**Esprit’s response to the report by Clean Clothes Campaign**

*Business & Human Rights Resource Centre invited Esprit to respond to the following report:*

*– “Europe’s sweatshops: The results of CCC’s most recent researches in Central, East and South East Europe”, Clean Clothes Campaign, 17 November 2017:*

[https://cleanclothes.org/livingwage/europe/europes-sweatshops](https://cleanclothes.org/livingwage/europe/europes-sweatshops" \t "_blank)

*In response, Esprit sent the following statement:*

11 December 2017

Dear Saskia,

Apologies for our late response to your request. Below is a statement on Esprit’s reaction to the Clean Clothes Campaign’s findings.

Lary Brown

Vice President- Head of Global Social & Environmental Sustainability



Esprit is aware of the Clean Clothes Campaign’s report that mentioned one of our supplier factories in Serbia, and found the report’s allegations disturbing. When we learned of the research, we hired a non-profit third party monitor to check the findings to determine what changes are needed in the factory. Some of the Clean Clothes Campaign’s allegations were inaccurate. There is no flea infestation in the factory, and the clothes are not “covered in chemicals” as the report indicated. A full payroll audit indicated legal minimum wages have been paid for all hours worked for every month that the factory has been in operation, although we agree that the legal wages are very low. We did not find evidence of forced overtime, although we identified gaps in management systems that could potentially allow improper pressure to be exerted on workers to work overtime.

A key problem in the factory stems from the fact that it is still relatively new, is struggling to hire the number of workers that were intended to be hired, and that many of the management staff have been brought in from Turkey, where the factory’s parent company is located. In response, we are in the process of arranging training for management in the local culture to assure more sensitive handling of relations between workers and management. Part of this training will include developing effective grievance mechanisms to assure that worker complaints are handled properly so that, should improper pressure be placed on workers, adequate means of redress will be readily available.

Regarding the low legal wages in Serbia, as one of several brands in the factory, most of which were not identified by the Clean Clothes Campaign, our ability to raise wages unilaterally is limited. Esprit is a member of ACT, a group of 17 brands that has joined IndustriALL to promote better wages for apparel workers through promotion of collective bargaining agreements in apparel producing countries. We look forward to supporting IndustriALL in their work in southeastern Europe.