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भारत सरकार / Government of India
वस्त्र मंत्रालय / Ministry of Textiles

उद्योग भवन, नई दिल्ली / Udyog Bhawan, New Delhi
दिनांक / Date: 20th जून, 2024


कार्यालय ज्ञापन / OFFICE MEMORANDUM

Subject: Record of discussion of 3rd ESG Task Force Meeting cum Stakeholder Consultation held on 22.05.2024 at Vanijya Bhawan, New Delhi - reg.

The undersigned is directed to circulate herewith the record note of discussion of the 3rd ESG Task Force Meeting cum stakeholder consultation which was held on 22.05.2024 at Vanijya Bhawan, New Delhi under the Chairpersonship of Secretary (Textiles).

2. This issues with the approval of the Competent Authority.

संलग्न : उपरोक्तानुसार


(इंदिरा प्रियदर्शिनी चल्ला)
अवर सचिव, भारत सरकार

To,

1. PS to Secretary (T)
2. Sr. PPS to AS/PPS to JS (PLV)/PA to DS (G)
3. All participants

Record Note of Discussions during the Third ESG Task Force meeting cum Stakeholder Consultation held under the Chairpersonship of Secretary (Textiles) on 22.05.2024 at Vanijya Bhawan, New Delhi

The third ESG Task Force meeting cum Stakeholder Consultation was held under the chair-personship of Secretary (Textiles) on 22.05.2024 at Vanijya Bhawan, New Delhi. Govt. Members of ESG task force as well as stakeholders representing sustainability landscape participated in the consultation. List of Participants is placed at **Annexure-I**.

2. At the outset, Ms. Prajakta Verma, Joint Secretary, MoT welcomed participants and set the context for the consultation. She informed the participants that the first session will assess existing / requisite policy frameworks through presentations and second session will consist of discussions with stakeholders so that industry view may be understood for proposed schematic interventions.

3. Joint Secretary, MoT also highlighted the challenge of sustainability and its intrinsic significance to our daily existence. Noting the substantial environmental and social effect of the industry, she highlighted Indian Textile Industry's initial steps toward embracing sustainable and circular practices. Emphasizing the need for the industry to move towards a climate-resilient, resource efficient framework, Ms. Verma stressed upon the need for widespread adoption of sustainable practices, particularly among MSMEs. Furthermore, she underscored the important role of multi-stakeholder collaboration in the promotion of sustainability agenda.

4. Subsequently, the floor was opened for presentations by stakeholders, which were followed by discussions and deliberations. Copies of the presentations are placed at **Annexure – II**. A synopsis of the sessions is as follows:

5. Session 1: Policy Assessment

5.1 The session focused on sustainability landscape in India, including existing domestic and global policy frameworks on textile sustainability.

5.2 The need for a policy on sustainability and proposed policy measures were also discussed. Floor was opened for discussion after following presentations:

- a. Sustainability Landscape and Policy perspectives for Indian Textile Industry, by M/s. *Gherzi*
- b. Sustainability and Circularity in the Textile Value Chain, by *United Nations Environment Programme*
- c. Policy Frameworks: Existing and Proposed, by *Confederation of Indian Industries*



5.3 The following suggestions were made by stakeholders after presentations:

- i. **Need for customised sustainability standards:** An Indian version of international sustainability frameworks (e.g. Higg Index) should be developed. It should feature metrics, indices, and certifications tailored to the Indian textile sector.
- ii. **Cluster-Approach:** The policy framework should take into account regional diversity. Cluster-based approach should be used for policy deployment.
- iii. **Focus on Biodiversity:** Nature, biodiversity, & land use should be included as an intervention area.
- iv. **Worker Wellbeing & Social Compliance:** Stakeholders noted that with growing global regulations on disclosures regarding worker welfare and other social compliances, emphasis should be on these areas.
- v. **Promotion of Recycled Materials:** The policy may focus on building the narrative for mainstreaming the use of recycled materials in readymade garment industry. Separate HSN codes should be assigned for recycled materials/ products to distinguish them. Brands/ MSMEs undertaking recycling and manufacturing of such products may be incentivised by measures such as Recycling Linked Incentive (RLI) or Sustainability Linked Incentive (SLI)
- vi. **Compendium of Sustainability Initiatives:** Stakeholders highlighted that while the Indian textile industry is gradually adopting sustainability, lack of comprehensive documentation is affecting the textile sector's positive advancements. Efforts should be made to create a repository of sustainability related information.
- vii. **Data Availability & Transparency:** It was highlighted that there is negligible availability of data of the domestic industry, and hence, there is a dependency on foreign data which may be outdated/ inaccurate. The policy should have necessary provisions for addressing these data gaps by development of a user-friendly mechanisms for data collection and documentation. This would also help the industry to access green finance and climate finance.
- viii. **Awareness & Capacity Building:** There is a need for awareness on sustainable production & consumption practices. Capacity building measures with focus on MSMEs and Consumers must be undertaken.

6. The discussions were followed by remarks from Sh. Rohit Kansal, Additional Secretary and Ms. Rachna Shah, Secretary, Textiles.



7. Shri Rohit Kansal in his remarks conveyed his thanks to all the stakeholders for attending the meeting. He emphasized that sustainability is a crucial trend that is here to stay, and the transformation towards sustainability is essential for maintaining a competitive edge in the global market. He proposed the importance of sharing success stories of textile sustainability, emphasizing the need to disseminate these stories not only among industry peers but also globally. Shri Kansal advised the stakeholders that going forward individual efforts should be scaled up to act as a force multiplier.

8. Secretary, Textiles emphasized on the importance of sustainability, viewing it as an opportunity for the Indian textile sector. She advised for formulating a sustainability framework with clear deliverables that is essential to transition textile value chains from linear to circular. Ms. Shah also highlighted that a cluster-based approach should be considered for its implementation. Emphasizing that Indian textile companies need to collaborate with their value chains, Smt. Shah highlighted that setting short-, medium-, and long-term sustainability targets for the textile sector and capacity building from decision-makers to shop floor workers is necessary and that the entire textile industry must work together to drive this movement forward. There is an urgent need for sustainability and circularity in value chains, she stressed, while advocating for a cross-sectoral approach and a clear roadmap involving collaborative efforts from various stakeholders.

Session 2: Discussions and deliberation for Schematic Interventions (SBM)

9. Smt. Prajakta Verma introduced the proposed components for Sustainable Bharat Mission for Textiles (SBM-T) to the stakeholders. She explained that these components emerged from earlier discussions and consultations with stakeholders and deliberations held in the ESG Task Force meetings.

The proposed mission components include:

- Incentivizing Resource Use Efficiency
- Setting Up of Recycling Hubs (pre- & post-consumer)
- Centre of Excellence for Sustainable Fashion/Textile Technology
- Knowledge Management e-Portal
- Innovation and Start-Up Excellence

10. Afterwards, following presentations on thematic areas and sub-components were made, subsequent to which the floor was opened for discussion:



- a. Water Use Efficiency in Textile Industry by *NITI Aayog*
- b. Textile Recycling Hubs, by *M/s. Gherzi*
- c. Innovation & Startup Excellence, by *Startup India*
- d. e-Portal & other initiatives, by *SU.RE Alliance*
- e. Sustainability in the Apparel Section, by *ATDC*

11. The discussions points that emerged are as follows:

- i. **Resource Efficiency:** Stakeholders supported the need for enhancing resource efficiency and emphasized that it would play a key role in promoting export competitiveness. They informed that specific interventions are needed to promote water, chemicals, energy and material efficiency. Interventions for use of other sources of water such as treated sewage water may also be considered. Such interventions may also be incentivised in existing schemes such as PLI & PM-MITRA.
- ii. **Textile Recycling:** The need for understanding the complexity of market and streamlining of post-consumer waste was highlighted. It was informed that due to the high cost of recycling technologies, there is a need for technology transfer and incentivising these technologies for large scale adoption. A need to create a special vertical for recycling was raised by the stakeholders, which will make India a global hub for recycled materials and products.
- iii. **Development of e-portal:** Stakeholders conveyed the need for a robust e-portal for sharing best practices, policy & scheme information, data sourcing etc. unanimously.
- iv. **Technology upgradation:** It was reiterated that there is an immediate need to upgrade obsolete technologies and adopt resource efficient technologies. In order to do so, it was suggested that subsidies and tax incentives may be considered.
- v. **Inter-Ministerial Convergence:** Emphasis was made on the need for convergence among schemes of various ministries to maximize benefits to the industry.
- vi. **Standards & Certifications:** It was informed that there is a huge cost implication for availing certifications for export which acts as a disincentive for MSMEs to undertake certifications. It was suggested the cost for obtaining certifications may be subsidised for the MSMEs to increase their export competitiveness.
- vii. **Exhibitions & Showcases:** It was suggested that incentivising participation in global exhibitions to showcase Indian technologies & products may also be considered.



12. The Action points emerged in the meeting are as under:

I. **Development of policy framework:** CII was requested to develop a draft policy framework by undertaking extensive stakeholder consultations and share with this Ministry for its consideration.

(Action by: CII)

II. **Cluster level consultation:** It was decided that the Ministry would undertake cluster level consultation of the draft policy framework to account for regional diversity.

(Action by: MoT)

III. **Compendium of sustainability initiatives:** Industry/ cluster associations were directed to share regional examples sustainability initiatives being undertaken by industries, both large & MSMEs, highlighting best practices.

(Action by: Industries, Associations & CII)

13. In his concluding remarks, Shri. Rohit Kansal, Additional Secretary, Ministry of Textiles, expressed gratitude to all participants for their valuable contributions to the discussion. He shared that the Ministry is spearheading efforts to engage all stakeholders to address the concerns of the entire value chain, including MSMEs and buyers. He emphasised by stating that the process of stakeholder consultations would continue and that there would be further discussions on the individual components to ensure that the initiative evolves into a comprehensive sustainability initiative with tangible impacts. He urged the various stakeholders to cooperate and coordinate in this effort, so that the Indian textile sector could not just embrace sustainability but also use it as a competitive edge in the global market place.

14. Smt. Prajakta Verma, Joint Secretary, MoT reiterated the imperative for an equitable transition to sustainability and highlighted that India possesses the potential to emerge as a global hub for sourcing sustainable and circular products. She further requested stakeholders to share their detailed feedbacks/ comments on the issues discussed during the consultation with the Ministry.

The meeting concluded with a vote of thanks to the chair.

