



the sustainable  
trade initiative

# Sustainable textiles

## Cotton Footwear Manufacturing

Around 99% of the world's cotton farmers in 70 countries are smallholders, who produce 75% of the 25 MT of the annual global cotton production. Cotton covers 3% of the world's land, yet accounts for 24% of the global insecticide use and it takes 9,000 liters of water to produce 1 kg of cotton. Other sustainability issues include its impact on soil quality and biodiversity as well as profitability. Additionally, textile supply chains are fragmented, spanning over long geographic and market distances, with limited transparency. The apparel part of the textile sectors suffers from unsafe, unsustainable working conditions, low wages, gender issues and energy and waste-water issues.



2.78 M  
farmers reached



193,925  
workers' wages/working  
conditions improved

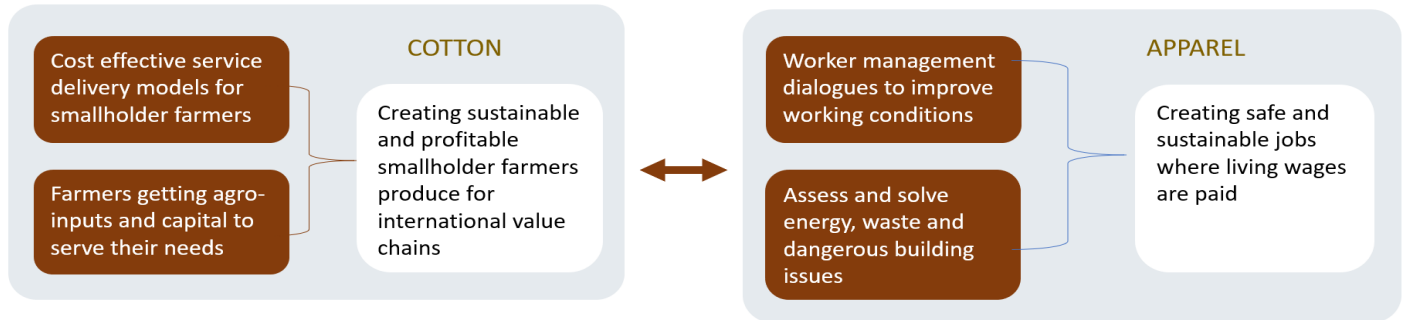
**IDH brings together major players in the cotton and textile sector, including IKEA, Bestseller, Nike, Levi's, H&M, GAP and others to invest in, and source Better Cotton to reduce water and pesticides use and increase profitability for farmers. IDH also works in multiple countries in public-private partnerships to address working conditions and environmental issues in apparel in (e.g.) Vietnam, Bangladesh and India. We convened an industry coalition of major apparel industry under LABS (the Life and Building Safety Program) to mitigate building safety and other hazardous sustainability issues in apparel industries starting in Vietnam. We aim to improve livelihoods of 3 M smallholder cotton farmers by 2020 in India, Pakistan, China, Turkey, Mozambique and Tajikistan, and improve working conditions of ten thousands of workers in the apparel industries in Asia and Africa.**

### Better Cotton Initiative

IDH convened frontrunner brands and retailers to commit towards sourcing increasing volumes of Better Cotton each year. In 2018, we reached a record level of Better Cotton uptake of over 1 million MT by 93 retailer and brand member, representing 19% of the global cotton market share. On the supply side, organize cost-effective capacity building for farmers leading to adoption of sustainable practices, so farmers will become small businesses, leading to improved farmer income and net profitability. IDH leveraged significant private sector funding for BC production and managing a fund of €12.6 million annually and providing strategic investment advice for capacity building of more than 2,78 million cotton farmers across the world's top cotton producing countries. Through this IDH is also driving efficiency and continuous improvement of BC farmer capacity building for achieving greater scale and impact.

## Value Chain Development

Companies need high quality, reliable and sustainable produce



### Race to the Top

In the apparel program, IDH organizes the Race to the Top Program: a public-private platform together with apparel brands, government (such as the Vietnam Ministry of Labor and the Ministry of the Environment) and sustainability experts. We develop and implement a training curriculum on social dialogue, soft skills for workers and local union representatives, factory management and supervisors which leads to an increase in worker satisfaction while boosting productivity and reducing rework rates. Next to this, the program works on environmental projects that improve both environmental performance and the bottom line for facilities. This increases profitability and the potential to further improve working conditions and wages, thus creating a race to the top. All activities are shared to wider industry stakeholders through a Public Private Platform and are used to inform policy

### Life and Building Safety

IDH launched in 2019 the Life and Building Safety (LABS) Initiative in India and Vietnam, to mitigate preventable structural, fire and electrical safety risks in apparel and footwear industries. Major brands including Bestseller, Gap Inc., Li & Fung, PVH, Target, VF Corporation, and Walmart have joined the program that will operate in major industrial hubs in these countries.

With a pressing need to protect workers from structural, fire and electrical safety risks, several leading apparel brands approached IDH to leverage learnings from their global supply chains. This led to the development of the LABS. IDH supports the facilitation of LABS and development of operational set up in the identified countries. The LABS Secretariat engages with local stakeholders – such as industry associations, CSOs, governments, and institutes to create better safety policies and provisions. Around 67.000 workers in 41 factories have benefited from LABS' programs activities during the first pilot.

### Circularity

IDH recognises that transitioning to a circular economy is about making adjustments to reduce the negative impacts of the linear economy and requires a systemic shift that builds long-term resilience, generates business and economic opportunities, and provides environmental and societal benefits. In a circular economy, activity builds and rebuilds overall system health. The concept recognises that the economy needs to work effectively at all scales – for large and small businesses, for organizations and individuals, globally and locally. IDH has begun to explore how it might support apparel brands in particular, in adopting circular business models. These efforts will be based on our core skills of convening and catalysing action in various areas that enable the adoption circular models, including recycling, alternate materials development, and extending life of products. To this end, we have initiated a small project in Vietnam to scope the size of the fabric scrap recycling opportunity. IDH invites apparel brands to join us in better defining this agenda and action plan.

### Circular Economy Pathways

