



Ensuring the sound management of chemicals and waste



CHEMICALS & WASTE
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Boldly ahead - The Textile Industry in 2030 **Status Report for SDG 12 of the Agenda 2030**

In 2030 we look back on a textile sector that has managed to reposition itself. The goal of sustainable production is established in the minds of the customers. It is not a competitive advantage, but a self-evident component of process and product development. The entire textile production is based on the criteria of "sustainable chemistry". Overall, the level-playing field has become more demanding.

How did sustainable production become established as a general industry standard in the textile supply chain?

Since the beginning of the 21st century, NGOs and legislation have created further pressure in the Western customers' countries. In the global supply chain, new knowledge, including new findings on "problematic chemicals", repeatedly gave rise to taking up the issue of sustainable production and spreading it. NGOs continued to be successful and creative; they provided a "driving belt" for continuous pressure on the textile chain. A "muddling through", as, initially, was still prevalent, would at least for the frontrunners, but ultimately also for the broad mass not have been possible in the long run. Everyone had to assume, even the big brands and retailers, that consumers would react negatively to problematic chemicals. Changes in the textile supply chain were thus indispensable. Another driver in this respect were consumers who, supported by applications for smartphones, increasingly made use of their information rights (provided by the EU REACH Regulation and strengthened by the European Court of Justice) regarding SVHC in (textile) products.

In niches, some brands and retailers already began to make sustainable production in the 2010s; as for the masses this way of doing has prevailed in the 2020s. As a result, brands and retailers were then able to drive the rest of the global supply chain to become more active in this respect.

To this end, it was essential to improve the knowledge about substances and processes. Old and new "3rd Parties" recognized new business fields in the areas of traceability and knowledge management. Vertical cooperation, which to some extent already existed, but also horizontal cooperation (for example, ZDHC) gained further importance. Further development of the approaches from the 2010s (among other things, from the German "Textilbündnis") resulted in traceability of chemicals throughout the supply chain. As a consequence, the knowledge about substances in the supply chains and about the possibilities of substitution increased significantly. The various (individual) communication and cooperation approaches gradually developed into standardized solutions, which the entire industry still applies today. Brand-specific solutions rely on these standards; individual solutions became less important.

These developments fueled technological progress in a widely understood sense; both at the level of alternatives and at the level of digitization: a lot has happened in the past 15 years.

Thus, an industry wide standard process has been established, which intervenes at an early stage to avoid problematic substances and to develop alternatives. In this respect, the development of (digitally supported) information, communication and cooperation processes along the entire supply chain was of great help. This has allowed suppliers to integrate the know-how of professional users into overall optimization. Looking back, it was the vertical cooperation in the supply chain that enabled this development.

Frontrunners had already begun developing new business models between the end of the 2010s and beginning of the 2020s. They created marketing strategies to further influence the buyer's behavior towards more sustainable products. To this end, they established bilateral relations. Companies created the necessary conditions for these market-related activities. These models made a sensation and were exemplary for competitors. There was a growing demand for more sustainable products.

While textile manufacturers perceived, for the implementation phase, higher overall costs they accepted them because there was a prospect of increasing sales in the future. Costs could be absorbed over an extended period of time. This expectation has been fulfilled. Meanwhile, "sustainable textiles" are the standard and the market has settled on a new level.

The "old" mechanisms for ensuring chemical safety, the generation of know-how, protective measures, etc. along the supply chain still exist. However, they have changed. Thanks to digitization and the increased ability of the brands and retailers to act, new information, communication and cooperation mechanisms were established in the supply chain. The present and future costs are well controllable and predictable because the processes of chemical management are well settled. The risks of unexpected costs are reduced. Resulting demand impulses along the global supply chain and the simultaneous expansion of vertical cooperation changed legislation in the emerging markets. At the beginning, there were still individual migrations of production to Africa. Today production sites in countries with a good environmental protection legislation are much more attractive as this ultimately increases the product quality and reduces expenses of the brands and retailers (less audits, smaller scope of the test programs, etc.).

In addition, these countries have themselves developed further. The income of the population rose in the 2020s and so did the education level and the purchasing power. Social and environmental standards proved to be indispensable for the governments of those countries. In retrospect, there were parallel developments: in both the customer and the supplier countries, there was a change in consciousness which exceeded the "critical mass" and subsequently developed a dynamic.

In retrospect, one can also say that many of these factors complement each other. There was no defined chronological sequence, but parallel courses that enabled this process of change in the textile industry. From the moment when clear frontrunners were getting active, the consumer's concern with chemicals and the purchasing behavior changed. There was a pull that impacted the entire industry.

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