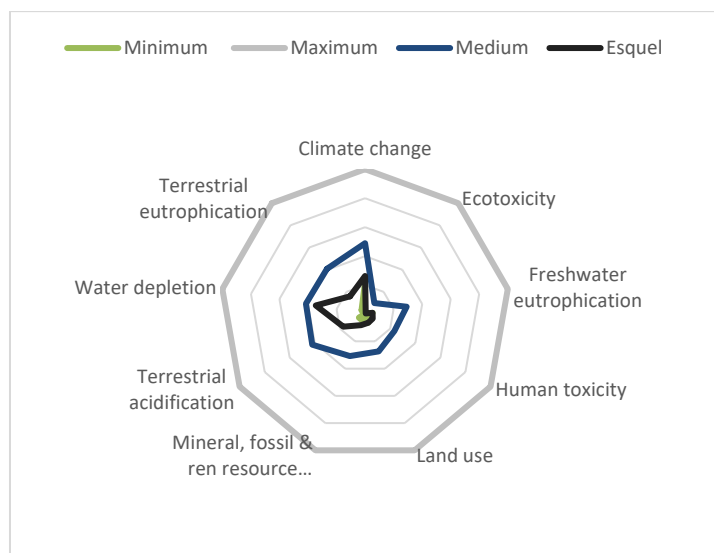


Esquel Sustainable Cotton

The microfinance program in Xinjiang, China was established in 2007 by Esquel and Standard Chartered Bank. The program focuses on low-income farmers who encounter difficulty with their loan applications. The program requires no mortgage or security and relies on the local credit cooperatives to distribute funding, once Esquel has screened an applicant's request.

This program enables the farmer to purchase the required seed and planting materials early in the season. Together with the lending facilities, Esquel promotes training programs for financing and income management, as well as for sustainable farming practices that save water, reduce pesticides and fertilizers whilst improving crop yield and cotton quality. Some 1,500 households have benefited from the project.

The environmental footprint resulting from the Life Cycle Assessment work of the cotton from Xinjiang as used by Esquel, has also a far better performance than most other available cotton as outlined in the graph below. The maximum impact of cotton is plotted as 100%. The medium cotton impact shows improvements in comparison to the maximum values of 50% to 80%, whereas the Xinjiang cotton shows improvement form over 60% to over 90%.



The minimum, medium and maximum data result from the research work of the WALDB initiative.