

## *Panel Discussion*

### **Role of the Textile Industry in Strengthening Climate Action in Pakistan**

#### *In collaboration with YTML*

The textile industry is a cornerstone of Pakistan's economy, accounting for [59% of the country's total exports](#) as well as employing nearly [25 million people](#). However, high carbon emissions, excessive water consumption, and textile waste generation are prevalent issues in this sector, significantly contributing to the country's environmental challenges. As climate change intensifies and stricter compliance regulations from international buyers arise, the need for sustainability in the textile sector becomes ever more pressing. Fortunately, companies like Yunus Textile Mills Limited (YTML) are taking steps to align with global sustainability frameworks, aiming for carbon neutrality by 2050 by focusing on a comprehensive clean energy transition as part of their sustainability strategy. This transition involves investing in renewable energy sources and enhancing energy efficiency across their operations. By shifting to cleaner energy solutions, YTML is not only reducing its greenhouse gas emissions but also contributing to Pakistan's climate goals outlined in its Nationally Determined Contributions (NDCs) under the Paris Agreement. YTML has invested in biomass, solar, and wind energy, along with energy-efficient operations, to maintain a consistent energy supply and reduce its carbon footprint, aiming for Net Zero by 2050. With Sindh facing water scarcity, YTML installed its first wastewater recycling plant in 2012 and now recycles 85% of its water to lower freshwater usage. However, despite significant investments, YTML faces challenges in further transitioning to reliable renewable energy sources. The company is seeking government support to introduce offsite renewable options, improve grid reliability, and establish a power wheeling policy. YTML has also been advocating the government to allow private grids for self-consumption, which would help control production costs; as well as need to scale up battery storage solutions for industrial use to address technological limitations.

This alignment with national climate goals underscores the importance of the textile industry in fostering sustainable practices that mitigate climate change. The YTML's approach to sustainability, focused on decarbonisation, provides a blueprint for the broader textile industry in Pakistan. By adopting renewable energy sources and improving energy efficiency, textile companies can significantly lower their carbon footprints while also meeting the increasing demands for sustainability from international markets. Furthermore, the integration of clean energy solutions helps improve operational resilience, ensuring that businesses are better equipped to navigate the challenges posed by climate change.

Given the above context, this panel discussion will bring together industry experts, policy influencers, private sector and businesses to address the following questions:

1. What specific roles can the textile industry play in national decarbonisation efforts and how can the sector accelerate its transition to clean energy?
2. In what ways can Public-Private Partnerships (PPPs) enhance climate action initiatives within the textile industry?
3. What challenges do textile companies face in adopting clean energy transition, and how can these be overcome?

4. How will implementation of the Carbon Border Adjustment Mechanism (CBAM) impact trade for the Pakistani textile sector, and what measures can be taken to support compliance while facilitating a smooth energy transition for these businesses?
5. What role can trade agreements play in promoting sustainable practices within the textile sector, and how can these agreements be structured to incentivise compliance with environmental standards?

**Panel Organisers**

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