

# ACHIEVING SUSTAINABILITY MEANS CHANGE NOW

## SUSTAINABILITY AT ESQUEL

“

*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.*

*We become a true agent of change, providing quality employment, improving the livelihood of the communities in which we operate and achieving sustainable organizational development and minimizing the impact on the environment.*

”

**Marjorie Yang**  
Chairman

OVERVIEW STRUCTURE AND GOVERNANCE FOUR PILLARS SPOTLIGHT STORIES

### This has been the core value of Esquel's strategy from the start

The intersection between quality growth and sustainability has kept this vision at the forefront of our operations since Esquel's inception in 1978. With our survivorship dependent on a stable environment and the thriving societies of coming generations, achieving sustainability is imperative to us - and it should be to every business aiming for a long-term future.

Making a Difference is about redefining our interactions with the world. We work towards that vision, mindful of the impact of the everyday choices we make. From environment-conscious initiatives in the workplace to the global partnerships we form, we keep in mind how our efforts would align with the visions.

Passed down the generations through our eCulture, its implementation has evolved to reflect the changing sciences and times. And now as international priorities shift in the same direction, we are aligning with the larger UNSDGs framework to build a more sustainable world.

 2021 Esquel's UNSDGs Progress

## OUR TWO MAJOR GOALS

### TACKLING CLIMATE CHANGE

In November 2021, Esquel announced the commitment to achieve Net Zero by 2050.

As a responsible manufacturer and service provider, we recognize the need to regulate our reliance on natural resources. Nations around the world have risen to address climate change through international agreements, from the Kyoto Protocol to the Paris Agreement, which have been vital to emphasizing the enormity of the issue and the importance of working together to affect a real change. Enterprises have a major role to play in realizing such ambitious goals; we play our part by working in collaboration with partners to set greener industry-wide standards, and continually innovate more eco-friendly production processes to minimize our environmental impact. As a world-class total solution provider in textile and apparel, we are committed to achieving Net Zero GHG emissions by 2050. Click + to read more about our Net Zero Roadmap.



## Our Net Zero Pledge

Esquel Group will achieve **Net Zero GHG emissions** by 2050, starting with halving emissions by 2035.



Tackling climate change is one of our two main goals under our vision of Making a Difference. By publishing our pledge and roadmap to achieve greenhouse gas (GHG) neutrality by 2050, we are solidifying our full commitment to drive down emissions within our operations and beyond. Through our voluntary communication of our plans and progress to come, we hope to foster keen exchanges with partners who are working towards similar goals.

Esquel's Net Zero pledge and roadmap represent commitment by the Group's top leaders, and is overseen by our Sustainability Council, which is chaired by one of our non-executive board directors. It was first announced by Mr. Edgar Tung, our Chief Executive Officer, at Integral Conversation in November, 2021.



## NARROWING THE WEALTH GAP

Everything matters – from competitive compensation to wellness and empowerment.

Over 80% of our 35,000-strong workforce consists of frontline operators at our manufacturing sites. Such roles in the textiles and apparel industry are commonly seen to perpetuate a vicious cycle of poverty, by keeping low-skilled workers in low-paid jobs with no way to grow. Esquel works to change this reputation and make real changes to the local communities we operate in by providing equal job opportunities, decent wages and a platform for employees to gain further qualifications and skills for upward mobility. We create safe and inspirational workspaces that have a level playing field for all, as we continue to innovate employee welfare, development and training. Our host of philanthropic efforts aim to benefit local communities from the ground level up, across all regions we have sites in.



## LAYING THE FOUNDATION

Without the right structure and governance to bring it to life, a vision is just a wish.

At Esquel, our capacity to build change rests on these foundational features: our Sustainability Council, a vertically integrated setup, and staying private. These elements give us the structure and control to prioritize and implement our vision.



## FOUR PILLARS OF CHANGE

Preserving Planet. Empowering People. Refining Product. Transforming Communities.

To put our vision into actions, we structure the management of our efforts into the following Four Pillars of Change. Each Pillar represents a way of how our operations are interdependence with sustainability, and must all be addressed as a holistic pursuit when we conduct our business.

At Esquel, we prioritize innovation that reduces environmental impact while enhancing product quality, and investment in the growth and well-being of our staff and surrounding communities. This is as exemplified by *Integral*. This is how we Make a Difference.

Click on each icon to view our actions taken on four pillars.



## SPOTLIGHT STORIES

Our sustainability efforts under all four pillars have been awarded and recognized internationally, including but not limited to representative awards, certifications, case studies and interview invitations. Through extensively sharing our sustainability experiences and thoughts with the public, we bring more stakeholders together and build a broader sustainability community.

For the full list of Esquel's awards and certifications, click [here](#).

### Award, Signatory, and Certification

Mar 2021: Esquel is recognized as "Mental Health Friendly Supreme Organization"

Jan 2021: Esquel reinforces our commitment to uplift women by signing the Women's Empowerment Principles

Nov 2020: Esquel received prestigious awards at HKMA Awards for Excellence in Training and Development 2016

### Case Study

May 2021: Shared Value Initiative Hong Kong spotlighted Esquel's CSV Strategy

Jan 2021: Esquel's sustainable DET mask story was featured in a study by Asia Business Council and HKUST on innovation

Mar 2019: Esquel's UNSDGs achievements were featured by Reuters

### Speech and Sharing

Jun 2021: Our Chairperson Margorie Yang shared Esquel's Journey in sustainability in the UN Global Compact Leaders Summit 2021

Mar 2021: Our CEO Edgar Tung spoke online at Global Summit 2021 on Esquel's vision to carbon neutral

Sep 2020: Our Chairman & CEO Marjorie Yang and Managing Director Dee Poon discussed "Purpose, Values, and Philanthropy" at the Fireside Chat of HSBC Mind Matters Award Ceremony

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