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Government of India / भारत सरकार
Ministry of Textiles / वस्त्र मंत्रालय
Fibre-I Section

उद्योग भवन, नई दिल्ली
दिनांक: 19 सितम्बर, 2023

OFFICE MEMORANDUM

Subject: Record Note of Discussion of the First Meeting of ESG Task Force held on 22.08.2023- reg.

The undersigned is directed to refer to the meeting of ESG Taskforce chaired by Additional Secretary, Ministry of Textiles held on 22.08.2023 in Room No. 47, Udyog Bhawan, New Delhi and to forward the record of discussion of the meeting for kind information.


(अनिल कुमार के.सी.)
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To,

ESG Task Force Members:

1. Additional Secretary, Ministry of Textiles
2. Joint Secretary (Fibre and Sustainability), Ministry of Textiles
3. Secretary, Textiles Committee
4. Chairman and Managing Director, Cotton Corporation of India (CCI)
5. Head-Textiles, Bureau of Indian Standards (BIS)
6. Dean, National Institute of Fashion Technology (NIFT), Delhi
7. Representative, CITI,
8. Representative, SIMA
9. Representative, CMAI
10. Representative, AEPC
11. Representative, TEXPROCIL
12. Representative, FICCI
13. Representative, SGCCI
14. Representative, GCCI
15. Representative, PHDCCI
16. Representative, CII
17. Representative, Su.Re (Sustainable Resolution) Alliance

Other Invitees in the First Meeting:

1. Representative, Bureau of Energy Efficiency (BEE)
2. Representative, Gherzi
3. Representative, KPMG
4. Representative, Grant Thornton
5. Representative, Sattva Consulting
6. Representative, IDH

Record Note of Discussion of the First Meeting of ESG Task Force held on 22.08.2023

In pursuance of the announcement made by the Hon'ble Minister of Textiles on 22.04.2023 at the Tamil Saurashtra Sangamam in Rajkot, an ESG Task Force chaired by the Additional Secretary, Ministry of Textiles was constituted for engaging in deliberations with stakeholders of the textile and apparel industry in ascertaining the current status and issues in transitioning the textile industry to a sustainable and resource-efficient production system.

2. The first meeting of the Task Force was held on 22.08.2023 in Room No.47, Udyog Bhawan, New Delhi. The list of participants is in **Annexure I**.

3. At the outset, a warm welcome was extended to all the participants. Smt. Prajakta L. Verma, Joint Secretary, Ministry of Textiles set the context for the meeting and laid impetus on the need for collaboration to harness the strength of different stakeholders for meeting the new requirements and standards for achieving global competitiveness. This platform has been formed to highlight the ground reality and challenges of the MSMEs and the industry and use the forum to design a graded approach to overcome these challenges.

4. The chairperson in his opening remarks emphasized that the Task Force will not be a prescriptive forum but rather a deliberative forum where the entire value chain can work collaboratively. He urged the active participation of all the stakeholders to make this a holistic outcome-based group.

5. Subsequently, detailed presentations were made by the Bureau of Energy Efficiency (BEE), Sattva Consulting, and KPMG on various aspects relating to ESG requirements (**Annexure-II**). The first presentation was made by the Bureau of Energy Efficiency on the PAT (Perform-Achieve-Trade) Scheme for the Textile Sector for decarbonization and climate change mitigation. He highlighted that the textile sector was the second highest contributor to emissions intensity per unit among the PAT sectors, second only to Aluminum. A background on PAT was given by Mr Ashok Kumar, DDG, BEE. He informed that the PAT scheme, under the National Mission for Enhanced Energy Efficiency, recognizes industries with a threshold energy consumption, and energy efficiency improvement targets are given to designated consumers (DCs) who have an annual energy consumption of 3000 TOE (tonnes of oil equivalent). The current PAT Cycle overview was given by Mr Ajitesh Upadhyay, Senior Sector Expert (PAT), and emission reduction interventions so far were shared.

6. The second presentation was made by Sattva Consulting on ESG Integration in Textiles and Apparel MSMEs. Ms Mansha Balecha discussed the increasing downstream pressure on MSMEs and the need to integrate ESG and sustainable practices among MSMEs. They further highlighted five key challenges they faced: a lack of ESG/ Sustainability knowledge and awareness, lack of adequate capability and capacity, cost constraints, lack of standardization in buyer demands, and fear of certifications. Smt. Prajakta L. Verma, Joint Secretary, seconded the point about certifications and MSMEs' desire to transition to the path of sustainability but are hindered by the jungle of certifications that prevents the adoption. She also highlighted the need for hand-holding to build the capacities of the MSMEs. Mr Rahul Mehta, Chief Mentor, CMAI suggested a collaboration between Sattva and CMAI to increase the sample size and improve the representation of MSMEs in the study for a truer picture of the sector. Suggestions for skilling centers in remote areas to improve the availability of skilled workforce were made by SGCCI.

7. Shri Mohit Bhasin, KPMG made a presentation on Export Competitiveness and International ESG Requirements for the Textiles Sector. He explained the various markers and aspects of the textile value chain that will impact global competitiveness and how India is performing on these parameters. ESG accounting, although, currently limited to listed textile companies in India will trickle down to smaller industries due to increased pressure from the EU. He then elaborated on the success stories of Bangladesh and Vietnam in the textile sector

and laid impetus on the need for a Mission for Sustainable Textiles because of the need for inter-ministerial dependency in sustainability. Mapping of existing leading practices and convergence of stakeholders can improve the adoption of these compliance measures.

8. The floor was then opened to all the stakeholders for their input and suggestions. Mr. Anil Jain from FICCI suggested that the industry needed knowledge of Carbon Markets. A suggestion was made to start a mission on sustainable textiles with brand participation in capacity building. BEE and CITI laid emphasis on the need for a knowledge repository and a data-capturing format/framework. SU.RE Alliance also recommended the need for an SOP/roadmap for information to trickle down to smaller units and build on peer learning. IDH also recommended forming a common network on platforms like LinkedIn for regular information sharing and dissemination.

9. The Joint Secretary summarised the meeting and appealed to the stakeholders to work together in a cohesive, outcome-driven manner.

10. In his concluding remarks, the Chairperson thanked the stakeholders for their participation and appreciated their active involvement in the deliberations. He reiterated the need for the creation of sub-groups for collating and disseminating the existing Standards /Certification, leading practices, and the challenges faced by MSMEs in adopting the standards and recommendations. The Chairperson also indicated that the Task Force will meet periodically with a defined agenda and ensure an inclusive participation of stakeholders.

11. The Task Force after detailed deliberations resolved to work towards the following action points:

1. Office of the Textiles Commissioner to work collaboratively with BEE and proactively identify the units to be registered under the PAT scheme
2. Identify the need for capacity building and strengthening the institutional capacity of organizations to engage with MSMEs to improve their market competitiveness
3. Create sub-groups for deliberations on specific ToRs & action points
4. Identify and maximize industry participation in inter-ministerial schemes that promote sustainability to ensure any bottlenecks in availing benefits under the said scheme are addressed
5. Develop a repository of industry initiatives, best practices, and case studies for easy access to MSMEs
6. Collaborate with industry association(s) to identify areas for seeking technical and financial assistance
7. Develop an eco-system for hand-holding at the cluster level to promote sustainable and circular practices

The meeting ended with a vote of thanks to the Chair and participants.

ESG Task Force Attendees List

Ministry of Textiles	1. Mr. Rohit Kansal, AS - Chairperson 2. Mrs. Prajakta L. Verma, JS - Member Secretary 3. Mr. Anil Kumar K.C, US 4. Mr. Mohit Surana, YP 5. Ms. Devanshi Bhatnagar, YP
BEE	6. Mr. Ashok Kumar, DDG 7. Mr. Ajitesh Upadhyay, Senior Sector Expert PAT
BIS	8. Mr. Swapnil, Assistant Director
CCI	9. Mr. Lalit Kumar Gupta, CMD 10. Mr. Vijay Kuradagi, Director (Marketing)
Textiles Committee	11. Mr. SP Verma, Secretary 12. Mr. Kartikeya Dhanda, Director (Labs)
NIFT	13. Dr. Varsha Gupta, Chairperson (FP)
CITI & SIMA	14. Ms. Chandrima Chatterjee, SG
TEXPROCIL	15. Mr. Rakesh Kumar Choudhary, Regional Head
AEPC	16. Dr. Tamanna Chaturvedi, DSG
FICCI	17. Mr. Anil Jain, Jain Cord Industries 18. Ms. Ankita Sharma
CII	19. Mr. Saunak Banerjee, Consultant 20. Ms. Sanmeet Kaur, Consultant
PHDCCI	21. Mr. Rakesh Kumar Sangrai, Senior Secretary 22. Mr. Aditya Tripathi, Secretary
SGCCI	23. Mr. Vijay Mevawala, Vice President 24. Mr. Paulik Desai, Deputy Secretary 25. Mr. K Srinivasan, Liasoning officer 26. Mr. Kiran Thummar , Hon. Treasurer
Su.Re Alliance	27. Mr. Rahul Mehta, Chief Mentor, CMAI 28. Mr. Anurag Dhoot, Senior Director, CMAI 29. Dr. Naresh Tyagi, Chairman, Sustainability & Environment Committee, CMAI 30. Mr. Jaspreet Chandok, SU.RE
Gherzi	31. Mr. Vikas Sharma, Senior Consultant
KPMG	32. Mr. Mohit Bhasin, National Lead- Govt and Public Sector 33. Mr. Goutham Jain, Associate Director-Economic Development
Grant Thornton	34. Mr. Sadanand Sharma, Associate Director, Public Sector
Sattva Consulting	35. Ms. Upasana Mukherjee, Head, Sustainability and Business Advisory 36. Ms. Mansha Bagecha, Senior Consultant
IDH	37. Dr. S. Sunanda, Senior Advisor-Alternate Materials 38. Ms. Anjali Krishnan, Program Manager- Alternate Materials

Regional Officers of the Office of Textile Commissioner were present online.