care instructions to have a long-lasting product. We also want to empower our customers to make the small repairs that garments inevitably need, so we have launched a repair program for our customers in Germany.

Our accomplishments



We have provided **sustainable washing instructions** for each garment by including the **Clever-care** link into our care labels.



We have conducted a pilot in our German retail stores where our customers could **bring back broken garments for repairing**.



On our website we have **published a guideline** on how to wash garments right to extend their lives.

Where we want to be

TOPIC	TARGET BY 2021	PROGRESS	SDG
Reparable garments	Establish a repair service for Esprit garments in all our retail stores	<div><div></div></div> 36%	12 Responsible consumption and production
	Establish a garment refinishing procedure for all our e-shops	<div><div></div></div> 0%	



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

How we take care

Our Care Guidelines

We want our customers to enjoy their Esprit product as long as possible. For this to happen, our products must receive the proper care. You can find care symbols in the care labels sewn into each garment. However, these care symbols are not always easy to understand. This is why we developed our Care Guidelines in 2016. These Guidelines, available on our website, explain the meaning behind each of the different care symbols. The Guideline also gives more insight on how to take care of more delicate fabrics or specialized products like down jackets.

Sustainable washing

In 2016 we have aligned our care labels with the Clevercare system. Clevercare provides information about more sustainable washing, drying and ironing of garments. Small things, such as reducing washing temperature to cut down on overall energy consumption, can have a positive impact on the environment. Clevercare also provides detailed information about the common care symbols. The link to the Clevercare website can be found on the care labels of all our apparel products.

Product safety after sales

We believe it is our responsibility to also monitor quality and safety after products are in the hands of our customers. We are led by the “Right to know principle,” which means that we believe our customers have the right to know about our processes, our products, and our supply chain, so we are transparent and respond to all questions we receive from our customers.

If there are ever complaints, we take them very seriously and have established a thorough internal investigation process. In case you have any concerns or questions, please don’t hesitate to contact customer service or sustainability@esprit.com.

In addition, we strive to support national authorities that are performing spot checks in our stores in markets around the world. In case there are serious doubts or concerns about the safety of any of our products that have already reached our shops, we have a swift and efficient recall process in place.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

How we repair

Repair service

36%

ESTABLISH A REPAIR-SERVICE FOR ESPRIT
GARMENTS IN ALL OUR RETAIL STORES BY JULY 2021

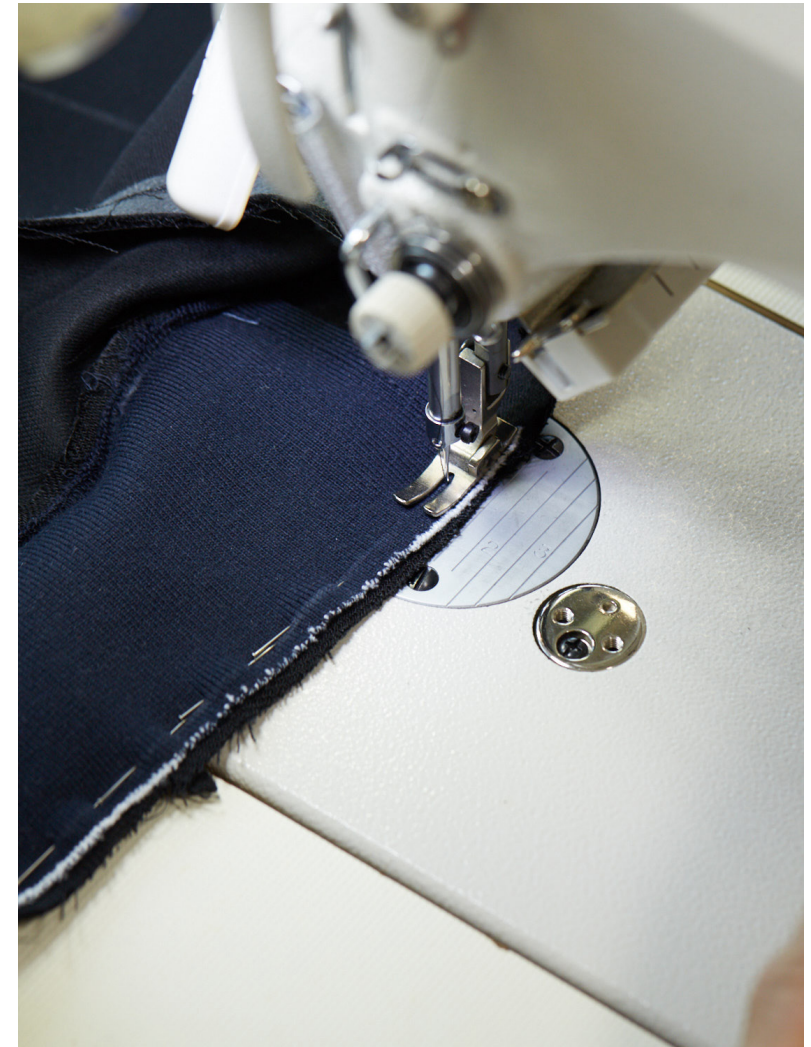
It is our aim to make long-lasting products. However, in some cases products get smaller defects during their live which can be fixed easily. To help our customers, we offer a repair service for Esprit garments in all our retail stores in Germany. Besides the repair service, our store staff in Germany receive training by professional local tailors so they can pin and mark alterations in the shop before sending garments out for tailoring. Newly customized or repaired products are then available for the customer within a week. Our Esprit “Platinum” friends can use this service for free. We are working hard to make the same service available in more countries.

Esprit garment refinishing

0%

ESTABLISH A GARMENT REFINISHING
PROCEDURE FOR ALL OUR E-SHOPS BY JULY 2021

As we have been examining ways to improve sustainability with our brick-and-mortar stores and our e-commerce operations, we discovered that a common reason that garments get returned after purchase is for minor quality errors which can be easily remedied. We are now working with our e-commerce partner to set up a process for removing spots, such as make-up marks, so that we can return these products to the stock. This would reclaim around 15,000 garments per year. The next step then will be to establish a system for making simple repairs to garments, such as re-closing a seam. These steps will help us to increase garment lifespans, reduce waste, and reduce the carbon footprint associated with shopping and as well as shipping.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Reuse and recycle

A crucial part of closing the loop is being intentional about material reuse and recycling. It all starts with planning and design to ensure that a product can be recycled or reused in another way (read more in Design smart). But there is also work to be done when a product reaches the end of its lifespan to truly close the loop and shift away from the linear to the circular model. Our aim is to reduce the amount of garments ending up as landfill, instead finding ways to recover materials and reintegrate them into a new fashion life-cycle.

Our accomplishments



We give customers the chance to return old clothes and give them a new life; **33.300 kg of products have been collected.**



We have created first products made of our own **cutting scraps** from production.

Where we want to be

TOPIC	TARGET BY JULY 2021	PROGRESS	SDG
Product training	Everyone in our product teams will have gone through training in circular design. (by 2020)	100%	—
Collecting garments	Esprit will, in collaboration with PACKMEE, collect 50,000 kg of used garments via an e-tail garment collection program, with donation of 50% of the turnover to charity (by 2020)	77%	
Recycling	Esprit will produce at least 150,000 garments including at least 20% recycled post-consumer textile fibers. (by 2020)	61%	
Lifecycle management	Esprit will increase the amount of garments resold by 40,000 kg. (by 2020)	100%	



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Reuse and recycle

Our commitment towards circularity

We are committing to manage the full life-cycle of our products, from design to finished product and beyond, in a responsible and environmentally-friendly way.



BY 2020, EVERYONE IN OUR PRODUCT TEAMS WILL
HAVE GONE THROUGH TRAINING IN CIRCULAR DESIGN*

Product training

The first step to fulfill our Circular Fashion System Commitment was to raise awareness within the company regarding circular fashion, and its opportunities as well as its challenges.

We kicked off the implementation of our circular fashion strategy by launching a series of trainings for our designers on circular fashion in summer 2018. In the kick-off session we presented the circular fashion concept and emphasized the important role that designers play in integrating circularity from the design phase onwards, such as by choosing sustainable materials and designing long-lasting products (read more in the chapter Design smart). While circularity is already being considered during the development of some of our products, we identified others where improvement is a high priority. Subsequent trainings in this series set forth concrete targets for our designers and the steps needed to achieve them, along with tools to support implementation.



* and by 2020, we will establish a strategic plan to scale the cyclability of our product lines



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



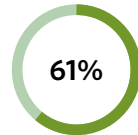
See
attachments



Write us
an email

Reuse and recycle

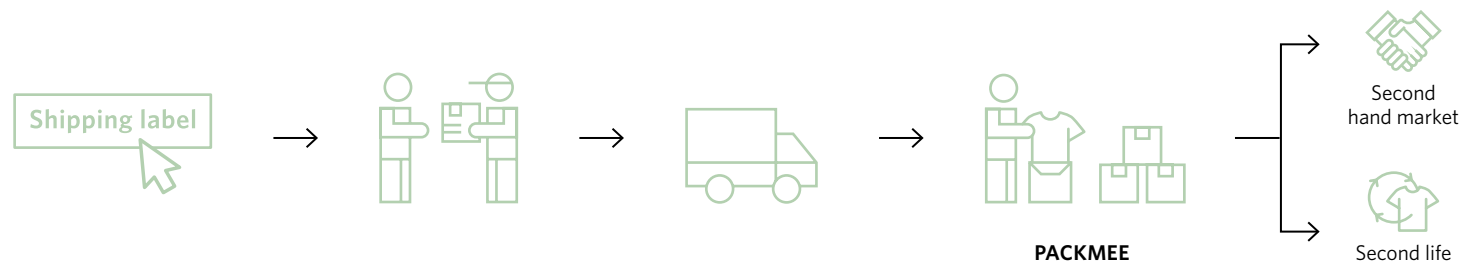
Collecting garments



BY 2020, ESPRIT WILL, IN COLLABORATION WITH PACKMEE, COLLECT 50,000 KG OF USED GARMENTS VIA AN E-TAIL GARMENT COLLECTION PROGRAM, WITH DONATION OF 50% OF THE TURNOVER TO CHARITY.

When a product reaches the end of its usefulness, the materials that it is composed of are still valuable resources that should not be thrown away. In the circular, closed-loop economy that we are helping to build, these materials will be reused or recycled. One way we are engaging our customers in helping us close the loop is through a program with our partner PACKMEE that gives people the chance to extend the life of their garments by donating them.

How we collect old garments



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Reuse and recycle

How PACKMEE works

PACKMEE collects donations of usable clothing and shoes and provides free, simple-to-use shipping to send them on for a second life. When PACKMEE sells these clothes, it turns in-kind donations into real, monetary support by donating 50% of its revenue, excluding postage and logistics costs, to the German Red Cross. PACKMEE's German collection and donation system has one of the highest donation rates compared to other programs. The remaining 50% of PACKMEE's revenue is used to finance the operating costs, such as logistics, transport, sorting and personnel costs.

Every garment donation reduces new production, reduces waste and reduces the environment footprint of the apparel industry. Customers can also claim an Esprit voucher for a 10% discount in exchange for donating their old clothes. In addition, we will establish a take-back system for all our European Retail stores by 2021. We are currently exploring possible cooperation partners.

Managing the life-cycle of garments

Minimizing waste requires proper planning. We are managing the life-cycle of our garments and optimizing our production planning processes with the goal of making just the right number of products so we can sell them all without overstocking and generating waste.

Smart production planning to reduce overstock

Overstocking a product has a greater impact than it first appears. All of the inputs that went into creating excess goods, such as water, energy, and chemicals, have also been an unnecessary excess, along with the time and effort associated with production, logistics, and sales. We optimize our stock handling with the aim to reducing overstock, and reducing waste. Our Product, Buying and Merchandise divisions are working closely together to develop a smart purchasing strategy which ensures the proper volume of garments at the proper time in all of our different sales channels, while also minimizing the potential for unsold stock. This is a critical process inside the company that has an impact on all our activities.

What we do with unsold garments

As part of Esprit's commitment to minimizing our impact on the environment, we carefully consider how to handle unsold goods and returns from our retail, E-shop and outlet channels. For example, we are investing into ways to extend the lifetime of unsold or returned products by applying any required repairs or touch-ups and then feeding these refreshed products back into alternative sales channels.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



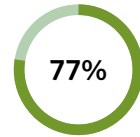
See
attachments



Write us
an email

Reuse and recycle

Recycling



BY 2020, ESPRIT WILL PRODUCE AT LEAST 150,000 GARMENTS INCLUDING AT LEAST 20% RECYCLED POST-CONSUMER TEXTILE FIBERS.

To avoid sending cutting scraps from production to landfill, we started a pilot with one of our fabric suppliers. Cutting scraps made from 100% cotton are recycled and spun into new yarn that is used again for our products.

We also have an ongoing program for selected denim garments which are made from recycled denim scraps, demonstrating a positive step forward in our efforts to close the loop in our production cycle.

A new life for post-consumer waste

We are working to facilitate recycling of post-consumer waste by expanding our garment collection programs, and by intentionally incorporating recycled post-consumer fibers into our products.



Recycling: What is possible today?

We are investigating in ways to reuse the materials from our products, with the aim of feeding them back into the life-cycle of a new product. In general, there are two methods for recycling materials; chemical recycling and mechanical recycling. However, different processes are required for different fibers. Until recently, a major challenge related to recycling has been separating any blended materials so that the proper recycling process could be applied to each type of material. Following intensive research by several innovative companies, there have been breakthroughs that are enabling blended materials to be recycled. We are monitoring these developments and we are optimistic that this technology will be available at scale in the near future. Recycled materials mainly come from one of two sources, pre-consumer production waste and post-consumer waste. Production waste includes things like cutting scraps or leftover fabric that was never made into a garment. Post-consumer waste has been through a first life as a consumer product already. We are working to incorporate both streams into our circular fashion strategy.



Chemical and mechanical recycling

Chemical recycling involves breaking a material down to its chemical components, and then repolymerizing (reassembling) them. Where a material includes a blend of two or more different fiber types, the first step of chemical recycling is to separate the different fibers into single components or single fibers that can be re-spun. Mechanical recycling relies on cutting or shredding material into small pieces, or melting it for materials such as polyester, and then re-spinning of it. Mechanically recycled natural fibers, such as cotton, will lose strengths in quality since yarn will be spun with shorter fibers. Often these yarns will be blended to increase their strengths and durability.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Reuse and recycle

Lifecycle management



BY 2020, ESPRIT WILL INCREASE THE AMOUNT
OF GARMENTS RESOLD BY 40,000 KG

Outlets

Garments that are not sold through our own retail and e-commerce channels within a certain sales period are generally sent to our outlets. There, the goods are usually sold out completely. We have 11 outlet stores in Germany and 21 in Europe.



Exploring resale options

If there are unsold items from our outlets, they are delivered back to the closest distribution center, along with any items with quality defects. We then offer these goods to be sold in countries where Esprit does not have direct business, providing a third opportunity for our goods to reach the hands of a new customer. We work with a carefully selected reselling partner that first provides any repairs that might be needed, such as replacing broken zippers or mending small tears. This process is monitored by our legal department to ensure that the needs and rights of all our customers and business channels are considered and respected. Through these steps, we are able to sell nearly 100% of the garments we create.



Do we destroy garments?

Customer safety is our highest priority. A garment is only destroyed if customer safety cannot be guaranteed; for example, if a supplier has applied a restricted chemical that we do not permit. These situations occur very rarely since we work closely with our suppliers to monitor and manage chemical use. If destruction must occur, products are destroyed in the country of production under strict third party supervision and in accordance with Esprit environmental directives.



04

Set the frame

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

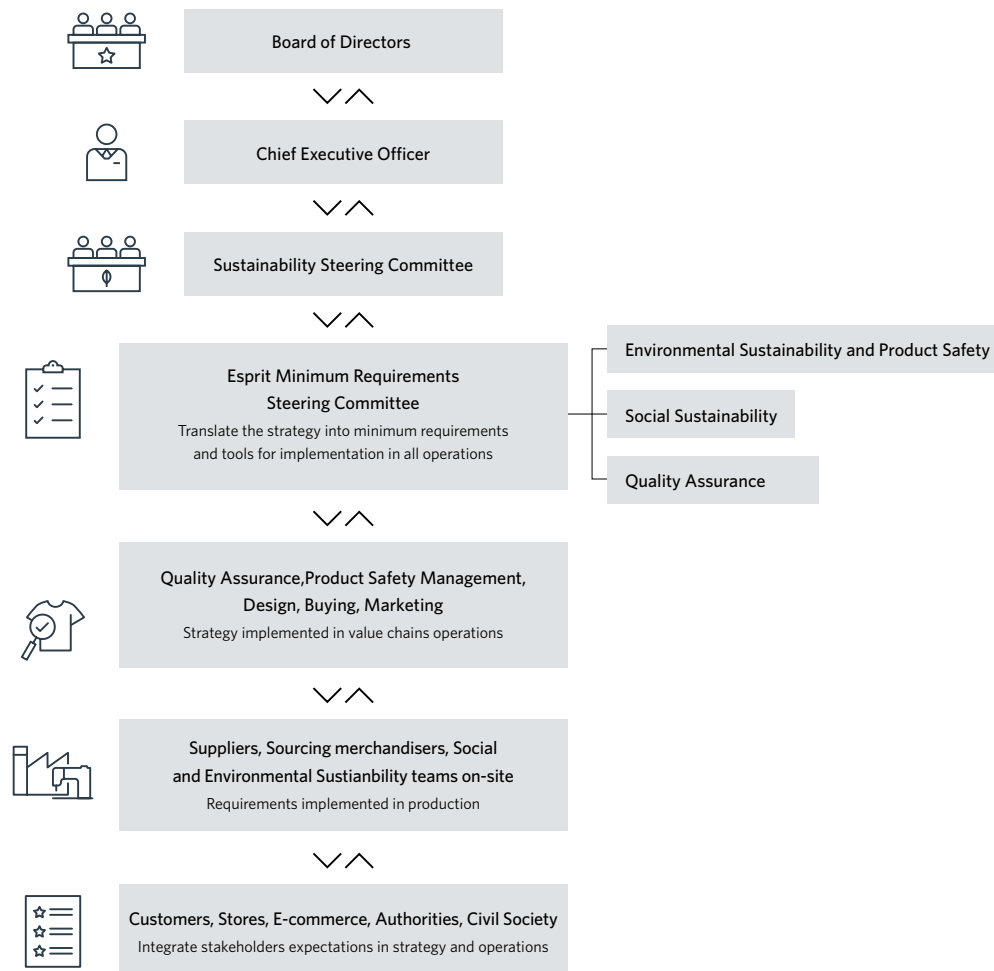
05 How we report

Search
documentSee
attachmentsWrite us
an email

Our policies and guidelines

Our sustainability goals must be imbedded in our culture and our daily decision-making, at all levels of the company, in order to achieve the goals we have set for ourselves and for our industry. We have a number of systems in place to ensure that our priorities are agreed upon and communicated, responsibilities are clear for every role, and formalized processes are in place to support our goals.

Embedding sustainability



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

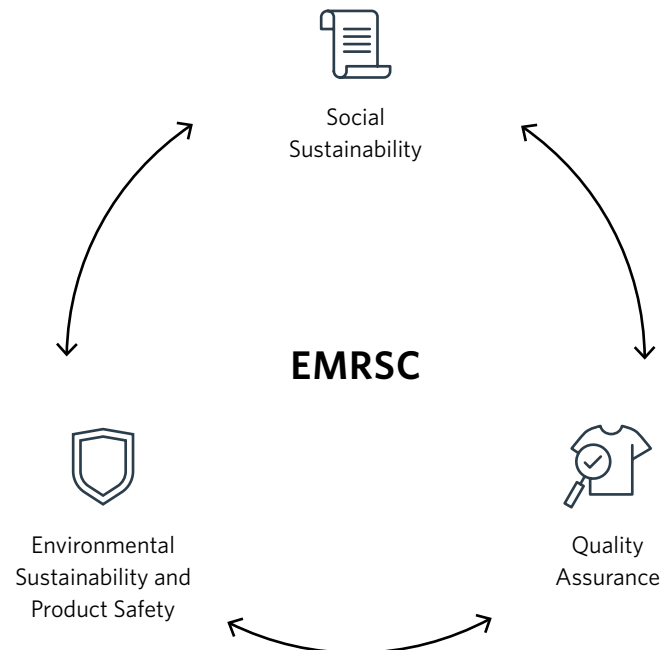
Our policies and guidelines

Sustainability Steering Committee

In order to be successful, a sustainability strategy must be built on ambitious and achievable targets, and it must be fully backed by management. Our Sustainability Steering Committee, founded in March 2017, includes the Group Chief Executive Officer as well as management representatives from each area of the company. Together, they approve the sustainability strategy and make overarching decisions to guide the company toward achieving the sustainability goals.

Esprit Minimum Requirements Steering Committee

Esprit created the Esprit Minimum Requirements Steering Committee (EMRSC) in order to engage synergies between the departments within the company having a direct impact on sustainability: Environmental Sustainability, Product Safety, Social Sustainability and Quality Assurance. The EMRSC's task is to agree upon and create an overarching framework of requirements, guidelines and implementation tools, all of which are aligned among the three departments and binding for all suppliers.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Our policies and guidelines

Implementing our policies and guidelines into our supply chain

Our designers are supported by product safety team, technicians, quality assurance teams, and buying teams to ensure that our business activities reflect the sustainability strategy. It takes all of us working together, each contributing our expertise, to achieve our shared goal of creating beautiful, high-quality, safe and sustainable products our customers will love and care for.

Our suppliers can rely on a network of support teams that exist to help them implement our requirements in production. Our local sourcing teams, our social compliance teams, and environmental sustainability managers and specialists work collaboratively with our suppliers on site to ensure that our products meet our quality and sustainability expectations, and to help our partners build their knowledge and skills.

Engaging our stakeholders

In addition to monitoring new developments in technology, innovation, and legislation, we listen carefully to the feedback of our customers and stakeholders on what they expect from us in terms of sustainability. Our sustainability strategy reflects these expectations and demands, and will continue to evolve to reflect changes in the future.

Our operations and marketing teams have created communication channels, e.g. via social media or customer service, in order to make it easy for our stakeholders to share their thoughts with us. Furthermore, we are in direct contact with relevant authorities and NGOs, we consider the latest findings of testing institutes, and we are a member of key industry and multi-stakeholder organizations, through which we exchange with our peers on the latest sustainability developments.



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Our policies and guidelines

Changing our culture to embrace a circular fashion industry requires a shared understanding of why it is important, and how to achieve change. This revolution within Esprit begins, at its core, with standards, policies, and guidelines, which formalize our ambition and our approach.

The core of our policies

While we have different policies and guidelines to set the framework for how we work, the foundational policy is our Code of Conduct. It must be signed by all our employees before they start at Esprit. This Code defines our key values and principles and covers a range of areas including work environment, conflicts of interest, gifts and invitations, handling of confidential or proprietary information and the use of Esprit's resources. Esprit is a company with more than 8,000 people from more than 90 different countries, and our Code of Conduct also supports our values of diversity and equality, with clearly defined rules and processes to prevent discrimination. All of our employees must be treated with respect and dignity; harassment and intimidation are not tolerated at Esprit, regardless of our peoples' national origin, gender, religion, age, sexual orientation, or whether they are disabled. Violations of our Code of Conduct are rigorously pursued to protect our employees and we have established a grievance mechanism in case situations do arise.

Anti-Corruption Policy

We disapprove any kind of corruption and expect our employees and all business partners to clearly denounce corruption and unfair business practices.

We have an Anti-Corruption Policy that outlines the expected behavior of all of our employees related to integrity and fairness. This covers corrupt business practices as well as criminal offenses, including bribery, misappropriation, embezzlement, fraud, money laundering, and violations of tax and foreign exchange laws.

Through the combination of our Code of Conduct and the Anti-Corruption Policy, Esprit commits to a global Anti-Corruption Program. Its implementation and enforcement are risk-based and tailored to prevent corruption throughout Esprit's business activities, applying to all persons working for or on behalf of Esprit. The Anti-Corruption Policy and the effectiveness of the Anti-Corruption Program are assessed and revised by the Compliance team on a regular basis.

Antitrust Policy

Free and fair competition forms the basis of commercial activity. We have an Antitrust Policy, in alignment with antitrust legislation, which helps to ensure and maintain effective competition in the market. Antitrust and competition laws thus prohibit certain agreements, practices and conduct which could have a damaging effect on competition. They have a significant impact on most aspects of Esprit's everyday business activities, including pricing, promotion and sale of products and services, relationships with suppliers, distributors, dealers, franchisees and competitors. We are committed to the principle of free competition, which requires that those in positions of management within Esprit are familiar and at all times compliant with the principles of both national and international competition laws.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Our policies and guidelines

Training

Corruption and unfair competition is a very serious issue for any company, as is breaking competition law. To ensure that our employees fully understand our expectations and requirements, and to ensure that they are able to comply with our Anti-Corruption and Antitrust Policies, we conduct regular trainings in high-risk departments and regions on both policies. In FY17/18 our Compliance team trained around 400 people from different departments, such as Finance, Human Ressources, Marketing and Operations in 12 countries.

Grievance process

If sensitive situations arise, we have a Whistle-blowing Helpline in place. This Helpline is open for all Esprit employees worldwide, as well as for the employees of our wholesale and franchise partners, suppliers and other business partners.

The Whistleblower Helpline provides direct contact with our Compliance department, which provides confidential guidance and help.

We follow a strict zero-tolerance approach for non-compliance with our policies. In FY17/18, there was not a single public legal allegation against Esprit on compliance issues, such as corruption and unfair competition or breaches of antitrust law.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Policies for our supply chain

Just as we have requirements for our internal staff, we also have requirements that each supplier must agree to before we will embark on a partnership.



Supplier Code of Conduct

Our Supplier Code of Conduct sets the minimum criteria for starting or maintaining a business relationship with a supplier. The Supplier Code of Conduct is based on the ILO Convention, an internationally-acknowledged regulation developed by the International Labour Organisation. All our suppliers must comply with our Supplier Code of Conduct, which is also publicly available.

Additionally, we have set clear requirements regarding the materials that we use in our products. The Esprit Sustainable Materials Policy also includes broader provisions such as:

- Our Animal Welfare Policy
- Our requirements on traceability of subcontractors
- Prohibition of certain materials, including Turkmenistan and Uzbek cotton, Cupro and Polyvinylchloride (PVC), and
- Requirements for animal-derived fibers, such as expectations regarding support for the five freedoms as well as requirements on wool (with a focus on mulesing), down, leather and a ban of fur, angora and mohair.



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Responsible Marketing Guideline

Our marketing materials illustrate our values as a company, and so we have created clear policies for our advertisement campaigns. They are developed in-house and often in collaboration with international creative agencies. The following requirements are included:

- **Campaigns:** Claims and messages within our campaigns are chosen carefully
- **Choosing models:** We aim to celebrate diversity by selecting models who represent various sizes, skin colors, cultures, ethnicities, and genders, and portraying them in a healthy and appropriate way.
- **Health & safety during photo shoots:** For all our models, adults or children, we are constantly looking out for their health and well-being, providing nourishing food and maintaining a work/break balance.
- **Kids campaigns:** We follow all international and local laws and requirements for our photo shoots with children. There is also at least one representative from Esprit on hand to monitor the process and make sure that all requirements are met. We also ensure that a parent is always present.
- **Animals:** When animals are used in our photo shoots, we follow all international and local laws and requirements. No animals are harmed during production and we engage professional guidance to ensure proper treatment.



05

How we report



Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



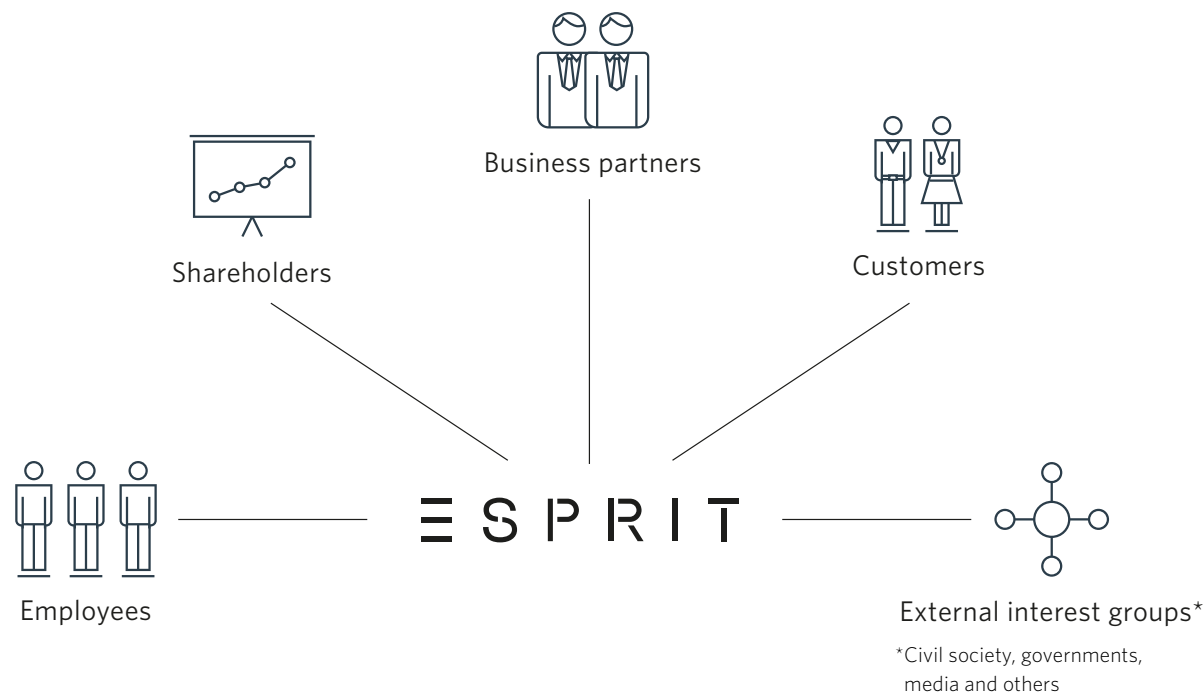
Write us
an email

How we report

This report is Esprit Holdings Limited's (called "Esprit" in this report) Sustainability Report, written in accordance with the Global Reporting Initiative (GRI) G4 "Core" level. Our Sustainability Report is produced annually, together with our Annual Report covering our financial performance. This Sustainability Report covers our identified risks, focus areas and material aspects (see Materiality assessment) and gives an overview of our new strategy towards circularity, including tools, targets, and progress of Esprit and all its entities covered in our Annual Report for financial year (FY17/18), ended June 30, 2018. Open and careful dialogue with stakeholders is a necessity for a successful global company operating in different markets and diverse cultural contexts. Understanding the priorities and concerns of stake-

holders is not just an exercise, but it is a valued part of building and evaluating our direction as a company; indeed, our strategy of working to build and implement a circular business model is the result of this type of dialogue.

Stakeholder consultation has also been part of the creation of our Sustainability Report. We have decided to step back from the traditional approach of conducting an annual stakeholder assessment because we are already in an ongoing dialogue with our stakeholders throughout the year. We believe this ongoing conversation is more valuable because it better reflects dynamic perspectives and a shifting landscape, rather than merely being a snapshot in time.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Ongoing dialogue

With customers

Our customers are one of our most important stakeholder groups, and we have established a solid process for inviting an ongoing dialogue with them. Our Environmental and Social Sustainability departments work closely with Customer Service department to answer requests from our customers with regard to any sustainability topic. Furthermore, we proactively and directly approach our customers through regular customer surveys in order to understand their opinions and needs, especially on more sustainable products, materials and finishing processes.

With business partners

Working globally requires many different partners. As we do not own production facilities, we rely on our supply chain partners, including our direct suppliers (Tier 1) and their subcontractors (Tier 2 and Tier 3). Fostering a collaborative relationship built on mutual respect and trust is crucial. Our Vendor Portal is a direct line between Esprit and our partners that streamlines dialogue and ensures that no important information is lost. Our Vendor Portal had a major update in FY17/18, capturing new information and requirements.

We respect the busy schedules of our partners, and make an effort to avoid overwhelming them with emails and notices; every week we gather and send a summary of all relevant updates from the Portal to cut down on email fatigue and information overload.

With our employees

Our employees are the key stakeholders who create our culture, implement our strategy, and live out our values. Creating a sustainable organization requires employees who understand and endorse our strategy and vision, and who are both excited and properly equipped to work toward our targets each and every day.

Here at Esprit, we have ongoing trainings on sustainability, and in June we kicked off a training series on Circular Fashion, including the concept, targets, implementation tools and our progress so far. Alongside formal trainings, we also foster an environment where employees are encouraged to engage with sustainability in more independent and informal ways. For example, we host a yearly Sustainability Action Week, where different teams, such as Esprit Cares and the Workers Council, create community engagement opportunities. Together with other departments, such as Social and Environmental Sustainability and our Canteen team, a program for our employees is created around health and sustainability.

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Ongoing dialogue

Multi-stakeholder and industry initiatives

We participate in several multi-stakeholder and industry initiatives and organizations, which gives us the opportunity to communicate directly with governments and with civil society. Examples of these include the Sustainable Apparel Coalition, Business Social Compliance Initiative, Zero Discharge of Hazardous Chemicals, Better Work, ACT on Living Wage, and others.

Our partners and memberships



Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Ongoing dialogue

Our Commitments

We believe we can tackle many problems in our industry, and achieve significant change, by partnering directly with civil society. One example of this is our Global Framework Agreement with IndustriALL Global Union, allowing us to collaborate on setting up mechanisms to better enable local trade unions to negotiate detailed collective agreements. Another example is our commitment to more sustainable viscose production, which we are realizing through our participation in the Roadmap Towards Responsible Viscose and Modal Fibre Manufacturing, launched in May 2018. Commitments such as these are important because they signal our intentions and help catalyze change throughout the industry, and they enable us to draw upon the expertise and knowledge of our stakeholders. Because one role of civil society organizations is to constantly evaluate our progress, we strive for open and transparent dialogue to explain challenges in our industry and to show where we stand and how we tackle these challenges. We take any brand assessments from civil society very seriously as it is an opportunity for us to understand how to improve and better fulfil the needs of our stakeholders.

Civil society collaboration

In 2012, we signed on to the Greenpeace Detox Commitment, and began working with other brands in the Zero Discharge of Hazardous Chemicals Group to improve practices within our supply chain. In the 2016 Greenpeace Detox Catwalk, we had to learn that we are not on the right track.

While we were establishing measures and improvements internally, we were not putting enough emphasis on communicating these actions, and Greenpeace's assessment of our progress reflected this. We used this as an opportunity to learn and to grow, changing the way we communicate, and becoming more transparent. We are convinced that this is the right path.

In December 2017, we were evaluated by the non-governmental organization Fashion Revolution on transparency. Our score placed us within the top 10 brands, making us more confident that we are on the right path.

Overview of our commitments

- [Greenpeace Detox Commitment](#)
- [2020 Circular Fashion System Commitment](#)
- [Commitment to Canopy's Policy on Protecting Forests Through Fabric Choices](#)
- [Commitment to Changing Markets Foundation's Roadmap towards responsible viscose and modal fibre manufacturing](#)
- [Commitment to Global Bargaining Agreements with IndustriALL Global Union](#)
- [Recycled Polyester Commitment](#)

Previous
pageGo back
to indexNext
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

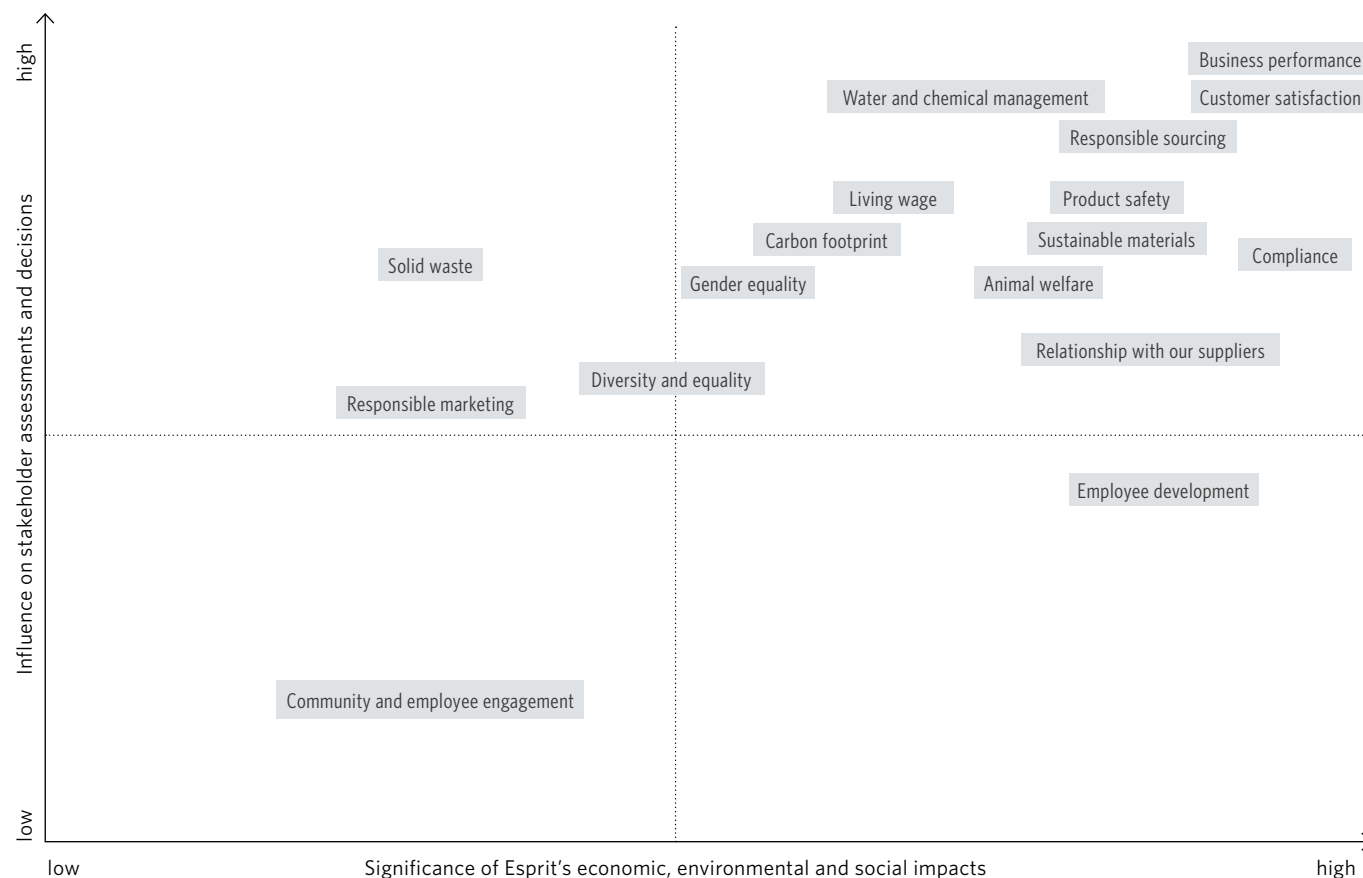
04 Set the frame

05 How we report

Search
documentSee
attachmentsWrite us
an email

Our materiality assessment

As a result of the dialogue with all stakeholder groups, we have defined the priority aspects with the largest impact on our business and stakeholder businesses. While our materiality matrix includes the same aspects as in FY16/17, priorities have shifted slightly. Our move towards circularity and the development of targets for sustainable materials and carbon footprint has also changed some priorities.





Previous
page



Go back
to index



Next
page

01 Welcome

02 About Esprit

03 Towards circularity

Design smart

Produce responsibly

Ship and sell sustainably

Extend product life

Reuse and recycle

04 Set the frame

05 How we report



Search
document



See
attachments



Write us
an email

Corporate information

Executive Chairman

- Dr Raymond OR Ching Fai
(re-designated from Independent
Non-executive Director to Executive
Director effective 1 April 2018)

Deputy Chairman

- Paul CHENG Ming Fun
Independent Non-executive Director
(retired effective 5 December 2018)

Executive Directors

- Anders Christian KRISTIANSEN
Group CEO (appointed effective 1 June 2018)
- Thomas TANG Wing Yung
Group CFO
- Jose Manuel MARTINEZ GUTIERREZ
Group CEO (stepped down effective 1 June 2018)

Non-executive Director

- Jürgen Alfred Rudolf FRIEDRICH

Independent Non-executive Directors

- Dr José María CASTELLANO RIOS
(retired effective 5 December 2018)
- Alexander Reid HAMILTON
- Carmelo LEE Ka Sze
- Norbert Adolf PLATT

Company Secretary

- Florence NG Wai Yin

Principal bankers

- The Hongkong and Shanghai Banking
Corporation Limited
- Deutsche Bank AG
- Mizuho Bank, Ltd
- MUFG Bank, Ltd
- BNP Paribas
- Hang Seng Bank Limited

Auditor

- PricewaterhouseCoopers
Certified Public Accountants

Principal legal advisor

- Baker & McKenzie
- Freshfields Bruckhaus Deringer

Share listing

Esprit's shares are listed on the Stock
Exchange of Hong Kong limited (SEHK).
The Company has a Level 1 sponsored
American Depositary Receipt (ADR)
program.

Stock code

- SEHK: 00330
- ADR: ESPGY

Principal share registrar

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

Hong Kong branch share registrar

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Registered office

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Hong Kong headquarters

45/F Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon, Hong Kong
t: + 852 2765 4321
f: + 852 2362 5576

Global business headquarters

Esprit-Allee
40882 Ratingen
Germany
t: + 49 2102 123-0
f: + 49 2102 12315-100

For enquiries from investors and equity analysts, please contact: Investor relations department

45/F Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon, Hong Kong
t: + 852 2765 4232
f: + 852 2303 4610
e: esprit-ir@esprit.com

Contact person:

Patrick LAU
t: + 852 2765 4232
f: + 852 2303 4610
e: patrick.lau@esprit.com

Website

www.espritholdings.com

Corporate Profile

Founded in 1968, Esprit is an international fashion brand that
pays homage to its roots and expresses a relaxed, sunny Californian
attitude towards life. Esprit offers inspiring collections for
women, men and kids made from high-quality materials paying
great attention to detail. All of Esprit's products demonstrate
the Group's commitment to make consumers "feel good to look
good". The Company's "Esprit de corps" reflects a positive and
caring attitude towards life that embraces community, family and
friends - in that casual, laid-back California style. The Esprit style.

The Group distributes its products directly to end-consumers
through directly managed retail stores and online, and also dis-
tributes through third parties, both offline and online. The Group
markets its products under two brands, namely the Esprit brand
and the edc brand. Listed on the Hong Kong Stock Exchange since
1993, Esprit has headquarters in Germany and Hong Kong.



**We welcome your
feedback and thoughts!**

Environmental and Social Sustainability

Esprit-Allee
40882 Ratingen
Germany

t. +49 2102 123-0

f. +49 2102 12315-100

e. sustainability@esprit.com



ESPRIT