Esquel Group’s Chemical Management System

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About Esquel
Vertically Integrated Textile and Apparel Manufacturer

Founded in 1978, Esquel supplied over 120 million shirts in 2015 to leading brands around the world – from concept to rack
Our Business Performance

Sales Revenue of US$1.4 Billion in 2015

- Woven Fabric, Yarns and Trims: 47%
- Knit Garment: 33%
- Others*: 20%

* Woven Fabric, Yarns and Trims
Our Global Presence
Esquel Chemical Management System

1 Chemical Compliance
2 Policies for New Chemical Introduction
3 Certification and Audit
1. **Chemical Compliance**

1.1. **Regulatory Updates Tracking and Compliance Evaluation**

- **National/Regional laws and regulations**
  - REACH*, CPSIA*, Japan Law 112, GB18401, ...

- **Industry association regulations**
  - AFIRM RSL, OEKO-TEX100, AAFA* RSL, ZDHC* MRSL, ...

- **Customer’s RSL**
  - NIKE RSL, HUGOBOSS RSL, VF RSL, PATAGONIA RSL, ...

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Diagram:

- Chemical
  - Updated regulations
    - Compliance evaluation
      - Yes
        - Continue to use
      - No
        - Stop using
          - (*) Refer to Appendix A.
1. Chemical Compliance

1.2. Esquel RSL

Global Legislation
- REACH
- CPSIA
- California Proposition 65
- Japan Law 112…

Esquel RSL

Industry Association requirements
- Customers RSL

Require Suppliers and Subcontracts guarantee the RSL compliance

Esquel Chemical Management system

Esquel identifies and eliminates the RSL substances

Esquel products complies with legislations and customers requirements
2. Policies for New Chemical Introduction

Supplier Selection Criteria for Sample Request

- Internationally operated company or well known large scale local company
- Good record of environmental protection – should meet local environmental and safety law
- Be able to provide complete documents on chemical product and safety, e.g. Product technical instruction, MSDS and testing report
- Confirmation letter to Esquel’s RSL
- For dyestuff, the supplier should be an ETAD* member

3. Certification and Audit

OEKO-TEX100 certificate

Safety Label for Textile Products

Third-party testing and certification

Testing more than 400 Harmful Substances
3. Certification and Audit

Sustainable Textile Production (STeP) by OEKO-TEX® is a certification system for the textile chain regarding sustainable manufacturing processes.
Compliance with WHITELIST Management System according to GB 18401-2010 for **Prohibited aromatic amine**
3. Chemicals Related Audits and Certifications

- Customer’s audit (VF Chem-IQ, NIKE MSI…)

**VF Chem-IQ**
Identify the harmful substances for the chemicals used in production

**NIKE MSI**
MSI (Materials Sustainability Index) is a score system to measure the Environmental profile
Thank you

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Appendix A: Name of governing bodies and their websites

International

USA

USA Regional
California Proposition 65: California’s Proposition 65 entitles California consumers to special warnings for products that contain chemicals known to the state of California to cause cancer and birth defects or other reproductive harm if those products expose consumers to such chemicals above certain threshold levels. For more information: http://oehha.ca.gov/proposition-65/proposition-65-list

USA Industry Specific
AAFA: American Apparel & Footwear Association. This Restricted Substance List (RSL) was created by a special working group of the American Apparel & Footwear Association’s (AAFA) Environmental Task Force. The RSL is intended to provide apparel and footwear companies with information related to regulations and laws that restrict or ban certain chemicals and substances in finished home textile, apparel, and footwear products around the world. https://www.wewear.org/

ZDHC: Zero Discharge of Hazardous Chemical. For more information: http://www.roadmaptozero.com/