



SUSTAINABILITY AT ESQUEL

MAKING A DIFFERENCE

MAKING A DIFFERENCE AT ESQUEL

Our vision of Making a Difference is reflected in the way we manage our business to address wealth gap and climate change issues. We believe that sustainable economic development can be achieved in harmony with the environment and society.

At Esquel, sustainability is core to our business strategy to affect decisions and behaviors, and is the responsibility of every employee. By embracing four strategic pillars: People, Planet, Product, and Community, we are constantly measuring our impact on the environment, the society, and the communities in which we operate. To this end, we innovate using technologies and information systems, and we invest in people to advance balanced social, economic, and environmental development.

In 2013, we established our Sustainability Council to formalize and oversee strategy and its implementation. The Council, chaired by an independent non-executive Board Director, oversees four strategic pillars, each with a committee that is responsible to define and monitor key measurements for the group. These committees are supervised by a combination of senior management and Board members, placing our sustainability strategy within the purview of the highest decision-making body.

Our sustainability efforts continue to evolve and guide our future organizational development. It serves to stimulate the rethinking of how we manage our people, work with our stakeholders, and influence the communities outside our factories. Recognizing that we cannot work in isolation, we actively pursue partnerships and identify opportunities to further our positive impact through innovation in systems and technology. Continuously seeking for stakeholders with shared value, we aim to tackle the root causes of social and environmental issues that have long-term impact and benefit.

FEATURED NEWS



Chairman Marjorie Yang
Joined the 2nd Belt and Road
Forum in Beijing

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Dee Poon Honored with
China Fashion Gala's
Sustainability Award in New
York

[READ MORE](#)



Esquel Unveils Integral's
Garment Operation

[READ MORE](#)



ABOUT ESQUEL GROUP

Esquel Group is a global textile and apparel manufacturer with a vertically-integrated supply chain that straddles from seed to shirt. Founded in 1978 by Mr. Y.L. Yang, our intention has always been to produce high-quality products in an ethical and responsible manner. For decades, Esquel has strived to demonstrate how to manufacture with minimal impact on the environment and contribute to the well-being of a wider community.

To us, caring about sustainability is not about compliance nor for promotional purposes. Instead, it reflects our corporate vision and commitment, while at the same time it acts to enhance our competitiveness. It aligns with our business development strategy to expand and diversify our market presence by focusing on quality growth, giving clarity to our business objectives and developing our potential. This translates to our objectives to secure customer orders that optimize asset utilization, production capacities and worker productivity, which gradually develop into a more focused, partnership-oriented customer base. Our team of over 40,000 employees across the globe work with leading brands to produce cotton shirts of the highest quality, and become a true agent of change for environmental protection and social empowerment.

Today, with sustainability grounded as a core value and strengthened by our independence, we are set to redefine the way in which apparel companies operate.

2019 PERFORMANCE OVERVIEW



PRODUCED
366,000
SPINDLES OF YARN



PRODUCED
30,200
TONS OF KNIT FABRIC
PRODUCED
140 MILLION
YARDS OF WOVEN FABRIC



PRODUCED
4 BILLION
PIECES OF ACCESSORIES



PRODUCED
100 MILLION
PIECES OF GARMENTS



SOLD
158,220
PIECES OF GARMENTS WITH OUR
RETAIL BRANDS



SALES REVENUE
1.3 BILLION
USD

AWARDS CERTIFICATIONS

AWARDS

| | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|
| 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| 2009 | 2008 | 2007 | 2006 | 2005 | | | | | |



ORGANIZATION
Hong Kong Council of Social Service

AWARD
10+ Years Caring Company – Since 2009

AWARDS CERTIFICATIONS

CERTIFICATIONS

- Cotton USA™ Licensee
- Fair Trade Usa
- Forest Stewardship Council® Chain Of Custody
- Global Organic Textile Standard
- Global Recycled Standard
- Global Security Verification
- ISO14001
- ISO50001
- ISO9001
- Leadership In Energy & Environmental Design
- OEKO-TEX® Standard 100
- OEKO-TEX® Sustainable Textile Production
- OHSAS18001
- Organic Content Standard
- SUPIMA® Licensee



PEOPLE

EMPLOYER OF CHOICE



Shaping the future of economic progress, Esquel strives to bridge the wealth gap by providing quality employment that creates opportunities for all. We boost productivity and increase take-home pay by upgrading Esquelers' skills and knowledge, applying relevant technology, and improving management processes.

By empowering our workforce with appropriate skills, tools and a modern workplace experience, we foster continuous innovation and the highest quality work. As an employer of choice, we prioritize safety and wellbeing to enhance the quality of life of our employees and their families. This is how Esquel aspires to close the divide and improve lives to effect real change.



VOICES OF CHANGE

People in the textile and apparel industry face many challenges, including poor working conditions, and rising labor costs. Against this backdrop, Esquel is Making a Difference to the livelihoods of over 40,000 employees, their families, and their communities. A testimony to the impact we are making, this video showcases our youngest garment manufacturing site in Vietnam, where our workers fought courageously to protect their second home at Esquel against a riot and a flood.

#UNSDG #SDG8 #SDG12 #SDG13



ASPIRATIONS IN ACTION



WHO MADE YOUR CLOTHES?

She sits on the edge of her thin mattress, massaging an ache in her shoulder. It has been another long day sewing cuffs onto dress shirts. Armed with only a primary school certificate, she left the rural village she called home at twenty, in hopes of lifting her family out of poverty. Working for a garment manufacturer in a slightly more developed town meant affording a fridge, a microwave, and school books for her kid. It has been two years.

[READ MORE](#)



A SOLID FOUNDATION

Esquel employs over 40,000 staff globally, with close to 100% on a full-time basis. The quality of life, job satisfaction, and health and safety of each of our Esquel colleagues are our utmost priorities. To this end, we invest in the growth, development and well-being of our staff and surrounding communities, and foster a culture and working environment that respect the individual.

We believe in building local operating strengths, workforce skills, and mutual trust among workers, managers and the community. Fundamental to our business is the decision not to chase cheaper labor locations as wages rise. Rather, we commit to improving competencies in the countries where we have an established presence. This is supported by our policy of progressive localization of management and staff, augmented by training and mentorship so that our employees can confidently assume greater job responsibilities as we grow in each country. Our strategy of progressive localization of management and staff promotes in-country job creation, and development and training in international management skills.

This is challenging as worker demographics, and societal landscape and expectations are constantly changing. The remarkable progression of innovation is fundamentally changing the way we live, work and relate to one another. We can only take advantage of the positive aspects of this digital transformation for productivity improvement and growth promotion by putting people first. We are enhancing competencies and hiring people to become multi-skilled engineers – experts in both equipment operation and team management. This way, we catalyze technological innovation to complement and augment human potential to create inclusive opportunities for economic growth.

Our people strategy goes beyond monitoring and measuring labor compliance and health and safety. We believe in promoting a healthy work-life balance approach for an overall enrichment of the employees and their communities. Here are the results from 2018 that exemplifies our efforts to develop skills, advance careers, and foster mutual trust.

PEOPLE DEVELOPMENT

Esquel's strategy of "grooming from within" means offering our employees continuous training and development opportunities, ensuring success in both their current roles and their future endeavors. Our recruitment prioritizes internal candidacy. We offer career pathways to promising individuals and ensure well-rounded exposure to both company and industry through job rotation and personal mentoring. Planning for our future company leaders is guided by a formal succession system, where potential candidates are nominated by their department heads, then mentored until they are ready for succession. A parallel process is in place for additional internal manager nomination, while alternative consideration is given outside our industry to find the right fit with our shared values and broader market experience.

TRAINING HOURS

All employees undergo training for their job-specific functions. Facility managers, in addition to job-specific responsibilities, are trained to manage advanced technical processes within their portfolio. They are also expected to enhance their leadership skills through further training in worker communications, managing the younger generation and mentoring workers under their supervision. Through these added proficiencies, we are transitioning our management teams to lead our next-generation workforce.



ESQUEL UNIVERSITY

We offer self-improvement and lifelong learning opportunities. Esquel University offers a structured curriculum for the training and development of our staff, which is conducted through traditional classroom settings, on-the-job training and online formats.

MT/OT PROGRAM

Esquel's Management Trainee (MT) and Operations Trainee (OT) Programs have developed many leaders over the past 30 years. Our trainees are offered exciting opportunities to rotate across our global operations, and across departments along our vertically-integrated supply chain.

Working directly with senior leadership, we groom our young leaders in this purposeful journey to be part of something bigger than ourselves.

<https://www.esquel.com/trainee-program>



INTERNAL MOBILITY

The breadth of our operations provides our employees with wide exposure to different business functions and work locations to nurture their careers.

WELLNESS

"Fun people serving happy customers" is our mission. It is our belief that running a good business requires a healthy workforce, which directly benefits staff recruitment, retention, and job satisfaction. We take a proactive approach to care for employees' wellbeing and to match today's social aspirations at the workplace. Our facilities and policies are designed to accommodate employees' working habits to promote work-life balance. We focus on improving employees' holistic wellbeing from diet to physical and mental fitness so that they come to work every day feeling empowered and ready to achieve peak performance.

NUTRITION

To maintain a thriving and productive workforce, we care for employees' dietary needs. Our dining halls feature local, seasonal vegetables, with no added preservatives. Meals are served in sets that are put together by professional nutritionists to ensure our employees are enjoying a healthy, balanced diet, and their daily nutrition needs are met.



INCLUSION & DIVERSITY

We are proud of the diverse and inclusive culture that we foster at Esquel. Our global workforce carries a vast array of opinions and perspectives, educational backgrounds, skills, religions, and ethnicities. We encourage proactive, open, and transparent dialogs between employees to continuously challenge the status quo and pursue excellence. Through harnessing the unique strengths of each individual, embracing the spirit of "One Esquel One Team", we can continue to flourish and grow our business in the decades to come.



DEMOGRAPHICS

We are an equal opportunity employer across eight countries.

TOTAL WORKFORCE

| | |
|-----------------|--------|
| China: | 22,865 |
| Japan: | 6 |
| Mauritius: | 2,710 |
| Sri Lanka: | 4,193 |
| United Kingdom: | 3 |
| USA: | 9 |
| Vietnam: | 11,756 |

HEALTH & SAFETY

Providing a healthy and safe environment for our employees is fundamental to how we operate. Following a stringent management framework, operational heads track all accidents and incidents, conduct safety reviews and provide training. Significantly, safety performance is linked to annual bonus assessments. Over the years, our Environmental Health & Safety team has worked to measure and lower absenteeism and accidents.

ENVIRONMENTAL HEALTH & SAFETY (EHS)

All Esquel factories have an Environmental Health and Safety (EHS) committee chaired by the director of operations at that site. A safety officer is assigned to monitor and report on performance against internal targets and works with the corporate EHS team and all key managers at the facility. All factories are monitored regularly and undergo stringent safety systems inspections biannually. Audits related to EHS are conducted by internal teams and external organizations, as well as by customer representatives. Areas of importance include fire and building safety, emergency preparedness, dust and noise control, indoor air quality and chemicals management.



LABOR PRACTICES

The strength and character of Esquel stems from the expectation that each of us will maintain the highest standards of ethical behavior at all times. To safeguard international human rights and ethics in our workplace, we established our Workplace Code of Conduct in alignment with that of the Fair Labor Association (FLA) and other international standards, as well as an internal oversight system to monitor compliance with local labor and environmental regulations and international standards and practices.

We foster a culture of open workplace communications, allowing Esquelers to raise issues without fear of retribution and with confidence that their concerns will be properly addressed. All employees are trained in their workplace rights and ethical behavior. This includes awareness of and appropriate response to discrimination, corruption, harassment, and abuse of employees. In collaboration with the HR and CSR departments, managers cascade this training throughout the organization and report any breaches. All remedial actions are tracked and reported.

Striving to bridge the wealth gap, we aim to consistently increase take-home pay through creating efficiencies in customer order planning and management, productivity at our factories and better quality controls. Boosts in productivity during normal working hours also minimizes the need for overtime. We value the time our people spend building their personal and family lives, and strive to continue reducing overtime, even as we face challenges such as seasonal product demands, pressure for shorter lead times, internal and external supply chain performance, and other unforeseeable events triggered by climate change such as flooding.

CODE OF CONDUCT

Our Workplace **Code of Conduct**[®], established in 2005, sets out our commitment to providing good working conditions and fair wages for all employees. Esquel's Code is posted at all our operating sites and is translated into the local languages of each location.



AUDITS

Our internal oversight system is managed jointly by the Corporate Social Responsibility (CSR) and Internal Audit (IA) teams, with at least one person allocated to each of our facilities to monitor and support implementation. In cooperation with customers and industry stakeholders, we seek better auditing efficiencies to reduce non-value-added audits and build consensus on a common industry standard for auditing.

GRIEVANCES

Esquel uses the rights-based grievance mechanism defined in the United Nations Guiding Principles on Business and Human Rights (UNGPs). We continue to refine each mechanism to fit cultural sensitivities and challenges at each work site.



FAIR COMPENSATION

Esquel closely tracks all employee wage levels to ensure we offer a competitive package to employees of all levels.



OVERTIME

We make every effort to reduce the occurrence of overtime and the negative impact brought to our employees. A well-established system is in place to track and monitor instances that require overtime, so that we can study the root causes and work with our business partners along the supply chain.

AWARDS



ORGANIZATION
Hong Kong Council of Social Service

AWARD
10+ Years Caring Company – Since 2009

YEAR
2019

ORGANIZATION
Human Resources Magazine

AWARD
HR Innovation Awards

YEAR
2017



ORGANIZATION
The Hong Kong Management Association

AWARD
Excellence in Training and Development

YEAR
2016



ORGANIZATION
Employer Branding Institute, World HRD Congress, and Stars of the Industry Group

AWARD
Asia Best Employer Brand Awards

YEAR
2015



ORGANIZATION
JCPenney

AWARD
CSR Award

YEAR
2014

CERTIFICATIONS

- Fair Trade USA
- OHSAS18001
- Worldwide Responsible Accredited Production



PLANET

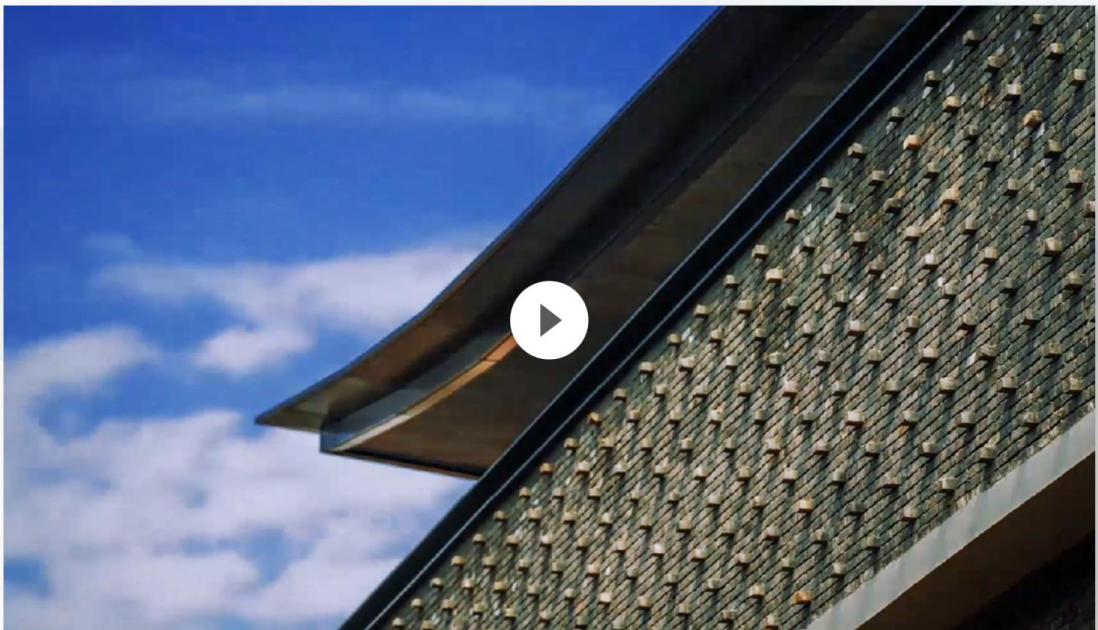
CLIMATE ACTION



In an age when human activities have gone far beyond what the planet can support, Esquel strives to achieve climate resilience and harmony with the planet. From seed to shirt, we respond actively to our industry's biggest environmental challenges, specifically in relation to energy, water, air quality, chemicals, and waste. We believe that through good management of our supply chain and resources, as well as mobilizing each of our 40,000 employees for climate action, we can realize our aspiration to balance the economic, social and environmental needs of our present and future generations.

VOICES OF CHANGE

Our planet is our common home. Every citizen has a responsibility to care for it in their own capacity. We believe no action is too small to make a difference, and that collectively, we will move the needle towards a healthier planet. From frontline workers to senior management, we encourage Esquelers to be change agents, leading grassroots initiatives to reduce our impact on the environment.



ASPIRATIONS IN ACTION



INVESTING IN RESILIENCE

The impacts of climate change are now undeniably felt by all – Esquelers have experienced firsthand the consequences of typhoons, floods, and droughts in increasing frequency and magnitude.

On 8 June 2018, Typhoon Ewinar brought torrential downpours into China's Guangdong Province. At midnight, rainwater flooded into the production floors, electricity room, and cutting and packaging areas of our operating facility in Yangmei township. With water, power, and all public transportation cut off throughout the wider district, we arranged a shuttle bus to evacuate our night shift employees. In the immediate aftermath, stores in the area were shut down, leaving our workers and their families without food. We delivered food from a neighboring township and opened our canteen to the community, supporting those in need of food and shelter.

[READ MORE](#)



A SOLID FOUNDATION

At Esquel, we respond actively to our environmental footprint in every step of the supply chain. For future generations, it is our responsibility to protect and improve the environment. Based on the Strategic Sustainable Investing system, we invest and adopt economically sensible technologies that enable us to consume less raw material, and reduce, reuse, recycle and recreate from waste to ensure the best allocation of resources. Our vertically-integrated supply chain enables us to take a holistic approach to identify, prioritize, and manage cross-supply-chain impact. This allows the efficient allocation of resources and provides efficient process flows and productive work practices.

We are a strong believer in sustainable development and environmental conservation. Our commitment is reflected in our involvement with government to steer international and domestic agenda on sustainability.

- Conference Board Global Sustainability Center
- Natural Resource Defense Council China High Level Advisory Council (NRDC)
- Shan Shui Conservation Center

We also actively participate in industry initiatives to set benchmarks for our performances. For example, we use the Sustainable Apparel Coalition (SAC) Higg Index to communicate our performance across our global operations. When it comes to protecting our common home, no idea is too big, and no action is too small. Here are the results from 2018 that exemplifies our efforts to make a difference in the areas of water, energy, air, chemicals, and waste.

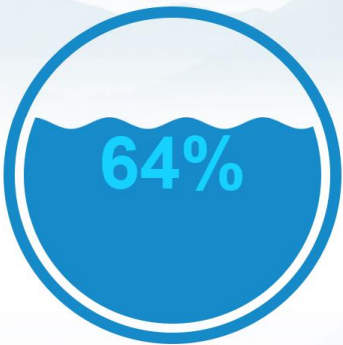
WATER

Water is no doubt one of the most pressing problems for our industry. As population and economies grow, global freshwater demand has been increasing rapidly. Water shortage already exists in many regions. Around 1 billion people in developing countries have inadequate access to clean water. In addition, water pollution diminishes water quality and creates health hazards.

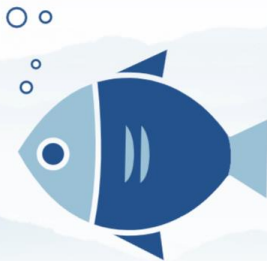
Our Gaoming site houses one of the largest self-owned wastewater treatment plants in China's textile industry. It serves our manufacturing operations including spinning, fabric, and garment productions. It meets both the Guangdong province standard DB 44/26-2001, and the national GB 4287-2012 standard. According to the department of ecology and environment of Guangdong province, which conducts audits to wastewater treatment plants across the province annually, our facilities received the highest standard accreditation in the most recent published result in 2017.

CONSUMPTION PER UNIT OF PRODUCTION

Since 2005, we have reduced water consumption per unit of production by



47 mg/L



DISCHARGE

Seeking harmony with nature, Esquel treats our wastewater before releasing it back into surrounding water bodies.

Note: this data is from our Gaoming operations, COD is treated to levels below the government allowable limit.

REUSED AND RECYCLED WATER

In 2011, we developed and installed a reverse-osmosis recycling system capable of processing 5,000 tons of wastewater per day into potable quality that we put back into production. For some processes, water can also be reused without treatment. Here is the total amount of reused and recycled water.

Note: this data is from our Gaoming operations.

2019
2018
2017
2016
2015
2014
2013
2012



Tons of water reused and recycled

ENERGY

Progressive applications of energy-efficient technologies and the upgrading of machinery and equipment have significantly reduced our global per unit energy consumption since 2010. The forthcoming challenges are about gaining additional energy efficiency after most major refurbishments, retrofitting and improvements are now in place. We are also aware that our bid for higher productivity with automated equipment could further drive up energy consumption.

Esquel is currently focusing on a broad range of initiatives to introduce additional production process improvements, renewable energies, and innovative technologies across our vertically-integrated supply chain to achieve further reduction of energy use in the course of production.

CONSUMPTION PER UNIT OF PRODUCTION

Since 2005, we have reduced energy consumption per unit of production by 48%.



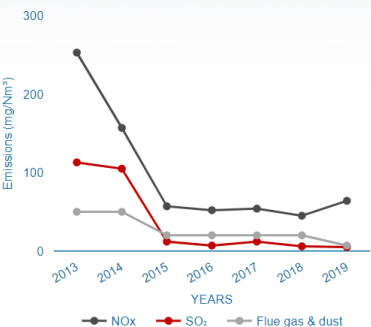
AIR

The energy management systems are the main control mechanisms for carbon and other greenhouse gas (GHG) emissions. The GHG Protocol and ISO 14064 are used to track and measure emissions from all our China operations and keep us abreast of global standards.

At our Gaoming site, we have invested in our own thermal power plant, which is carefully monitored and managed to minimize emissions. We use low-sulfur coal, desulfurize waste lye onsite, and electrostatic precipitation to reduce air pollutants. For ongoing energy needs, we are exploring ways to increase use of alternative energy technologies. A set of rooftop solar panel were installed in Gaoming in 2015.

GHG EMISSIONS

We continuously work to lower our GHG emissions in all areas of our operations.



NON-GHG EMISSIONS

We continuously work to lower our non-GHG emissions in all areas of our operations.

CHEMICALS

Our principle is to reduce, substitute, and eliminate chemical additives from the outset— not just to eliminate pollutants and toxins at the end of the production process. Our challenge is to keep pace with and mitigate the potential impact of new chemicals, and new formulas available.

We prioritize safety in chemical handling, putting in place strict protocols in labeling, use, transport and storage. Esquelers who handle chemicals are required to go through specialist training, wear protective clothing, and have annual health checkups.

We work with suppliers on possible optimization of chemical use, and reduction in chemicals, energy, and water is always our goal in the production process. Working with different partners, we have received various certifications, and we also use the Bluesign Bluefinder database.

ZDHC/ MRSL

Esquel complies with ZDHC MRSL. Sharing ZDHC's goal to eliminate priority hazardous chemicals, we have a robust chemical management system, and have been following ZDHC MRSL and Wastewater Guidelines. We stipulate our own MRSL for chemical suppliers to follow, and only compliant chemicals are allowed to be introduced into our facilities. We also monitor our wastewater parameters according to ZDHC Wastewater Guidelines.



AWARDS



ORGANIZATION
Federation of Hong Kong Industries, and
Hang Seng Bank

AWARD
Hang Seng Pan Pearl River Delta
Environmental Awards – Gold Award



ORGANIZATION
Federation of Hong Kong Industries, and
Hang Seng Bank

AWARD
Hang Seng Pan Pearl River Delta
Environmental Awards – Silver Award

CERTIFICATIONS

- Global Organic Textile Standard 5.0
- ISO14001
- ISO50001
- Leadership in Energy & Environmental Design
- Oeko-Tex Standard 100
- Oeko-Tex Sustainable Textile and Leather Production



PRODUCT

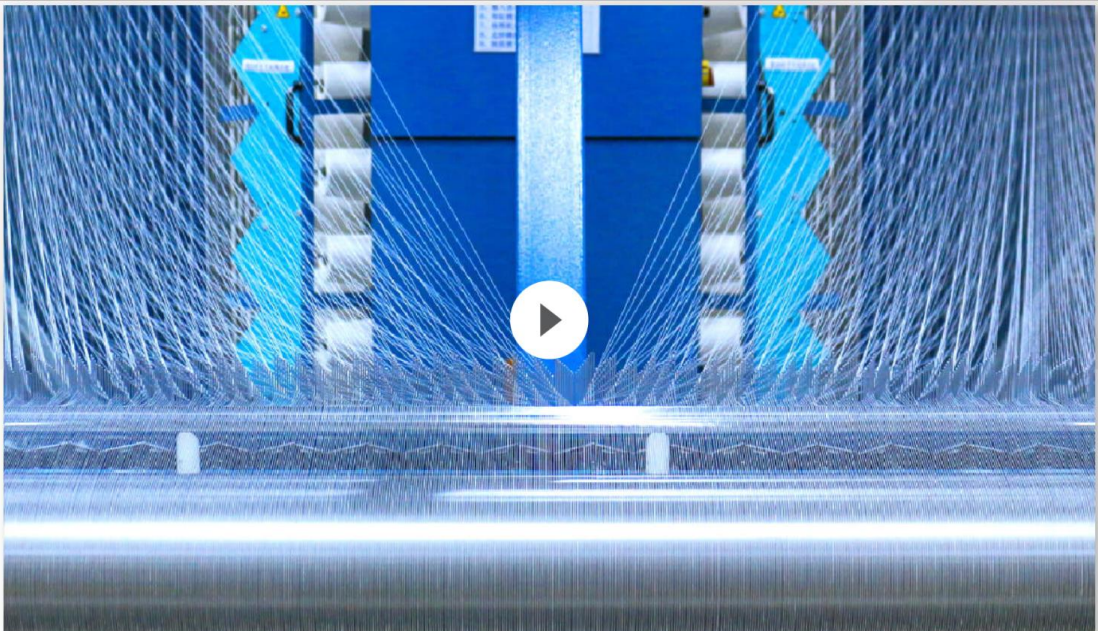
IN PURSUIT OF EXCELLENCE



To achieve and progress towards climate resilience, we consistently strive for higher standards in our production methods. Leveraging Esquel's vertically-integrated supply chain, we innovate from seed to shirt to retain utility and value of resources. We invest in process improvement to enhance resource efficiency, and introduce new products that reduce waste and pollution. Made with integrity, we consistently deliver quality and durable products to satisfy our stakeholders' needs.

VOICES OF CHANGE

Our employees are the everyday heroes that make a difference by continuously finding ways to make quality shirts more efficiently, more safely, and less wastefully. This video is the story of how one of our garment workers, "Sister Yan", found opportunities to drive changes wherever she was placed over the years.



ASPIRATIONS IN ACTION



WHAT MIGHT THE ULTIMATELY SUSTAINABLE SHIRT LOOK LIKE?

Style, quality and responsible production go hand in hand in the clothing industry. Manufacturing requires a series of judgments on what to make and how to make it. It is every brand and manufacturer's duty to make responsible decisions, to explore ways to make meaningful advancements in production and reduce their impact on the environment.

We ask ourselves, "What might the ultimately sustainable shirt look like?" and try to answer that through our concept line, ECOLOGICAL, by our retail brand PYE. Starting from the beginning of our supply chain, we reengineer the entire shirt-production process to be more environmentally friendly.

[READ MORE](#)



A SOLID FOUNDATION

We earn our reputation as a trusted business partner by focusing on providing high quality products and services to all of our clients. Our vertically-integrated supply chain is what offers a unique advantage that distinguishes us as a global industry leader. Control of core processes—from cottonseed research to product retailing – enables us to understand supply chain risks and opportunities.

In collaboration with our partners, we begin with choosing the best raw materials and ensuring all the resources and equipment are ethically sourced. At the same time, we invest heavily in continuous process improvement. With critical end-to-end thinking, we can minimize wastage and lower our consumption of water, energy and chemicals. Our business is constantly being redesigned to improve technologies and capabilities, so that we can continue to create yarns, fabrics, accessories, and garments of the highest quality. Here are the results from 2018 that exemplify our efforts to create excellent products.

MATERIALS

Quality raw materials are the first step in determining what products can be made, how they are made, their performance while in use, and what happens to them once they are no longer in use. Whether it is the cotton needed to create our premium cotton shirts, or other materials required in our accessories and packaging products, we take pride in maintaining a steady supply of quality, ethically-sourced materials that are right for our use. Working with partners, we continuously explore ecological materials.

RAW MATERIALS (COTTON)

Having a reliable supply of Extra-Long-Staple (ELS) cotton is a core competency of Esquel. Our two ginning mills have an annual supply capacity of over 10,000 tons, which meets over 60% of our demand for this premium grade of cotton. To address risks from seasonal supply and demand, market fluctuations, and regulatory conditions, Esquel has developed long-term relationships with pima cotton growers and suppliers in the United States and in other countries.



PACKAGING MATERIALS

Our product line extends to accessories and packaging materials designed to keep pace with market and consumer trends. Our recycled yarns and fabrics find new life as garment tags; while organic cotton trims and woven fabric waste are similarly upcycled into labels and bags. We are also exploring the use of recycled and biodegradable plastics.

CONTINUOUS IMPROVEMENT

Today's textile and garment production is about managing the disruption from digital and technological transformation. The challenge is to redesign for efficiency and productivity, while responsibly managing resources and assets. Esquel pairs a multiskilled workforce with upgraded semi-automated or automated equipment in a people-plus-technology approach that significantly improves productivity and product quality.

We devote substantial efforts to research and development. In addition to fabric performance, we focus on opportunities in automation to increase efficiency, and decrease error and wastage throughout the manufacturing process.

We maintain close relations with our stakeholders – from clients and governments to research institutions and NGOs. This close engagement catalyzes creation of new working processes and fuels redesign within the supply chain for better social and environmental performance. Guided by our quality growth strategy, we optimize asset utilization and long-term capacity planning with customers to ensure timely delivery and better cost management.

Stay tuned for our stories on circular economy, new products, and tech systems.

INNOVATION & TECHNOLOGY

The adoption of automation empowers Esquelers to pursue knowledge-based work, and relieves them from labor-intensive and physically straining work, while improving the production quality and efficiency to increase income and lower our environmental impact.



PATENTS

Our pursuit of excellence drives us to constantly innovate. As of 2018, we hold 1,271 patents

ETHICAL SOURCING

Esquel is a driver for sustainable supply chain management. Across all our business units, we only work with selected responsible and ethical partners that share our values. Whether it's raw materials, chemicals, garment sub-parts, or our machines, we take a comprehensive approach to work with and evaluate each supplier, with criteria including quality, on-time delivery, price, service, environmental responsibility, health & safety, and financial strength. We believe in developing supply chains that deliver business value and are inclusive, resilient, and transparent, creating long-term benefit for all involved stakeholders.

AWARDS



ORGANIZATION
China Sewing Machinery Association

AWARD
Grand Prize, Silver Prize and Bronze Prize
of the Sewing Machinery Excellence
Category

ORGANIZATION
Foshan Intellectual Property Association

AWARD
Foshan Patent Tycoon – Since 2014



ORGANIZATION
Bestseller

AWARD
Leading Manufacturer on Quality
Performance Award



ORGANIZATION
Semir

AWARD
Excellent Quality Award



ORGANIZATION
Lacoste

AWARD
Best Quality Performance Award



ORGANIZATION
Kohl's

AWARD
Best Quality Award



ORGANIZATION
Guangdong Intellectual Property Office

AWARD
Provincial Intellectual Property
Demonstration Enterprise

CERTIFICATIONS

- COTTON USA™ Licensee
- Forest Stewardship Council® Chain of Custody
- Global Organic Textile Standard
- Global Recycled Standard
- ISO9001
- OEKO-TEX® Standard 100
- OEKO-TEX® Sustainable Textile Production
- Organic Content Standard
- SUPIMA® Licensee



COMMUNITY

PARTNERSHIPS FOR INCLUSIVE GROWTH



When a community thrives, we thrive. Esquel believes we are only as strong as the communities around us. We work to enhance the quality of life in communities where we operate. Recognizing that we cannot work in isolation, we actively seek opportunities to further our positive impact. In collaboration with clients, governments, suppliers and partners, NGOs and academics, we constantly seek new ways to foster sustainable societies by promoting inclusive growth and developing resilient communities.



VOICES OF CHANGE

To create lasting impact on our communities, we must build a strong foundation for children at a young age. China is home to 70 million left-behind children whose parents work in faraway cities, leaving them in the care of their elderly grandparents. These children are often poorly educated and face developmental issues such as low self-esteem and difficulties in interpersonal relationships. This video shows the Esquel-Y.L. Foundation's partnership with university students to build up Guilin's left-behind children.



ASPIRATIONS IN ACTION



THE FOUNDATION OF SUCCESS

Education is the catalyst to pull families and communities out of the cycle of poverty. Quality and relevant education boost employment opportunities and income, while helping protect communities from socio-economic vulnerabilities. To empower and enrich communities in which we operate, the Esquel-Y.L. Yang Education Foundation was founded with the mission to Encourage the Spirit of Learning by providing underserved children with access to quality education. We believe that access to knowledge gives children power to manage their health and wellbeing, and to become responsible and productive citizens.

[READ MORE](#)

A SOLID FOUNDATION

Esquel has long understood the intimate link between business and society, and has cultivated deep bonds with our communities. With partners that share the same value, we work to strengthen communities through tailored programs that address the needs of each locale we operate in.

The Esquel-Y.L. Yang Education Foundation works in collaboration with partner organizations to support the learning needs of students in the areas where we operate. We worked with stakeholders to invest in local community development projects such as infrastructure and financing. As the needs of communities change over time, we continue to strengthen shared value with our stakeholders through open dialogue at Integral Conversation – our flagship annual conference on sustainable development.

Here are the results that exemplify how we have impacted lives through our various programs as of 2018.

ESQUEL-Y.L. YANG EDUCATION FOUNDATION

Esquel-Y.L. Yang Education Foundation was established in 2003. Guided by its mission to "Encourage the Spirit of Learning", the Foundation has developed a range of programs to promote education for the underprivileged in China, Sri Lanka, and Vietnam. The Foundation hopes to help children gain better access to education, and provide them with tools that enrich and facilitate their learning.

VISION SCREENING

Good vision is key to achieving academic success as people learn through reading and writing. The Foundation organized its first vision screening in 2012. Since then, we have expanded our services to include eye glasses and surgery support.

Since 2012 – 10,482 pairs of eyes examined



EDUCATION

Hongzhi Students Program

For many students in rural China, a high school education could open many opportunities. The Foundation established the Hongzhi Students Program for promising students who are at risk of dropping out of school due to financial difficulties.

Since 2011 – 1,384 students sponsored

SUMMER LEARNING CAMP

Summer vacations are valuable opportunities to learn and gain exposure outside of the school environment. Using a students-teaching-students model, our Summer Learning Camp promotes lifelong learning and cultural exchange.

Since 2007 – 6,350 students taught, supported by 538 university students



ESQUEL-CHINA LIGHT & POWER GREEN STUDIO

Children develop habits from a young age. Reaching schools to increase students' environmental awareness and promote green behavior, the Esquel-China Light & Power Green Studio is a hybrid vehicle equipped with a 3D theatre, exhibitions, videos, games, quizzes, and other fun activities.

Since 2008 – 140,000 students engaged

HOTCHKISS SCHOOL

Partner of the Teachers-to-Teachers Training Program

Partnership since 2014

Sharing of pedagogy of learning of English with teachers in Gaoming and Guangxi



INVESTING IN COMMUNITIES

From the farming communities that grow our premium cotton, to the local workforce employed in our garment factories, Esquel's economic and social impact extends to the immediate communities in the form of small-business support services, employment, education and skills enhancement. These efforts support communities to grow sustainability, and in turn, provide a more stable environment for our operations to run smoothly.

INTEGRAL CONVERSATION

Integral Conversation provides thought leaders and experts from diverse fields an independent platform to exchange insights and perspectives on sustainable development models. Established in 2014 by Esquel Group as an annual flagship event, Integral Conversation is a conference to exchange views on how we can achieve sustainable economic development in harmony with the environment and society.

Esquel initiated this conference as part of a pioneering textile and apparel investment project in Guilin — a 50 hectares industrial eco-tourism park that integrates modern technologies, quality employment, innovations, arts and culture, and environmental sustainability. Therefore, conference discussion topics spans across culture, education, innovation, urban planning and architecture, healthcare, digital transformation, and how they are related to the overall concept of sustainability.

Integral Conversation integrates dialogues, cultural experiences and eco-tourism activities in the scenic city of Guilin. For more information about this event, please visit [our website](#). Here is a [conference recap video](#) from 2018.