▶ Summary of Session 3

ESBN Roundtable: Strategies on Reducing and Utilizing CO2 for Cost Effective Business

April 20, 2021

▶ Summary

Welcome and opening

Dr. Cristina Martinez, Senior Specialist, Environment and Decent Work, ILO Decent Work Team, Bangkok

- The ILO is conducting research on improving environmental sustainability in the textiles and garment sector through the Decent Work in Garment Supply Chains Asia project. This work is financed by Sida.
- The project aims to:
    - Identify gaps and weaknesses in national environmental regulation on country-specific levels and develop corresponding good practices;
    - Develop relevant guidance and support to help manufacturers understand and apply environment and decent work principles;
    - Improve knowledge on eco-innovation and greener production in the garment industry;
    - Develop Just Transition guidance for the textile and garment sector.
- As part of this work, the project is developing a Just Transition toolkit for the sector. The report that will be presented by Dr Samantha Sharpe next is the first piece in this toolkit.

Report launch: Reducing the footprint? How to assess carbon emissions in the garment sector in Asia

Dr. Samantha Sharpe of the Institute of Sustainable Futures, University of Technology Sydney

- The textiles and garment sector accounts for approximately 7 per cent of global emissions.
- The “Reducing the footprint? How to assess carbon emissions in the garment sector in Asia” report, which is being launched today presents the two main methods of assessing Green House Gas (GHG) emissions across the sector and analyses how these methods have been applied.
- Emissions throughout the textile and garment sector are found in various points of the process.
- Energy demand is the major contributor to GHG emissions, and energy usage is highest in wet processing of production (dyeing, finishing) where steam used for heating and drying is used.
- The type of energy used in production matters: Coal and natural gas usage translate into higher intensity.
- Emissions reduction will require system-level changes in production and consumption of textiles and garments. How do we meet these targets? What systems and support do we need to put into place with production and consumption – particularly with employment?
- Climate action and climate change will impact jobs/ livelihoods, challenging ability to achieve sustainable development. There will be both positive and negative impacts, though the negative impacts will be largely concentrated in the Global South. These impacts will include negative impacts. Industrial change is rarely smooth. We need to consider how to identify and take care of businesses and communities and workers who carry the burden. Need to achieve social and environmental sustainability through a Just Transition.

Panel discussion with textiles sector

Mr Bradley Abbott, Project Lead, SWITCH Garment Asia, Global Green Growth Institute (GGGI) [Cambodia]

- Some of the barriers to energy efficiency include a need to strengthen the link between energy efficiency and strategic business and lack of investment.
- There needs to be more effort towards getting companies interested in energy efficiency. Often businesses in the garment and textiles sector have short business horizons and they are moving quickly to stay in business. However, energy efficiency can contribute towards increased profitability, quality control, and production reliability. These types of messages need to become more widespread.
- There also needs to be a better integration of social compliance and energy efficiency (including topics like heat stress, etc). Furthermore, it is critical to work across stakeholder groups and to work together to link strategic initiatives.

Ms Anya Sapphira, Stakeholder Engagement & Public Affair Manager, H&M Group Production [Indonesia]

- Sustainability and circular economy is a journey for all companies, including H&M.
- H&M is part of the UN Fashion Industry Charter for Climate Action and is working with partners to collaborate and drive action across the supply chain. In addition, by 2030, H&M will only use recycled or sustainably sourced materials.
- Energy efficiency is very important to H&M as well, and they are working with the UN Industrial Development Organization's Resource Efficient and Cleaner Production project to improve energy outputs across their supply chain.
- Customers also have a significant environmental footprint, therefore H&M is working with customers to help them become more aware of the impacts of their garment and to be informed and conscious of how they care for the product (i.e. washing) and how to recycle their products when they are done with them.

Ms Oanh Nguyen Ngoc Kim, Health Safety Environment & Sustainability Manager, SAITEX [Viet Nam]

- Viet Nam has rich natural resources that need to be protected, which is why Saitex is dedicated to an environmentally responsible approach.
- One way that Saitex has promoted its environmental agenda is through certifications, including Blue Sign.
- Blue Sign provides sustainable environments for people to work and live in – from the factory floor to the finished product.
- Saitex is also a certified b-corp, with score of 105. They believe in using business as a force for good and continue to monitor their environmental performance year over year.
- Saitex has include environmental considerations in their business for over 10 years.

Ms Liu Hui, Deputy Director of Research and Consulting Department of Social Responsibility Office of China National Textile and Apparel Council (CNTAC) [China]

- China is the world's largest producer and exporter of textiles and garments, and also has the largest consumer population in the world. The textile industry employs more than 20 million. Reducing carbon emissions of China's textile and garment industry will have an important practical role and far-reaching industry significance on global climate change.
- CNTAC has promoted the construction of environmental protection responsibility and the governance of green development mode in the whole product life cycle (PLC). The upstream and downstream enterprises of the industrial chain have different interests and demands for reducing carbon emissions.
- In 2005, CNTAC drafted CSC9000T (corporate sustainability compact 9000 for textile and apparel industry), including three responsibility criteria, namely human responsibility, environmental responsibility and market responsibility.
- It is necessary to cooperate with local government departments and research institutions to carry out Carbon management information disclosure and green industrial governance construction oriented sustainable development.
- Research and special training activities on common technologies have been carried out by CNTAC, which has enhanced the environmental responsibility awareness and enhanced their green development ability.

Mr. Asif Ibrahim, Director, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) [Bangladesh]

- Bangladesh has 135 LEED certified factories, and 9 of the world’s top 10 LEED factories in Bangladesh.
- Recognizing the importance of environmental sustainability and SDG 12, BGMEA produced a garment sector sustainability report in 2020. They are also part of the partnership for cleaner textiles.
- Green improvements are needed in washing, dying and finishing activities.
- National technical guideline on green practices has been established in Bangladesh.

Questions & Answers:

- **Mr Asif:** in your view and experience, what is the single most impactful -and realistic/viable- green investment factories can and should make in Bangladesh? And what will it take to enable industry wide adoption?

  Answer: special economic zones have special accommodations / resources available. Investment in the backport linkages is important. Bangladesh could improve its capabilities related to man-made fiber, backward linkages, and green and circular production.

- **Ms Liu:** Could you also elaborate a little bit on the China practice on providing employment to home workers, i.e. rural women, in the textile and garment sector?

  Answer: Henan is a province with a large population in the Central Plains. There are a large number of surplus rural housewives. In the past, they could only "leave their hometown" to work in factories and workshops in the southeast coastal areas. In recent years, the "smart wives project" has been carried out to introduce the textile and garment industry to the "door", revitalize the local economy with industrial development, cultivate a large number of skilled industrial workers and technical backbones, and attract many migrant workers to "return home and start a business", bringing advanced management experience from the southeast coastal areas, which has become an important driving force for high-quality development in Henan.

- **Ms Anya**, how does HM evaluate that circularity will help ensuring that the natural resources that are required in manufacturing, such as water, are sustainably sourced as it will not be "caught" in the products and cannot be included in the "recycling" schemes that will be developed?

  Answer: H&M's customers communication and awareness raising practices are worth promoting. As the demand side/consumer behavior also has a significant impact on the supply side/production model.

- **Ms. Samantha**, what are the ideal pathways for public advocacy on CCU Technology or CCU based products?

  Answer: There are multiple pathways for the private sector to participate in policy advocacy. That they participate is probably the most important as it shows 'demand' for emissions reduction focus. Also, that advocacy can clear point to what needs to change and how - would also be important.

Closing

Dr. Samantha Sharpe of the Institute of Sustainable Futures, University of Technology Sydney

Three main questions were highlighted during this conversation:

1. What are the opportunities for businesses to sustainably reduce emissions in the textiles and garment sector?

   Discussants highlighted the interlinkages that are critical to this. For instance, Mr Brad mentioned enhancing energy efficiency in factories reduces costs, improves efficiencies, and improves social impacts such as heat stress. Collaboration both within the sector in Asia and beyond, such as the UN Fashion Industry Charter, is critical to achieving these goals. Stakeholders need to work together to set targets, and targets need to come from all levels, including the top, and be supported across whole of organization. Another important component is accessing specialists' technical knowledge from universities and UN agencies both within and outside of the sector.

2. What business models and technological, process and social innovations is the sector pursuing to reduce emissions in the textiles and garment sector?

   There needs to be further strengthening of the business case – linking to strategic business outcomes, demonstration programs/ projects, as well as increased focus on energy efficiency, renewable energy, and circularity.

3. How does the sector combine environmental and social sustainability – achieving productive enterprises, decent work and a just transition in the textiles and garment sector?

   In order to achieve these goals, integration and linkages to social and environmental sustainability is critical – e.g. energy efficiency in garment factories helps reduce costs, reduce emissions, and enhance working conditions (heat stress). In addition, collaboration and building alliances across the sector and wider public advocacy are important. There is a lot of value to be gained from setting targets and working together and learning from each other and specialist technical knowledge sources.

Recording link

https://www.youtube.com/watch?v=frI5P9TQD1I

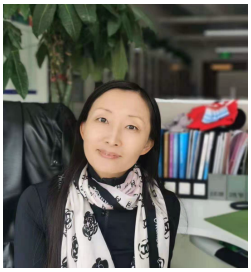
▶ Participants

Dr Samantha Sharpe

Dr Samantha Sharpe is a Research Director at the Institute for Sustainable Futures - University of Technology Sydney. She is a highly experienced social scientist and policy analyst. Her research focuses on the intersect of the 'world of work' and climate change. This includes research understanding the process of business and industrial transition to sustainability, at the firm, sector, and labour market levels, as well as industrial and occupational change associated with the green economy.

Dr Cristina Martinez

Dr Cristina Martinez is the ILO's Senior Specialist in Environment and Decent Work. She is part of the ILO Global Team on Green Jobs and the Green Initiative. Previously she has worked at the following organizations: (i) the Asian Development Bank (ADB) as an Education Specialist (skills and employment); (ii) the Organisation for Economic Cooperation and Development (OECD) were she held positions as Advisor of the knowledge Sharing Alliance at the Secretary General Office and Senior Policy Analyst at the OECD Centre for Entrepreneurship, SMEs and Local Development (CFE); and (iii) Western Sydney University as an Associate Professor.



Ms Liu Hui

Ms Liu Hui is the Deputy Director of Research and Consulting Department of Social Responsibility Office of China National Textile and Apparel Council (CNTAC). Ms. Liu Hui entered the China Textile Information Center from 2004. Then she has successively been the project manager of the marketing department, the assistant director of the industrial development department, and the deputy director of the Product business department of National Textile Product Development Center. She has a Master's Degree, and is an Economist and Member of China Democratic Alliance.

Ms Oanh Nguyen

Ms Oanh Nguyen is a Health Safety Environment & Sustainability Manager at Saitex International Group in Viet Nam. Ms Nguyen has worked in the sector for over 16 years, of which she spent 11 years with Nike Shoes and 5 years in Textile garment industrial. Her background and Master's degree is in Health Safety and Environment. Ms Nguyen has presented has been invited to speak at VITAS, WWF & SAC and visiting lecturers in University.

Mr Asif Ibrahim

Asif Ibrahim is the Chairman of Chittagong Stock Exchange (CSE). He is a former President (2011-2012) of Dhaka Chamber of Commerce and Industry (DCCI) & former first Chairman of Business Initiative Leading Development (BUILD), a Public Private Dialogue platform to enable policy reforms for an improved investment climate in Bangladesh. He is an Executive Council member of UNESCAP Sustainable Business Network (ESBN) and is the Chairman of the ESBN Taskforce on Disaster and Climate Risk Reduction. Asif Ibrahim is a member of the Board of Advisers of BRAC Business School under BRAC University. He is also a core committee member of the Citizens' Platform for SDGs Bangladesh representing the private sector. He also served as the President of Bangladesh Professional Golfer's Association (BPGA). He is a director of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) holding the responsibility of all projects of BGMEA. He is also one of the conveners of Resurgent Bangladesh, a platform to help develop policies and guidelines for economic recovery of Bangladesh from the effects of the coronavirus pandemic. Asif Ibahim is the Vice Chairman of Newage Group of Industries, a business house involved in manufacturing and exporting of readymade garments, textiles and plastic products from Bangladesh.

Ms Anya Sapphira

Anya Sapphira is the Programs, Stakeholders Engagement and Public Affairs Manager of H&M Production Office Indonesia, a Fashion retail company with headquarter in Stockholm, Sweden. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. She leads company's social and environmental programs and engagement strategy in Indonesia, to ensure good business practices throughout Indonesia supply chain. She has 12 years of professional experience, which spans from social and environment compliance and development, ethical supply chain, public-private partnership, stakeholder's engagement and project management. She spent the last 6 years working at H&M in different positions and responsibilities. She is the co-creator of bottle2fashion, a project between H&M and Danone Aqua Indonesia focuses on transforming plastic bottle into recycled polyester fiber, to be used as material for H&M product. She obtained Master Degree in Corporate Social Responsibility from Nottingham University Business School and Bachelor Degree in Criminology from University of Indonesia.

Mr Bradley Abbott

Bradley Abbott is Global Green Growth Institute's Project Lead for Switch Garment Asia's Promotion of Sustainable Energy Practices in the Garment Sector project. Bradley is a resource efficiency and sustainability specialist focused on the development and delivery of strategic initiatives covering the built environment, industrial process, and international development cooperation. His work in the international development sector includes the design and delivery of energy and resource efficiency initiatives for major development banks, bilateral donors, and INGOs on mandates that include capacity building, public policy development, procurement strategy, and intervention design.