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Implementing a 1% consumer surcharge to finance ZLD+

7th WORLD WATER SUMMIT – NEW DELHI

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Opening statements

1. Textile producers producing for global fashion brands need to be compensated for investing in a sustainable Ready Made Garment (“RMG”) production.
2. The unambiguous sustainability target for the environmental dimension is Zero Liquid Discharge (“ZLD”) next to textile producers formulating some measurable social dimensions.
3. Combining innovative technologies reduces the cost significantly when compared to common technologies.
4. If consumers are willing to pay a “sustainability surcharge” of 1% of the retail price then costs of migration towards sustainable RMG production are amply covered.
5. For this session, I like to share some thoughts on the steps we are considering to assist the RMG to implement the route towards unambiguous sustainability.





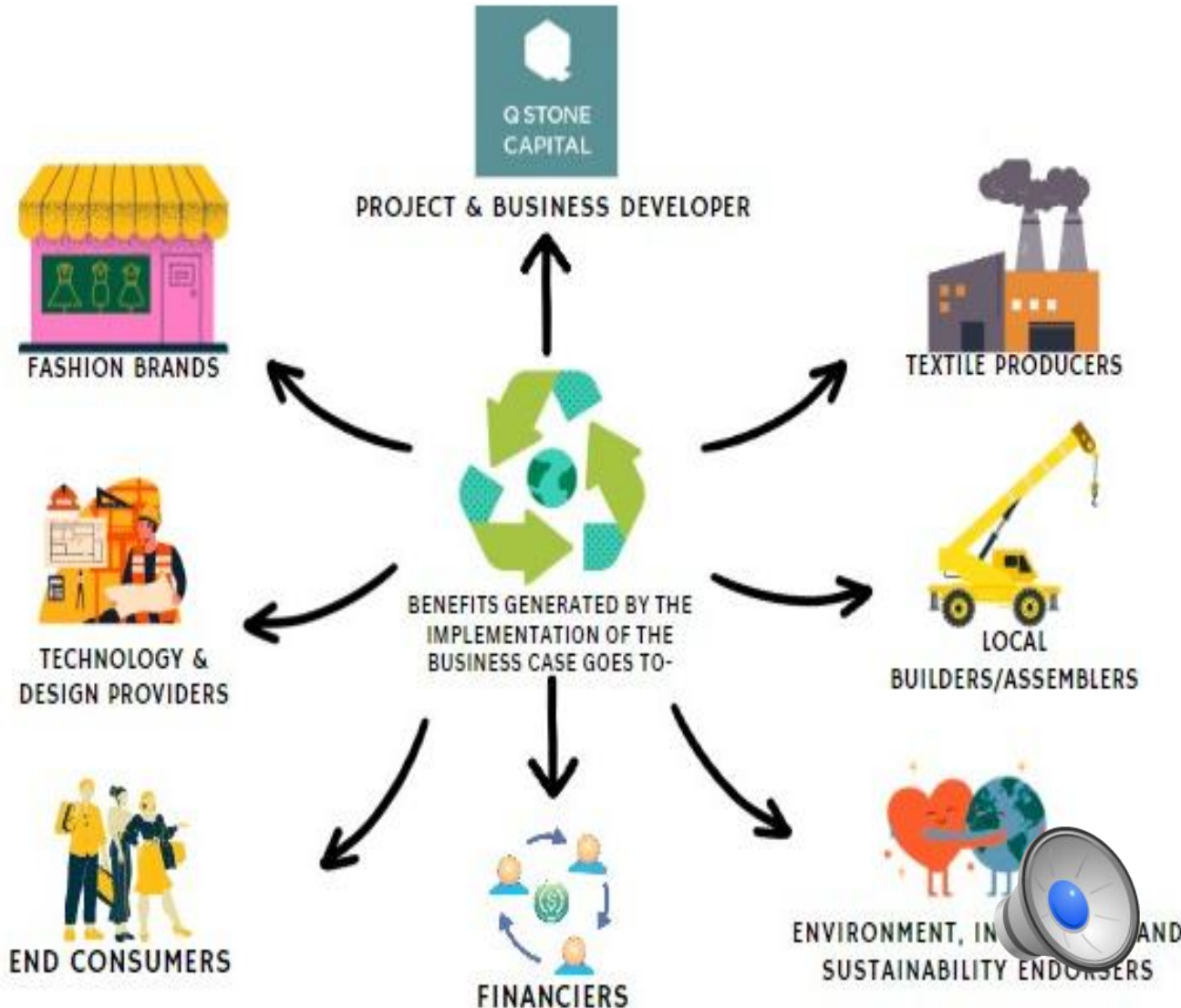
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Textile Value Chain Business Case Beneficiaries

Our “total value chain business case” in this concept is dependent not only on the awareness of consumers of what it would cost to implement ZLD water treatment, but also on a mechanism to give end-consumers comfort that a supplemental “ZLD surcharge” would be directly channeled to the investment and operation of ZLD water treatment.

The drive towards a market driven adoption of ZLD starts with the identification of all stakeholders across the total RMG garment value chain (“total value chain”) starting at the delivery point of the raw cloth for the production of ready-made garments (“RMG’s”). This includes local assemblers – producers of water-treatment equipment, (local and international) financiers, Sustainability endorsers, textile producers, (local offices of) fashion brands and last but not least (representatives of) end-consumers.

THE TOTAL TEXTILE VALUE CHAIN

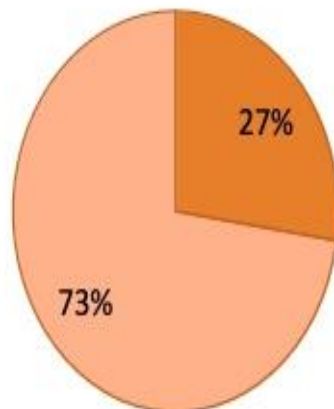


FEEDBACK FROM FASHION END CONSUMERS

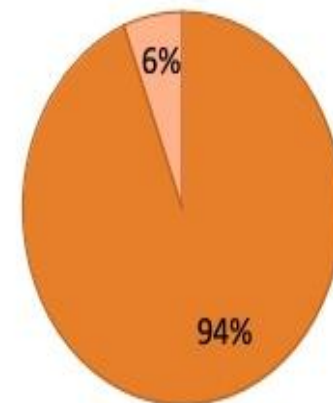
We conducted a survey among 1000 Fashion End Consumers from Europe, Australia and Asia to know their view on this water sustainability. Where they were asked about their willingness to pay an additional cost for their textile/fashion purchase, to enable Sustainable Zero Liquid Discharge for the textile producers.



If the respondents are aware of the Textile Wastewater pollution?

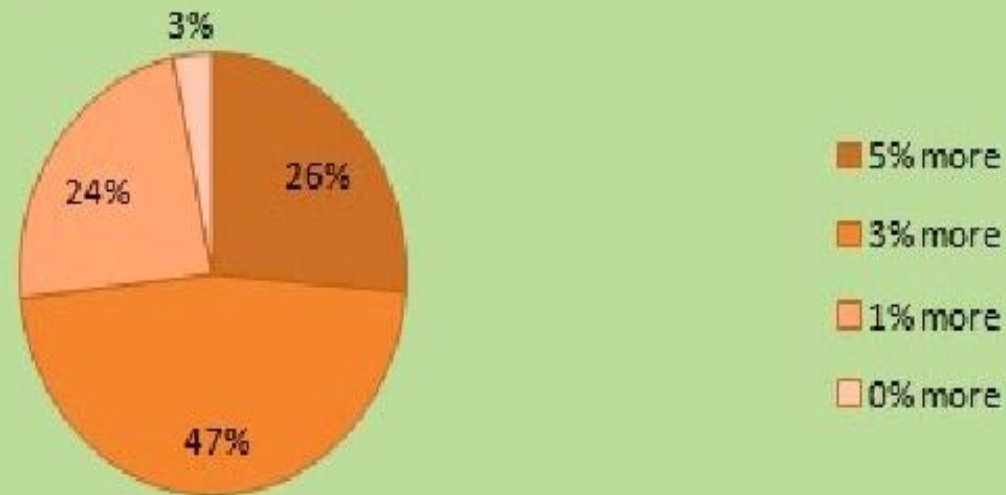


If the respondents think this pollution should be prevented soon?





How much more (per item) the end consumers are willing to pay to enable fashion brands to compensate the Textile producers to migrate to ZLD?



As the outcome of the survey we observed that maximum number of consumers responded that they are willing to pay, at least around **2.9% more** which is substantial than what we had previously concluded in our business case. Which makes the business case more attractive and feasible.





2 steps towards ZLD implementation

With the support of an international grant we look forward to be able start building a mobile ZLD pilot early in 2024, and start with the design and structuring of an innovative financial routing for the 1% ZLD surcharge....

Mobile ZLD Pilot system
Bangladesh
(and maybe India if requested)

Independent 1% surcharge
structure

Demonstrating
technologies
involved

Demonstrating
operational
aspects (e.g.
economics)

- how to route proceeds ?
- Need for transparency and auditability
- how to allocate to factories?
 - co-financing?
 - Factory coupled with Fashion Brand?
- And many more issues to be addressed in 2024





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Are you interested to join?

In case you like to contribute to our ZLD journey please contact us at Rucksar@QStoneCapital.com

Thank you on behalf of our ZLD finance and technology team



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