

## COMPANY X's Zero Discharge Commitment

### BEST PRACTICE STATEMENT (as of Dec-2011)

In line with COMPANY X's long-term sustainability program [INSERT NAME OF COMPANY PROGRAMME IF RELEVANT], COMPANY X recognizes the urgent need for eliminating industrial releases of all hazardous chemicals (1). According to its approach based on prevention and the Precautionary Principle (2) COMPANY X is committed to zero discharges (3) of all hazardous chemicals from the whole lifecycle and all production procedures that are associated with the making and using of COMPANY X products (4) by 2020.

We recognise that to achieve this goal, mechanisms for disclosure and transparency about the hazardous chemicals used in our global supply chains are important and necessary, in line with the 'Right to Know principle' (5). In line with this we will increase the public availability and transparency of our restricted substance list and audit process and will set up public disclosure of discharges of hazardous chemicals in our supply chain.

The 2020 goal also demands the collective action of industry, as well as engagement of regulators and other stakeholders. To this end COMPANY X will work with other companies in the apparel sector, as well as material suppliers, the broader chemical industry, NGOs and other stakeholders to achieve this goal.

COMPANY X also commits to support systemic (i.e. wider societal and policy) change to achieve zero discharge of hazardous chemicals (associated with supply chains and the lifecycles of products) within one generation (6) or less. This commitment includes sustained investment in moving industry, government, science and technology to deliver on systemic change and to affect system change across the industry towards this goal.

COMPANY X understands the scope of the commitment to be a long term vision – with short term practice to be defined in the clarification of actions to follow. An Individual Action Plan will be set up by COMPANY X within eight weeks from the time this commitment was made that will detail the measures to be taken to implement this commitment including how we will report the first discharges data to the public by the end of 2012 and a timeline for the elimination of the highest priority hazardous chemicals for 2012, 2013 and 2015.

In addition, COMPANY X will actively participate in the further development and implementation of the draft 'joint roadmap towards zero discharge of hazardous chemicals', launched in November 2011, [LINK TO THE ACTUAL VERSION OF THE JOINT ROADMAP] which details specific programmes and actions that the publicly committed brands can take collectively with other brands & stakeholders to drive our sector, the industry and society towards the goal of zero discharge of hazardous chemicals.

The immediate set of actions to be executed by COMPANY X within the period of these eight weeks will be:

- Make public the essential elements and tools of transparent chemical management including the current product RSL (restricted substances list) and its methodology, any manufacturing RSL and the list of our suppliers.
- Request quantitative information from our suppliers in relation to the use of APEOs (including Nonylphenol ethoxylates) in the manufacturing processes, with the intention to disclose this to the public.
- Request information from our suppliers about their chemicals suppliers – specifically on how they control and report on what chemical ingredients they are using.
- Investigate how to increase the focus on chemicals management and wastewater monitoring practices in a regular, comprehensive, environmental audit programme, with specific attention given to the suppliers with wet processes.

-----

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

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

(3) Zero discharge: means elimination of all releases, via all pathways of release, i.e. discharges, emissions and losses, from our supply chain and our products.

(4) This means the commitment applies to the environmental practices of the entire company (group) and for the whole product-portfolio of the company (group). This includes all its suppliers or facilities horizontally across all owned brands and licensed companies as well as vertically down its supply chain.

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

(6) One generation is generally regarded as 20-25 years.