

Towards ESG credentialing with Ghim Li Group & TEO Garments

Part 1 of 2



INDUSTRY INSIGHTS

Local firms on their ESG journey

Ghim Li Group and TEO Garments

As the global fashion industry goes through a sustainability makeover, Singapore Fashion Council (SFC) is featuring different local firms that are moving towards environmental, social and governance (ESG) credentials. In this first of a two-part series, we interview the Ghim Li Group and TEO Garments on their journey to date.

The fashion industry needs a new look. Globally, it is responsible for about 7 per cent of greenhouse gas emissions, consumes 1.5 trillion litres of water per year and accounts for 23 per cent of all chemical use.

In Singapore alone, the sector would need to halve its emissions by 2030 to align with the Paris Agreement's goal of keeping global warming to 1.5 degrees Celsius, according to the SFC's [inaugural sector report](#) released in 2022.

Local firms are heeding the call to action. These include [Ghim Li Group](#), which supplies casual knitwear apparel worldwide and is a one-stop provider of manufacturing, sourcing, design, market intelligence and logistic services, and [TEO Garments](#), which sells cut and sew apparel internationally and offers fully supply chain services, from fabric knitting, dyeing and finishing to garment production, including embroidery, and printing.

In the interviews below, they shared with SFC why they prioritise ESG credentials, and their ESG journey so far.

Why is sustainability important to your company?

Ms Tan Ze Shin (ZS), Corporate Environmental Manager, Ghim Li Group: We started our journey in 2016 when one of our buyers chose us as a pilot vendor for its sustainability project. We didn't have any internal expertise at the time, so we hired a sustainability vice-president to help us. We have since embraced sustainable goals and green practices, partly because we see more consumers demanding sustainable products, and partly because we want to have a positive impact on the environment we live in.

Ms Tan Song Qing (SQ), Compliance and Sustainability Executive, TEO Garments: Our drive towards sustainability is rooted in our belief that we need to be a responsible business, and drive positive impact in the environment or community that we operate in. At the same time, we felt that our products need to address consumers' growing desire for responsibly-sourced and eco-friendly products. We thus made the effort to build our knowledge and capabilities in sustainability, ultimately adopting sustainability as our core mission.

Can you tell me more about your sustainability journey to date?

ZS: We have proactively engaged on a range of issues, from sustainability sourcing and supply chain management to sustainable mill and garment operations, product responsibility, energy saving management and social labour compliance. We have over 30 members in our Green Tam now as part of our sustainable initiatives.



Left to Right: Various ESG journeys ranging from sustainable mill and garment operations, beach clean ups and nursing home visits. Images by Ghim Li Group.

Our ESG practices go beyond manufacturing. We use virtual 3D samples for photo, production and fit samples to cut waste from samples and save the time needed to send physical samples back and forth for approvals. We use virtual showrooms to eliminate carbon emissions from travel and deliveries, and to speed up development. So far, we have averted 26,206.2 metric tonnes of carbon emissions.

SQ: We're still at an early stage of our journey, but we are making sure that we continue to move in the right direction. To achieve our sustainability mission, we first need to know where we stand, start to measure where we are, and keep tracking our improvements in our supply chain's carbon footprint.

Besides embarking on various sustainability-related programmes, we are placing emphasis on digitising our supply chain map for full visibility. This will boost our ability to track our supply chain and offer clients greater transparency and traceability of our products. Concurrently, we are constructing our sustainability framework to establish clear short-term and long-term goals, as well as a strategic roadmap to effectively work towards achieving them.



Left to Right: Tools used by Teo Garments' designers to facilitate in 3D designing. Teo Garments' designers discussing on the 3D designs. Images by Teo Garments.

What are some ESG credentials that your company has achieved, or is working towards? Why are these important?

ZS: We are part of the Better Cotton Initiative and partners of the Cotton Leads Initiative, and our mills are certified as meeting globally-recognised sustainability standards. These include the Global Organic Textiles Standard (GOTS), Global Recycle Standard, and Sustainable Textile and Leather Production standard by Oeko-Tex. Furthermore, we are on Transparency One, an internationally-recognised platform that links retailers, suppliers and manufacturers to map and track products from raw materials to finished goods.

With these initiatives and certifications, we can ensure that we are managing our resources and maximising our positive social impact.



Left to Right: Fabric carpet weaving with unwanted fabric strips by local crafter. Energy-efficient dyeing machine at fabric mills in China. Image by Ghim Li Group & Teo Garments.

SQ: We are participating in the national LowCarbonSG programme helmed by Carbon Pricing Leadership Coalition Singapore, to track and manage our Singapore operations' emissions and support our decision-making in taking initiatives to reduce those emissions. We also have all of our manufacturing facilities signed up on the Higg Index as a standardised measurement of value chain sustainability. Additionally, we are preparing for the GOTS audit which will help us look into strengthening all of our ESG pillars.

These certifications help us evaluate and improve our firm's practices related to sustainability, workers' rights, health and safety, and corporate governance.

What are your sustainability plans moving forward?

ZS: As fossil fuels are rapidly depleting at an alarming rate, we are now turning our attention to energy generated from renewable sources, specifically solar power. We plan to install solar panels in our mill, which is our factory too. We are also considering botanical and organic dyes infused with ULTRABactech, a natural antimicrobial agent extracted directly from botanical sources, which will lessen our use of chemicals and thus our impact on the environment.



Wastewater treatment plant to further implement energy-saving plans. Image by Ghim Li Group.

SQ: Our focus is to look at solutions or tools that can help us collect, measure and monitor data or metrics on sustainability, and strengthen its governance aspect. With data collection and analysis, we aim to identify our emissions' key sources and develop effective strategies to reduce them. By enhancing our governance practices, we can raise our company's overall sustainability performance and ensure that we operate in a responsible and ethical manner.

What advice would you give to other companies in the fashion and beauty industry that want to be more sustainable?

ZS: Sustainability is a complicated subject and there are many ways of being sustainable. Small actions like using virtual samples to reduce waste can be a good start. Changing your sourcing or vendor matrix to work only with companies that have sustainable initiatives will encourage more businesses to embrace sustainability.

SQ: Starting with small and manageable steps is often a good approach. Responsible material selection, being less wasteful, applying common sense to do things efficiently and consuming less energy are steps in the right direction. As one gets more sophisticated, investing in ways to measure the firm's carbon emissions and waste output can produce baseline data that can be used to set achievable goals and develop strategies to accomplish them.

Why is it important for your industry to become more sustainable?

ZS: We must protect our environment for future generations. Climate change is a much larger problem now than it was 20 years ago. We are the last generation that can make an impact to stop climate change.

SQ: Unfortunately, the apparel manufacturing sector is still very pollutive. It is also resource- and labour-intensive. There are many opportunities to reduce waste, recycle and upcycle. The sector can also look into further embedding circularity and by that, become more sustainable in social aspects, such as improving workers' treatment and welfare. However, it's not just us. Every industry should do its part, so that collectively we can make a significant impact in sustainability.

In the next part of the series, SFC will interview local apparel and skincare brands on their ESG initiatives and why sustainability is their key priority.