

Tesco Greenpeace Detox Commitment

DATE: 16th June 2017

In line with **Tesco's** Responsible Sourcing agenda, specifically the need to reduce its environmental impact on the climate, forests, marine environments, farmlands and freshwater bodies, **Tesco** recognises the urgent need for:

- a) Eliminating all releases of all hazardous chemicals⁽¹⁾.
- b) New responsible business models⁽²⁾ and resource stewardship.

According to its approach based on prevention⁽³⁾ and the Precautionary Principle⁽⁴⁾ **Tesco**, through its own-brand clothing and footwear label **F&F**⁽⁵⁾, is committed to:

- I. Zero discharges⁽⁶⁾ of all hazardous chemicals into the environment.
- II. Reducing and maintaining complete supply chain priority resource use within equitable and planetary limits associated with the making and using of its own-brand clothing and footwear products⁽⁷⁾ by no later than 1st January 2020.

We recognise that to achieve this goal,

- mechanisms for disclosure and transparency about the hazardous chemicals used in our global supply chains are important and necessary, and should be in line with the 'Right to Know principle'⁽⁸⁾.
- production and consumption business model changes, that revolutionise the design and systems of consumption and living, are required, including a system shift to more comprehensive Extended Producer Responsibility⁽⁹⁾ that is based on closed 'slow' loop, resource constrained and non-toxic manufacturing.

Tesco also commits to fully and publicly support systemic (i.e. wider societal and policy) change to achieve zero discharges⁽⁶⁾ of hazardous chemicals (associated with supply chains and the lifecycles of products) within one generation⁽¹⁰⁾ 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, recognising that this may require resource quotas, hazardous chemical and selected virgin material taxes/fees.

Tesco agrees to publicly support efforts to eliminate all global hazardous chemical use, and to fully integrate the precautionary principle and the public's right-to-know regarding all environmental aspects across our operations.

Tesco acknowledges our individual corporate responsibility to always operate with a strong system of environmental oversight of our suppliers and our operations.

This commitment, as well as the individual action plan – and the links to the evidence supporting the delivery for all aspects of this commitment no later than the delivery dates indicated within this commitment – will always be available to the global public via our tescoplc.com website.

Tesco understands the scope of the commitment to be a long-term vision – with on-going ambitious practices including the following individual action plan:

Individual action plan

1. Supply-chain disclosure

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

1. Publish our company Restricted Substances in Textiles, Leather and Footwear List (RSiT), which includes our Manufacturing Restricted Substances List (MRSL), containing detection limits along with the publication of this commitment, and annually update thereafter to reflect our full implementation of the precautionary principle, always applying the best current technology – i.e. the lowest reasonably practicable reporting limits⁽¹⁵⁾.
2. Begin with the detailed public disclosure of use and discharges of hazardous chemicals based on reported quantities of releases of hazardous chemicals to the environment, facility by facility, year by year, made available in a searchable, online and international database/platform.

The list of chemicals to report on in this database should begin with, at least, the 11 priority chemical groups⁽¹¹⁾ and detection limits (as per our company RSiT), always applying the best current technology⁽¹⁵⁾, in our clothing and footwear supply chain via full facility transparency (i.e. detailed location and individual data of each facility) and disclosure of chemical-by-chemical use and discharges data, beginning with the following actions:

- I. As soon as possible, no later than 6 months after the publication of this commitment, we commit to have the full testing evidence published by at least 50% of all our global wet process suppliers' facilities or affiliates where hazardous chemicals are used globally, and will disclose the discharge data of facilities by using the online platform of the Institute for Public and Environmental Affairs and the Detox discharge data template (IPE Detox Platform) or equivalent.

- II. As soon as possible and by no later than 12 months after the publication of this commitment, we will also commit to have the full testing evidence published by at least 80% of our global wet process suppliers facilities or affiliates where hazardous chemicals are used, and will disclose the discharge data of facilities (as per full scope and content of our MRSL) by using the IPE Detox Platform (or equivalent).
- III. **Tesco** agrees to work towards transparency of our clothing and footwear supply chain during 2017 via full disclosure of our preferred and strategic suppliers, including all our tier 1 sites as well as our biggest and most strategic tier 2+3 wet processes suppliers, on our website in line with apparel sector best practice, and commits to regularly update and expand this list in the future.
- IV. **Tesco** agrees to always ensure the discharge data disclosure is fully credible and reflects the MRSL and that we will always disclose via a single searchable, online and international database/platform (using the IPE Detox Platform or equivalent) for facilities located in China, as well as our other sourcing locations.

2. Priority hazardous chemical groups elimination policy

Fully aligned with our implementation of the precautionary principle across all of our environment related operations, we recognise the intrinsic, or potential intrinsic hazardous properties of all 11 priority hazardous chemical groups, and therefore acknowledge it is our priority to eliminate the use and discharge of these chemicals into the environment across our global supply chain and our operations. There are multiple supply-chain pathways for potential contamination (including chemical formulations) and we will enhance both training and auditing of our supply chain and our operations to prevent that any of these chemicals enter into our supply chain via undocumented contamination of chemical supplier formulations.

In line with our elimination policy, **Tesco** will enforce its ban on the 9 of the 11 priority hazardous chemical groups, specifically phthalates, brominated and chlorinated flame retardants, azo dyes, organotin compounds, chlorobenzenes, chlorinated solvents, chlorophenols, heavy metals and short-chain chlorinated paraffins, with the following actions:

- I. Publish the results of an investigation and the full testing evidence into the current compliance to this requirement and report the findings to the public.
- II. Strengthen our supplier contract language to ensure only chemical formulations free of these priority hazardous chemical groups are utilized.

- III. Work with our supply chain and other global industry leaders to ensure the most current technological limits of detection are reflected via the lowest detectable limits within our testing regimes.
- IV. Publicly document via the Tesco public website how at least APEOs and PFCs of the 11 priority hazardous chemical groups have been substituted by safer alternatives. Each of these case studies will also be shared on relevant exchange platforms, such as Subsport, and submitted to ECHA (European Chemicals Agency) within 12 months of the publication of this commitment, with a request that ECHA set up an appropriate online public alternatives database. In addition Tesco will encourage suppliers of alternative technologies and formulas to share their innovations on the free listings website MarketPlace set up by the NGO ChemSec.

3. Alkylphenols & their ethoxylates (APEOs) elimination policy

Consistent with the precautionary principle and the potential intrinsic hazardous properties of all APEOs, **Tesco** commits to eliminate any APEOs used in any of the own-brand clothing and footwear products that **Tesco** produces and/or sells. This will be supported by:

- I. Enforcing the elimination of APEOs by strengthening our supplier contract language to ensure only APEOs-free chemical formulations are utilized.
- II. Establishing a rigorous system of control to ensure that no traces of APEOs find their way into our supply chain in line with the above.
- III. Publishing the results of an investigation and the full testing evidence into the current compliance to this requirement and reporting the findings to the public no later than 6 months after the publication of this commitment.
- IV. Working with our supply chain and other global industry leaders, to ensure the most current technological limits of detection are reflected via the lowest detectable limits within our testing regimes.

4. PFCs - Perfluorocarbon / Polyfluorinated Compounds⁽¹²⁾ elimination policy

Consistent with the precautionary principle and the potential intrinsic hazardousness of all PFCs, **Tesco** commits to eliminate any PFCs used in any of the own-brand clothing and footwear

products **Tesco** produces and/or sells, across our global supply-chain, by no later than Spring / Summer 2018 collection ⁽¹³⁾. This will be supported by:

- I. Publishing the results of an investigation and the full testing evidence into the current compliance to this requirement and reporting the findings to the public by no later than 12 months after the publication of this commitment.
- II. Strengthening our supplier contract language to ensure only chemical formulations free of PFCs are utilized and establish a rigorous system of control to ensure that no traces of PFCs find their way into our supply chain in line with the above.
- III. Working in partnership with our supply chain and other global industry leaders to accelerate the move to non-PFC technologies.

5. Targets for Other Hazardous Chemicals

As an important part of our implementation of the precautionary principle, **Tesco** commits to regularly review (as per hazardous chemical screening methodology that follow the principles and criteria in annex 1 or any public and procedurally transparent list of hazardous chemicals identified based on the same) the list of chemicals used in our operations and our global supply chain, and our MRSL. **Tesco** will apply the latest scientific findings to update our chemical policy, at least annually, to further restrict or ban chemicals, as new evidence on their impact becomes available. In line with the Right-to-Know principle we will deliver full public availability and transparency of our restricted substance lists, related audit process and the hazardous chemical screening methodology applied.

In this context we will also set clear intermediate progress targets on the elimination of hazardous chemicals in our clothing and footwear supply chains beyond the 11 priority hazardous chemical groups, including a public hazardous chemical-by-chemical schedule for elimination and substitution with non-hazardous chemistry by no later than 6 months after the publication of this commitment. This will support our long-term road to elimination of all hazardous chemical use by no later than 1st January 2020. This public detailed hazardous chemical by-chemical schedule will be updated annually.

6. Responsible Consumption or Living (via closed-loop operations across global supply-chain and product lifecycles)

Tesco will implement a Responsible Consumption plan ⁽¹⁴⁾ based on comprehensive Extended Producer Responsibility (EPR)⁽⁹⁾ that will:

- I. Continue our annual recycling/take-back scheme for UK customers through in-store events and provision of clothing recycling banks in our car parks. This aims to take back and redistribute the equivalent (including clothing of other brands) of 25% of all clothing we sell in the UK each year. This clothing is then sold in the shops of our charity partners and generates hundreds of thousands of pounds for causes such as cancer research. In 2017 the scheme will run in 200 stores for six weeks in partnership with Cancer Research UK and Love Your Clothes. We will look to roll out a similar scheme in our Central European markets, building on a pilot in 2016.
- II. Continue to develop events and resources that support and educate customers in all markets where we operate, on mending and upcycling their clothing to extend a product's life, such as our 2016 [#Makeitnew](#) upcycling challenge.
- III. Through the Sustainable Clothing Action Plan, continue to raise 'consumer' awareness and change attitudes and demands or expectations regarding modes of use and ownership of clothing and footwear. For example, by advertising in the context of education pilot projects and campaigns for shaping and training new 'social practice' (building skills and functional understanding beyond just providing more information).
- IV. Commit to develop strategies, roadmap and milestones and metrics for steps that Tesco will take to slow and close the loop, including options for a new responsible business model, as an ongoing process.

7. Self-reporting on the Detox Commitment

Tesco delivers a full public schedule of evidence supporting the delivery of each and every component of this Detox commitment by no later than the date indicated in this Detox commitment.

The core responsibility principles for delivering on our commitment are:

- I. **Tesco** will always proactively provide the public precise schedules at site level for all our detailed and credible evidence (e.g. all hazardous chemical testing via the use of our company MRSL) supporting the delivery of all aspects of our Detox commitment.
- II. **Tesco** is responsible to proactively, publicly and transparently provide full details as to any deviations from the delivery of any aspect of our Detox commitment, and to effectively resolve within no more than 30 days.

Endnotes:

(1) All hazardous chemicals mean 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).

(2) Responsible Design and Consumption or Living business models – are systems of products and services that are designed to deliver functions to meet needs, integrating full circularity and EPR (as defined above). These systems include a comprehensive process for identifying all lifecycle aspects, considering the most responsible design, production, product use and closed loop reuse and recycling, aiming to maximize the use of closed-loop and slow-loop manufacturing and value creation. Closed loop systems should give preference to local solutions where possible.

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

(4) 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.

(5) F&F is a wholly-owned clothing and footwear brand of Tesco plc.

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

(7) This means the commitment applies to the environmental practices of Tesco plc for the clothing and footwear owned label F&F which are direct imports, produced or sold. This includes all its suppliers or facilities in different regions.

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

(9) Extended and Producer Responsibility is individual and global company responsibility to ensure the whole lifecycle of a product and the delivery of a function (from sourcing and design to use, reuse and recycling or final decontamination and treatment):

- protects the well-being of the natural environment, stays within planetary boundary limits and supports the socio-economic well-being of workers and local communities;
- ensures the system for end-of-life collection achieves high use of product and material quality through effective collection, disassembly and re-use or recycling;
- ensures the system for reuse (or any life-extension of the product), recycling and final treatment incentivises changes in design by the product designer both financially, through internalization of the real own-brand/differentiated end-of-life costs into the company business model, and through information feedback, including to other actors in the extended lifecycle;
- includes supporting and implementing fully circular resource use and full resource stewardship (recognizing that natural resources are not 'owned' but 'borrowed' to meet a need).

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

(11) The 11 priority hazardous chemical groups are: 1. Alkyl phenols & their ethoxylates (APEOs) -2. Phthalates -3. Brominated and chlorinated flame retardants -4. Azo dyes (that release carcinogenic amines through reductive cleavage) -5. Organotin compounds -6. Per- and poly-fluorinated chemicals -7. Chlorobenzenes -8. Chlorinated solvents -9. Chlorophenols -10. Short chain chlorinated paraffins -11. Heavy metals such as cadmium, lead, mercury and chromium (VI).

(12) Polyfluorinated compounds, such as fluorotelomers, can serve as precursors that degrade to form perfluorinated carboxylic acids, e.g. PFOA.

(13) We will have stopped using PFCs in the core range of our Spring/Summer 2017 collection and no PFCs will be used in production of our Autumn/Winter 2017 collection. By Spring/Summer 2018 all this stock will have been sold through.

(14) Responsible Design and Consumption or Living business models – are systems of products and services that are designed to deliver functions to meet needs, integrating full circularity and EPR (as defined above). These systems include a comprehensive process for identifying all lifecycle aspects, considering the most responsible design, production, product use and closed loop reuse and recycling, aiming to maximize the use of closed-loop and slow-loop manufacturing and value creation. Closed loop systems should give preference to local solutions where possible.

(15) This refers to commonly-available analytical testing services which can perform at a scale suitable for our production capacity.

Annex 1 - Detox hazardous chemical screening methodology:

Any hazardous chemical screening methodology should include (but not be limited to) the following requirements:

- 1) Has a hazard based approach without use of any 'risk based' criteria for excluding certain chemicals.
- 2) The hazard approach should include a broad range of hazardous categories, i.e. at least those considered under EU REACH regulation.
- 3) Make use of a wide range of sources of information (e.g. at least all publically available information).
- 4) Make use of cautious thresholds in hazardous criteria setting (i.e. at least those used under best practice regulation and conventions)
- 5) Incorporate ongoing assessment of the effectiveness of the screening tool at identifying hazardous substances (e.g. by comparison of screening outcome with other forms of assessment for a sub-set of chemicals)
- 6) The full criteria and methods applied and full data behind results must be open to public scrutiny, including the types of hazardous property which must be evaluated and any thresholds used as well as full transparency on the information sources used to assess hazard
- 7) The screening methodology approach must take account of the hazards of accessory chemical and/ or breakdown products which are generated through the use or release of any one particular chemical ingredient.

8) The screening methodology must recognise the importance of physical form e.g. nanomaterials, polymers and whole products where applicable.

9) Where there are legitimate reasons for concern regarding the intrinsic hazards of a chemical, even if information is insufficient to verify those hazards, action must be taken to obtain sufficient information to enable adequate assessment of the chemical. When there is no information on the chemical the 'hazardous until proven non-hazardous' assumption should apply. This includes making assessments on a chemical group basis, drawing on information for closely related chemicals.
