

# Promoting Sustainability in Indian Textile Industry: A Legal Perspective

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## Abstract

The textile industry in India is a force to be reckoned with globally, but it has some major environmental challenges like water pollution. Textile production requires sustainability, focusing on water recycling, cleaner industrial processes, and improved labour standards to avoid negative consequences. In order to enhance the avenues for industries to shift



towards sustainability, it is important that the municipal laws align with the international frameworks, especially in their application. Government backing and CSR investments are indispensable to encourage the adoption of eco-friendly practices. The sustainability of the textile sector will not be possible without cooperation among stakeholders.

**Keywords:** Sustainable fashion, Environmental regulations, ESG strategies, CSDDD (Corporate Sustainability Due Diligence Directive), CBAM (Carbon Border Adjustment Mechanism)

## Introduction

India is responsible for 4% of the global textile trade and is also the world's 3rd largest exporter. The country is the largest cotton producer, accounting for a pristine 23% of global production, and the 3rd largest exporter of raw cotton, accounting for 11% of the total global exports. While the figures seem promising, there is another rather more pressing figure that one should be concerned with. The impact of the textile industry on global clean water reserves is a staggering 20%, contaminating enough water which could have otherwise been used to quench the thirst of a "hundred and ten million throats for an entire year." A single cotton t-shirt uses 2700 litres of fresh water, enough for a person to drink for 2.5 years. One might need to rethink before buying cotton apparel or any apparel for that matter. This is the true picture of the textile industry, while the energy consumption is still separate from the statistics and the figures are not dormant but keep on increasing by the minute.

Sustainability in terms of the textile industry is switching to environmentally friendly and socially responsible processes of manufacturing, production, distribution, consumption, etc. It ranges from adopting water-saving processes of farming and irrigation such as drip

irrigation to using organic dyes for colouring to giving environmentally friendly reusable paper or cloth bags to the customer and everything in between. Sustainability has no limits and is not the next best alternative but is the best environmentally friendly alternative possible. The global landscape is transforming; even makeup products are being manufactured from 100% recycled plastic and earning in millions. A real-life example would be Priyanka Chopra Jonas' Anomaly. Making millions out of plastic waste while working for a social cause. Winston Churchill once said, "To improve is to change; to be perfect is to change often." What's stopping textiles from switching?

### **Promoting Sustainability in the Indian Textile Industry: A Legal Perspective**

India's textile and garment industry, contributing 2.3% of GDP and employing 45 million people directly, faces significant environmental and social challenges. Textile effluents pollute rivers like the Yamuna, and industrial waste contaminates groundwater in places like Surat. Sustainable methods such as water recycling and cleaner industrial processes, along with improved working conditions and equitable pay, are critical. Sustainability enhances market competitiveness and regulatory compliance. Technological advancements like waterless dyeing and circular economy techniques promote sustainable growth.

#### *1. International Framework*

The Sustainable Development Goals (SDGs) aim for global peace, prosperity, and environmental protection. The United Nations's 17 goals focus on transforming the world through sustainable means, addressing the rampant exploitation of resources. Many SDGs relate to the industry, necessitating compliance as future legal mandates may enforce these standards. Brands like Thaely, Unirec, Alics Sports, Bottle & Co, Grassroot by Anita Dongre, and Nicobar are pioneering sustainable fashion. Events like Lakme Fashion Week raise awareness, while the government's Project SU.RE promotes industry-wide commitments to sustainability, targeting SDG 12-Responsible Consumption and Production.

The Paris Agreement, a legally binding treaty, aims to maintain global temperatures below 2°C. Developed countries assist developing ones, with impacts reviewed every five years through Nationally Determined Contributions (NDCs). The Carbon Border Adjustment Mechanism (CBAM) imposes a fair price on carbon emissions from carbon-intensive goods entering the EU, incentivizing countries like India to decarbonize their supply chains. The Corporate Sustainability Due Diligence Directive (CSDDD) mandates human rights and environmental due diligence, incorporating administrative supervision, civil liability, and penalties for non-compliance. While MSMEs in India may initially appear exempt, they face indirect consequences through dealings with larger companies, necessitating industry-wide collaboration and strategic planning.

#### *2. National Legislation*

The Indian legislation on sustainability is divided into environmental and commercial aspects. They include Section 6 and Section 25 of the Environment (Protection) Act, 1986, which are related to textile industry effluent discharge as well as air, water, and soil quality standards. Industrial plants require prior consent from Pollution Boards under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981. Additionally, the Consumer Protection Act, 2019 imposes imprisonment and fines for false environmental claims (greenwashing). Product labeling is regulated by this law, which also has liability provisions that promote truthful advertising. This has progressively resulted in an upsurge in greenwashing tactics due to the increasing demand for eco-friendly goods. Often brands do not correctly communicate their environmental concerns to customers. The Advertising Standards Council of India (ASCI) and the Central Consumer Protection Authority (CCPA) are responsible for ensuring that advertisements conform to ethical standards. Under the Consumer Protection Act, consumers cannot be deceived by advertisers making misleading statements concerning green products. These include such labels as BIS certification, and ISO standards for example Global Organic Textile Standard (GOTS), Sustainable Apparel Coalition's Higg Index, India Handloom Brand, Indian Standard for Organic Textiles (ISOT), Silk Mark, Better Cotton Initiative (GOS). These certifications promote transparency and accountability in the textile supply chain, fostering environmentally friendly products. Enhancing consumer awareness about these labels is crucial for broader adoption of eco-friendly practices.

### *3. Corporate Social Responsibility (CSR)*

The Companies Act, 2013, encourages CSR investments in sustainable innovations, promoting circular fashion and reducing environmental impact. The fashion industry focuses on ethical sourcing, reducing environmental impact, and improving working conditions. Companies are developing sustainable materials, reducing waste and water consumption, and committing to reducing greenhouse gas emissions through initiatives like the Fashion Pact. Aditya Birla Fashion and Retail Limited aligns with the Re-Earth Programme, focusing on environmental and resource optimization. FabIndia's CSR projects emphasise environmental conservation and rural development.

#### **Government Initiatives, Incentives and Support for Sustainable Practices**

For India's textile industry to be sustainable, it requires a mix of international agreements, national laws, technology improvements and strong Environmental, Social and Governance (ESG) strategies. There must be joint efforts between governments, firms and end-users to facilitate such major changes with the result of making India's textile industry sustainable, inclusive and responsible. In order to scale down emissions by opting for eco-friendly materials, less water consumption and minimum wastage, as well as other mitigation measures towards sustainability in textiles; India is on a path towards a sustainable textile sector. These transitions are supported by government policies like Project SU.RE, The Integrated & Sustainable Textile Policy and The Sustainable & Green Textile Processing Scheme. Notwithstanding these issues, the industry still wrestles with environmental problems including pollution and labour conditions that necessitate robust ESG strategies implementation. CSDDD coupled with CBAM would impose tough norms

affecting India's global competitiveness. Therefore, complying with environment friendly methods is essential to survive in a market-driven economy. Government has plans for elevating Indian textile exports as well as market share by utilising steps like PM MITRA which targets establishing seven world-class textile parks. This initiative is guided by the 5F vision – Farm to Fibre to Factory to Fashion to Foreign, and promotes exports, as well as supports SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 17 (Partnerships for the Goals) and SDG 9 (Industry, Innovation and Infrastructure). The government incentives include Make In India (आत्मनिर्भर भारत) encouraging a national scale campaign for enhancing sustainability in the Indian textile industry. Integrated and Sustainable Textile Policy utilise measures such as Subsidy on Price Differentials at Waste Management Facilities; and Sustainable & Green Textile Processing Scheme—Subsidies, Tax Benefits, Grants for sustainable initiatives including PP's (Production Linked Incentive) Scheme, Zero Defect Zero Effect (ZED), National Mission for Sustainable Agriculture (NMSA), National Clean Energy Fund (NCEF), National Action Plan on Climate Change (NAPCC) aligned with UN SDGs.

### **Challenges and Way Forward**

Adoption of sustainable practices in the textile industry in India encounters obstacles beyond money constraints stemming from the country's price-sensitive market. Companies often struggle with inadequate funds for such an investment, accompanied by customers who cannot afford pricy products. The textile manufacturers cannot be held accountable for sourcing materials sustainably because they have limited capabilities for recycling and disposal. These difficulties are compounded by the long periods of time taken to recover an investment made towards sustainability. Further, this discourages brands from investing in sustainable development since their profits will decline as they face stiff competition with other textile firms. Adhering to such standards, however, is difficult particularly when one considers that many producers do not have any capacity for recycling or proper disposal of their waste products in order to ensure that they comply with such strict ecological standards.

Promoting sustainability is extremely important for public-private partnerships (PPP), which combine their resources for a balanced approach to social and capital motives. Consequently, this is shifting the burden of investment in sustainable production. There can be better outcomes by increasing research investments through PPP, leading to SMEs benefiting from subsidies, grants, and technical support. This will ensure that these goals are aligned with the objectives of transparency and ethical production as well as contributing towards achieving SDGs which includes viable wages, green products and adherence to national/international standards. Government policies and support, such as those under initiatives like *Atmanirbhar Bharat*, make it easier for one to get solar energy or even invest in it, while the remaining CSR budget may be used on waste management schemes, thereby enhancing sustainability within the sector. A hybrid approach leveraging PPPs could further add to these efforts; for example, the government could establish recycling plants that process waste provided by MSMEs based on their production levels, which in turn would ensure zero waste management. Similarly, corporates could support these facilities as part of their CSR obligations, which would

also align with the government regulations along with promoting sustainability. This complementary model balances both the government's regulatory oversight with corporates' access to capital and technology, creating a more inclusive framework for sustainable production. An example could be that of the EU's *Extended Producer Responsibility (EPR)* framework, which can serve as an inspiration for implementing similar strategies in India.

The authors argue that undoubtedly, CSDDD and CBAM are necessary for keeping up with the global standards, but these regulations ought to help Micro, Small and Medium Enterprises ('MSMEs') and large production enterprises as well to transition towards sustainability. In their blog, the authors propose that the ideal way forward and a step closer towards sustainability could bring a visible change when it encompasses all the producers equally. Financial help for MSMEs and awareness of green products will make a bigger client base and attract more price-sensitive buyers to buy environment-friendly clothes, thus helping the environment. It will also give way to a more inclusive and more environmentally responsible industry in retail. Finally, authors also argue that promoting gender-neutral homegrown producers in mainstream retail is an essential measure for promoting sustainability and waste reduction in the textile industry.

Promoting homegrown producers who are gender-neutral in mainstream retail is one of the emerging trends in sustainable fashion that immensely contributes to sustainability and waste reduction in the textile industry. It is possible for the government, for instance, to introduce different sustainability verification symbols, much like the Halal certification system, which will serve as proof of sustainability and thus create a yardstick for quality and differentiation thereby encouraging companies to go green.

Such a framework could be built upon existing legal foundations; for example, the Bureau of Indian Standards (BIS) could introduce eco-certifications for sustainable products modelled on the ISI mark. Alternatively, a certification mark could be created under the Trade Marks Act to classify products based on sustainability metrics and in addition to that, the Consumer Protection Act could ensure enforcement of these standards, safeguarding consumers from misleading sustainability claims. In consideration of the evaluating factors, a product could be considered sustainable based on measurable criteria, such as carbon footprint, water consumption during production, Labour practices (ensuring fair wages and working conditions), Waste management strategies, etc. Inspiration for the same could also be drawn from successful models like the EU Ecolabel, which promotes eco-friendly practices through voluntary certification schemes. Such certification, if established, would enable the consumers to identify and support sustainable brands, which would ultimately cultivate an environmentally conscious consumer base in India.

The rise of gender-neutral products which acknowledge the queer community is an evergreen trend embraced by Western brands, indicating wider acceptance and marketability. Even though CBAM and CSDDD have not been applied specifically to textiles by the EU, companies need to get ready for these environmental and governance responsibilities so as to retain and enhance India's global exports in textiles. Eventually,

as more consumers demand environmentally friendly products, economies of scale will push down prices, making them affordable for cost-conscious shoppers, hence spearheading significant changes through which a large number would shift towards their use.

### **Conclusion**

Awareness is critical in combating unsustainable methods; educating stakeholders about the long-term benefits of sustainability over temporary profits is essential. The Sustainable Development Goals (SDGs) should be viewed through the lens of Vasudhaiva Kutumbakam, emphasising global cooperation. Sustainability is a collective responsibility, with each individual's choices shaping the world's future. By working together, we can create a sustainable, equitable, and prosperous future for all. Mahatma Gandhi said, "You must be the change you want to see in the world." India must take bold initiatives for the environment to restore its tarnished global standing and natural resources. Strict implementation and stakeholder cooperation are essential for achieving positive results from government schemes. Adopting sustainable production models while tracking water and energy use is crucial to minimise environmental impact. We should, therefore, not just dress fashionably but also sustainably, wearing colours that brighten the world instead of harming our environment!

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