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**integral
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guilin, china

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Innovation is the key to successful sustainability

just-style

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- Environmental and human health themes were tackled at Esquel Group's Integral Conversation conference earlier this month.
- The 'Esquel Carpool' mobile app has helped reduce more than 40 tonnes of carbon emissions that workers would otherwise have produced travelling to, from and during work.
- Among its innovations, Far Eastern Group has launched a groundbreaking T-shirt made with biopolyester fabrics, and sports shoes and sportswear made with materials recycled from ocean waste.
- And Chinese sportswear specialist Li Ning sees sustainability as a core part of the brand's value.

Innovations in boosting sustainability in the textile and clothing sector and beyond were highlighted at this year's annual Integral Conversation conference, hosted again by Hong Kong shirt specialist Esquel Group in Guilin in southern China.

Staged under the theme 'Reimagining Health: Fostering the Health of the Planet and People,' discussions focused on environmental and human health themes of critical importance to clothing manufacturers, with hundreds of globally prominent business leaders, influential scholars and policymakers present.

Marjorie Yang, chairman of the Esquel Group, which has also developed upstream expertise with a vertical supply chain that goes all the way back to cotton farming, gave as an example the 'Esquel Carpool' mobile app developed by the company, saying it had helped reduce more than 40 tonnes of carbon emissions that workers would otherwise have produced travelling to, from and during work.

Company data indicates that it reduced 10.9 tonnes of CO2 emissions in the second half of 2016 alone. "The challenges arising from climate change and wealth gaps could be addressed together, which has long been the goal of Esquel. The health of humans and the planet must move forward side by side," Yang told the conference.

Recycling innovation

Another initiative highlighted at the event was recycling innovation from the Taiwan-based Far Eastern Group, which has developed industrial systems challenging recycled energy and waste through all of its business units, including textile, cement, retail and banks.

For the textile side of its business, using recyclable materials should always be a priority, the Taipei-based conglomerate's CEO Douglas Tong Hsu told the conference.



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"Today, many major brands are using recyclable materials, or so-called green materials. In fact, I think all apparel materials can be recyclable," Hsu said.

Far Eastern has credibility on this point. The company launched a groundbreaking T-shirt made with biopolyester fabrics in 2016. It used Virent BioFormPX paraxylene, a plant-based raw material for the production of polyester developed by the American chemical company Virent, which aims to replace the traditional crude oil derived base.

"Crude oil-based materials like plastics present serious threats to our environment. It is no doubt that bio is the future," Hsu said.

A major supplier of Germany's Adidas, Far Eastern's textile unit Far Eastern New Century (FENC) has invested heavily in new fibre development. In October, at the Taipei Innovative Textile Application Show, it launched sports shoes and sportswear made with materials recycled from ocean waste. The project was co-developed with Adidas and is already in mass production.

Around 25% of FENC's revenue is generated from products made with recycled materials, according to the company, and it aims to continue to raise the percentage.

"Today, we [the whole group] are using recycled materials to make various products including shoes, clothes, boxes and bottles, and I believe the list will continue to grow in the future," Hsu said.

Sustainable consumption

Multinational sportswear brands such as Adidas all have initiated their own recycling or waste reduction programmes. Nike and Under Armour, for example, started to source T-shirts with fabrics from recyclable bottles back in 2010.

Such initiatives have also influenced Chinese sportswear brands such as Li Ning, which sells products primarily in China, in stores and online, and is also expanding overseas with local partners in the US and Europe, where consumers see sustainability part of a brand's value.

"As a brand which interacts with consumers directly, we are interested in bringing the idea of nature conservation to end-users on a daily basis," said Li Ning CEO Li Ning, a Chinese athlete-turned-entrepreneur (he is a former gymnast).

That is why the company uses sustainable fabric suppliers including FENC and Esquel to minimise hazardous discharges during its manufacturing process, taking account of the entire supply chain.

In fact, not only fabrics, but all raw materials have to be eco-friendly, Li added, speaking to just-style at the sidelines of the Integral Conversation event.



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For example, a type of glue used in shoe-making contains toxic chemicals that could be health-threatening to workers. "So, we talked to our suppliers and eventually they came up with a new formula to address the issue," Li said.

Chinese consumers

He also sees it as the right time for sportswear brands to promote their value in China as the country's young generation increasingly favour fitness wear.

"Thanks to years of media education, well-being is taken seriously by a lot of Chinese, especially the young generation. They like to run, hit the gym and do other sports," Li said, adding these people are the exact target for his company.

According to the Chinese Academy of Social Sciences, gym workouts are the most popular exercise for Chinese who like to be active, followed by badminton and football.

Separate research undertaken by the Beijing-based research firm TalkingData focusing on young consumers in Beijing and Shanghai, also indicated that single people with higher incomes are frequent gym-goers, and they also rely heavily on sports apps to check performance, socialise with other users and buy sports-related products.

This is why Li Ning is working with a popular sports app 'Ning Meng Pao Bu,' meaning 'lemon run' in English, to frequently interact with its target consumers and ultimately, promote its products.

Also, Li said he noticed more Chinese office workers opt for comfortable sportswear and shoes for work. "People seem don't like to wear formal attire in offices. They like feel comfortable and casual," he said, adding this trend will probably change the way of design.

"We probably will have to think of new designs that are comfortable to wear but also have a sophisticated and proper look for formal occasions," he said.

When asked if Chinese consumers actually care about sustainability and, more importantly, are willing to pay more for sustainable products to finance the development of sustainable raw materials, Li gave a positive answer: "Function is always the priority for consumers looking to buy sportswear. And our business showed if this priority is met and the product could benefit the public, consumers are willing to pay even if the price is a little higher."

However, he stressed that the right pricing is important to encourage such behaviour: "We don't want to scare away our customers by charging too much. We are able to keep investing in sustainability only if we get support from customers."



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Eco-friendly campaigns

In China, ethical consumption is still in its early stage. But in Japan it is promoted by the Japanese government, which has proactively encouraged such consumption with eco-friendly campaigns such as 'Cool-biz' in summer and 'Warm-biz' in winter, encouraging cooling informal workwear policies in summer and warmer clothing in the winter to reduce air conditioning and heating usage.

"Japanese customers, like customers everywhere else, usually prefer cheap prices," said Yusuke Saraya, president of Saraya Co, an Osaka-based company making hygiene products.

"However, we do see more and more of them also want to know the whole manufacturing process, like how the products are made, and if they are recyclable," he told the Integral Conversation.

Also speaking to just-style at the event was Esquel Group vice chairman and CEO John Cheh, who explained how the shirt maker is testing a new territory as it broadens its sustainable horizons.

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