

Capacity Building Workshop on “Sustainable Practices: Navigating Social and Environmental Due Diligence”



Organized By:

Confederation of Indian Textile Industry (CITI)




About the workshop:

The "Navigating Compliance and Human Rights Due Diligence Workshop" provided crucial insights into the Corporate Sustainability Due Diligence Directive (CSDDD) and the integration of Human Rights Due Diligence (HRDD) within the textile industry. Organized by CITI, with The Southern Gujarat Chamber of Commerce and Industry (SGCCI) as a co-organizer for the Surat event and the Southern India Mills Association (SIMA) for the Coimbatore workshop, this event also benefited from the knowledge partnership of Fair Wear Foundation and the Regulatory Representatives and Managers Association (RRMA). The workshop aimed to deepen participants' understanding of these regulatory requirements and their implications for Indian suppliers. It highlighted the need for enhanced due diligence processes and addressed challenges related to chemical compliance, offering practical strategies for effective management. By facilitating the exchange of case studies, the workshop promoted collaboration among industry stakeholders, equipping them with the knowledge and tools needed to navigate regulatory changes and reinforce their commitment to responsible practices.

Dates and Venue:

July 24th, 2024 (Seminar Hall A, SIECC Campus, Sarsana, Surat, Gujarat)

July 26th, 2024 (SIMA Convention Centre, Coimbatore, Tamil Nadu)





Key Themes and Discussions

Changing Business Landscape

The workshop highlighted the need for collaborative approaches to meet new regulatory requirements and industry challenges. Discussions focused on initiatives promoting responsible practices, sustainability, and human rights due diligence in the textile industry. Participants explored the difficulties of adhering to increasing legislative demands and emphasized the necessity for unified approaches and innovative solutions to environmental and social issues.

Fair Wear's Insights on HRDD and CSDD

Fair Wear, a multi-stakeholder initiative, provided valuable insights into Human Rights Due Diligence (HRDD) and the Corporate Sustainability Due Diligence Directive (CSDD) during the workshop, emphasizing the importance of these frameworks for suppliers in the textile industry.

Understanding HRDD

HRDD is a proactive process that brands must implement to identify, prevent, mitigate, and account for potential and actual human rights impacts in their operations and supply chains. For suppliers, understanding HRDD involves recognizing the following key components:





1.	Risk Identification and Assessment:
	Suppliers should be aware that brands will assess their <ul style="list-style-type: none">• operations for potential human rights risks. Engaging in this process can help suppliers identify areas for improvement.
2.	Preventing and Mitigating Impacts:
	Suppliers are encouraged to take steps to prevent or mitigate adverse impacts on human rights. This may involve implementing <ul style="list-style-type: none">• corrective action plans and ensuring that their practices align with brand expectations.
3.	Stakeholder Engagement:
	Effective HRDD requires meaningful engagement with all stakeholders, including suppliers and workers. Suppliers should <ul style="list-style-type: none">• actively participate in discussions about human rights impacts and contribute to developing solutions.
4.	Monitoring and Tracking:
	Suppliers should be prepared for brands to monitor the <ul style="list-style-type: none">• effectiveness of HRDD processes. This may involve providing data and feedback on implemented measures.
5.	Remediation:
	If adverse impacts occur, suppliers may need to cooperate in <ul style="list-style-type: none">• remediation efforts, ensuring that affected parties receive appropriate remedies.
6.	Reporting and Transparency:
	Suppliers should understand that brands will communicate how <ul style="list-style-type: none">• they address human rights impacts. Transparency is crucial for building trust and accountability.





Understanding CSDD

The CSDD outlines human rights and environmental due diligence obligations for companies, requiring them to conduct due diligence across their supply chains. **For suppliers, the implications of the CSDD include:**


1. Human Rights and Environmental Due Diligence: Companies must identify, prevent, and mitigate human rights and environmental impacts in their operations and supply chains.

2. Chain of Activities: This includes all upstream activities (like sourcing and manufacturing) and downstream activities (like distribution and transport).

3. Civil Liability: Companies can be held liable for failing to comply with CSDDD obligations, leading to potential sanctions.

4. Support Measures: The EU will provide guidance, model contractual clauses, and support for compliance, particularly for SMEs.

5. Engagement Before Disengagement: Brands must engage with suppliers to address issues before considering ending business relationships.





Importance of Responsible Purchasing Practices

The workshops also emphasized the critical role of responsible purchasing practices in supporting HRDD and CSDD compliance:

- 1. Impact on Human Rights and Environment:** Brands must ensure that their purchasing practices do not contribute to negative impacts on human rights and the environment. This includes pricing strategies that allow for fair labour costs and the capacity of suppliers to meet standards.
 - 2. Long-Term Relationships:** Establishing long-term relationships with suppliers fosters stability and enables better compliance with due diligence obligations.
 - 3. Engagement Before Disengagement:** Brands should engage with suppliers to address potential adverse impacts before considering disengagement, implementing preventive and corrective action plans as necessary.
 - 4. Incentives for Improvement:** Providing incentives for suppliers to enhance sustainability practices is crucial for driving industry-wide improvements.
 - 5. Collaboration:** Brands are encouraged to collaborate with suppliers to create a shared understanding of responsibilities and to support compliance efforts.
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To align with HRDD and CSDD, suppliers can take the following steps:

1. Establish a Due Diligence Policy: Develop and implement a policy that outlines the commitment to respect human rights and the environment.

2. Engage with Brands: Actively communicate with brands about their expectations and collaborate on identifying and addressing potential human rights impacts.

3. Implement Best Practices: Adopt best practices in labor rights, safety, and environmental management to demonstrate commitment to HRDD and CSDD.

4. Participate in Training: Engage in training and capacity-building initiatives to enhance understanding of HRDD and CSDD requirements.

5. Monitor and Report: Regularly monitor practices and report on progress towards meeting human rights and environmental standards.

6. Utilize Resources: Leverage resources and support from initiatives like Fair Wear to improve compliance and sustainability practices.

Regulatory Focus:

A significant portion of the workshop was dedicated to the Corporate Sustainability Due Diligence Directive (CS3D) and its implications for the textile sector. The CSDD, set to come into effect in 2024, will primarily impact companies operating within the EU but is expected to influence global supply chains. The discussions underscored the importance of understanding and preparing for these regulations, particularly as the EU is a major market for Indian textile exports.





Chemical Compliance in the Textile Value Chain

In addition to insights on HRDD and CSDD, the workshop also featured an in-depth session on chemical compliance in the textile industry. Experts from the Regulatory Representatives and Managers Association (RRMA) provided valuable information on this critical aspect of sustainability. Chemical compliance involves adhering to specific standards, rules, regulations, policies, and procedures established by authorities to ensure chemicals used in textile production meet regulatory and safety standards. **Key aspects include:**

- 1. Understanding of Circular Economy:** Participants learned about the importance of a circular economy, particularly in the textile industry, and how companies like Geetanjali Textiles are implementing innovative practices to recycle post-consumer waste effectively.
 - 2. Innovative Recycling Techniques:** The session highlighted the manual segregation process and mechanical recycling methods used by Geetanjali Textiles, showcasing how these techniques can lead to the production of high-quality recycled yarns.
 - 3. Collaboration for Sustainability:** Participants explored various collaborative approaches to sustainability in the chemical industry, including industry consortia, supply chain collaboration, and public-private partnerships, emphasizing the need for collective efforts to enhance environmental performance.
 - 4. Regulatory Compliance:** The workshop provided insights into the key objectives of the RRMA, including the development of an interactive platform for professionals and the importance of staying updated on chemical regulations and standards.
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5. Capacity Building: Attendees learned about the significance of capacity building and awareness programs in fostering a knowledgeable workforce that can navigate regulatory challenges effectively.

6. Stakeholder Engagement: The session emphasized the role of stakeholder engagement in driving innovation and sustainability, encouraging participants to consider how they can involve various stakeholders in their initiatives.

7. Technology and Tools for Compliance: Participants were introduced to the technology and tools available for ensuring compliance with regulatory standards, which can aid in streamlining processes within their organizations.

These learning points reflect the key themes and insights that participants likely took away from the workshop session, enhancing their understanding of sustainability and regulatory practices in their respective fields.

The session discussed regulatory standards such as REACH, pollution control, and consumer product safety legislation. It also covered voluntary and mandatory certifications like OEKO-TEX®, ZDHC, GOTS, and bluesign®, highlighting the importance of chemical safety and sustainability. The European Green Deal and the EU Chemicals Strategy for Sustainability were noted as key drivers for change. By addressing chemical compliance in detail, the workshop equipped attendees with a comprehensive understanding of the regulatory landscape and best practices for managing chemicals responsibly in the textile supply chain.





Agenda – 24th July 2024

1. Inaugural Session

- **Welcome Address:** Shri Vijaykumar Kanaiyalal Mevawala, President, The Southern Gujarat Chamber of Commerce (SGCCI)
- **Workshop Overview:** Ms. Chandrima Chatterjee, Secretary General, Confederation of Indian Textile Industry (CITI)
- Corporate Presentations: Shri Jayraj Bhagat, Product Head - Retail, Waaree Energies Ltd.
- **Vote of Thanks:** Shri Nikhil Khimchand Madrasi, Vice President, SGCCI

2. **Session I:** Capacity Building in EU Legislation

- Introduction to Fair Wear & CSDDD and HRDD in Textiles
- EU Legislative Framework Overview
- Deep Dive into Corporate Sustainability Due Diligence Directive (CSDDD)
- Opportunities for Manufacturers/Suppliers


Panellists:

- Ms. Mousumi Sarangi, Country Manager India and Coordinator of Supplier Engagement, Fair Wear
- Ms. Ingrid Elbertse, Lobby & Advocacy Officer, Fair Wear Foundation

1. **Session II:** Chemical Compliances in T&C Value Chain

- Understanding Chemical Compliances
- Global Regulatory Landscape
- Risk Management in the T&C Value Chain
- Sustainable Chemical Management
- Supplier and Stakeholder Engagement
- Technology and Tools for Compliance

Panellists:

- Dr. Jayachandran Nair, CEO, Global Product Compliance (GPC) India
 - Ms. Drashti Patel, Regulatory Manager, Global Product Compliance (GPC)
 - Shri Prasad Pant, South Asia Director and Competence Centres Director, ZDHC Foundation
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The "Capacity Building Workshop on Sustainable Practices: Navigating Social and Environmental Compliances" held on July 24, 2024, in Surat, the workshop featured a series of insightful presentations from key industry leaders. Shri Vijaykumar Kanaiyalal Mevawala, President of SGCCI, opened the session with a welcome address that set the tone for the day's discussions. Ms. Chandrima Chatterjee, Secretary General of CITI, provided an overview of sustainable practices, emphasizing the importance of navigating social and environmental compliance effectively. The first session included insights from panelists Ms. Mousumi Sarangi from Fair Wear and Ms. Ingrid Elbertse, focusing on HRDD and the CSDDD. The second session covered chemical compliance in the textile and chemical value chain, featuring experts like Dr. Jayachandran Nair and Shri Prasad Pant from the ZDHC Foundation.





Agenda – 26th July 2024

Inaugural Session:-

- **Welcome Address:** Dr. S.K. Sundararaman, Chairman, The Southern India Mills' Association (SIMA) & MD, Shiva Texyarn
- **Inaugural Address by the Guest of Honour:** Shri T. Rajkumar, Chairman, CITI Standing Committee on Cotton & Chairman, Sri Mahasakthi Group of Companies
- **Address by:** Shri Kumar Duraiswamy, Joint Secretary, Tiruppur Exporters Association (TEA)
- **Corporate Presentation:** Shri Gangatharan Rengasamy, Senior Manager (Sales), Waaree Energies Ltd
- **Vote of Thanks:** Shri S. Krishnakumar, Vice Chairman, SIMA & MD, Sulochana Cotton Spinning Mills

Session I: Capacity Building in EU Legislation

- **Overview:** This session focuses on enhancing participants' understanding of EU legal frameworks related to Human Rights Due Diligence (HRDD) and the Corporate Sustainability Due Diligence Directive (CSDDD). Key topics include the introduction to Fair Wear & HRDD in textiles, the EU legislative framework, a deep dive into CSDDD, and leveraging opportunities for manufacturers and suppliers.

- **Panellists:**

- o Ms. Mousumi Sarangi, Country Manager India and Coordinator of Supplier Engagement, Fair Wear
- o Ms. Ingrid Elbertse, Lobby & Advocacy Officer, Fair Wear Foundation

Session II: Chemical Compliances in T&C Value Chain

- **Overview:** This session addresses the understanding and management of chemical compliances within the textile and chemical value chains. Discussions include global regulatory landscapes, risk management, sustainable chemical management, and the role of technology and tools for compliance.

- **Panelists:**

- o Dr. Jayachandran Nair, CEO, Global Product Compliance (GPC) India
 - o Ms. Drashti Patel, Regulatory Manager, Global Product Compliance (GPC)
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The "Capacity Building Workshop on Sustainable Practices: Navigating Social and Environmental Compliances" took place on July 26, 2024, at The Southern India Mills' Association in Coimbatore. The workshop commenced with a welcome address from Dr. S.K. Sundararaman, Chairman of SIMA, followed by an inaugural address from Shri T. Rajkumar, Chairman of the CITI Standing Committee on Cotton. Shri Kumar Duraiswamy from the Tiruppur Exporters Association also contributed to the discussions, emphasizing the importance of compliance in the textile sector. The first session, moderated by Ms. Chandrima Chatterjee, focused on enhancing understanding of EU legislation, particularly the Corporate Sustainability Due Diligence Directive (CSDD) and Human Rights Due Diligence (HRDD), featuring insights from panellists Ms. Mousumi Sarangi and Ms. Ingrid Elbertse from Fair Wear. The second session, focusing on chemical compliance in the textile and clothing value chain, was enriched by the expertise of Dr. Jayachandran Nair and Ms. Drashti Patel. Moderated by Dr. K. Selvaraju, this session provided a valuable platform for industry stakeholders to engage in in-depth discussions on chemical compliances. The workshop emphasized the importance of adapting to upcoming regulatory changes and aimed to foster a culture of responsibility and transparency within the textile industry.



Outcome of the workshop

- **Increased Awareness:** Participants gained a deeper understanding of the Corporate Sustainability Due Diligence Directive (CSDD) and Human Rights Due Diligence (HRDD), emphasizing their significance in the textile sector.
- **Collaborative Efforts:** There was a strong emphasis on the need for collaboration among stakeholders, including manufacturers, policymakers, and civil society organizations, to effectively address compliance challenges.
- **Actionable Strategies:** Participants were encouraged to develop actionable strategies for assessing and mitigating risks in their supply chains, aligning with the United Nations Guiding Principles on Business and Human Rights.
- **Networking Opportunities:** The event provided networking opportunities for participants to connect with industry peers, fostering relationships that can lead to collaborative initiatives in sustainability.
- **Commitment to Compliance:** A collective commitment was made among participants to enhance transparency and accountability in their operations, preparing for upcoming regulatory changes and ensuring adherence to environmental and social standards.



Discussion Highlight:

During the Q&A session, the Sustainability Head of Sulochana Cotton Spinning Mills raised a pertinent question regarding the complexity of navigating multiple regulations. He suggested the need for a unified guideline to streamline compliance efforts, which could simplify the regulatory landscape for companies and enhance their ability to implement effective sustainability practices. This insight underscored the challenges of dealing with diverse regulations and the potential benefits of a consolidated approach for improving compliance and sustainability in the textile industry.



Concluding Remark:

The "Capacity Building Workshop on Sustainable Practices:

Navigating Social and Environmental Due Diligence" concluded with great success through its impactful sessions held in Surat on July 24th and Coimbatore on July 26th, 2024. In Surat, the event featured key addresses from Shri Vijaykumar Kanaiyalal Mevawala and Ms. Chandrima Chatterjee. The discussions centered on EU legislation and chemical compliance, with expert insights provided by Ms. Mousumi Sarangi, Ms. Ingrid Elbertse, Dr. Jayachandran Nair, and Ms. Drashti Patel. The Coimbatore session followed a similar structure, with inaugural addresses from Dr. S.K. Sundararaman, Shri T. Rajkumar, Shri Kumar Duraiswamy, and Shri Gangatharan Rengasamy, and featured the same panel of experts. On behalf of CITI, Ms. Chandrima Chatterjee, Secretary General, extended heartfelt thanks to all speakers, panellists, and participants. Their valuable contributions and active engagement were instrumental in advancing our collective understanding of sustainable practices and regulatory compliance within the textile industry.





Looking Ahead:

CITI continues to lead initiatives that promote sustainability and compliance within the textile industry, ensuring that members are well-equipped to navigate regulatory changes and uphold high standards of social and environmental responsibility.