**H.I Textile**

My name is Hammad, and I run **H.I. Textile** in Faisalabad, which has been operational since 2014-2015. Our primary business is fashion-related production. One of the main products we manufacture is nursing bedding, which, as far as I know, very few people are producing in Faisalabad, or perhaps hardly anyone at all. In addition, we own another brand, **(IF DOT)**, which offers a wide range of products, including textiles such as garments and home textiles (like upholstery, etc.).

We’ve been working under H.I. Textile since 2014-2015, and apart from that, we also launched (if dot) in Malaysia. The designs for this brand were specifically created keeping in mind the Malaysian market because, as in Pakistan, there are two main challenges: the high cost of production and lower purchasing power of consumers. While we can't drastically reduce the cost of production, we can certainly explore markets where the purchasing power is better compared to Pakistan, which helps us manage costs more effectively.

**A) Challenges of Implementation of SDGs in the Textile Industry**

**Question: What financial barriers and limitations do fashion brands encounter in their efforts to implement SDGs?**

**Answer:**

The biggest financial barrier we face is when we encounter financial challenges, we have to rely on banking support, which is very expensive. In fact, it’s one of the most expensive options. The interest rate has gone up to nearly 17%, which is a significant increase. Previously, the *KIBOR rate* was around 23%, which made it almost impossible to manage. Now, even at 17%, it’s still very challenging. If we look at Malaysia, the *KIBOR rate* there is around 3%, so the difference between 3% and 17% is massive. This higher cost burden ultimately falls on the consumer, and since the purchasing power of consumers has significantly decreased, our sales drop as a result.

So, the only way to overcome this, is taking support from banks, investors, or loans?

After banking options, our next alternative is investors. However, market investors charge even more than banks. For example, when the *KIBOR rate* was at 23%, the credit line we were using was charging nearly 4.5% per month, which translates to more than 50% annually, and sometimes even higher—around 60% or more. Again, this has a direct impact on the consumer, and ultimately, the burden on them leads to low sales.

**Question:** **How do barriers like outsourcing materials and lack of government support impact the progress of fashion brands in implementing SDGs?**

**Answer:**

When we talk about fashion designing, the first thing we need is different types of materials and fabrics. Many of these fabrics come from the Chinese market, which is quite rich in variety. We have to import a lot of fabrics from China. However, since the government is discouraging imports, and many fashion items can't even be produced locally in Pakistan, it creates a significant challenge for us in the fashion industry. We face difficulties in being creative because, in Pakistan, there is not much new development in fabrics or materials. For example, bamboo fiber has not been developed here like it has been in China, where they made huge strides and earned billions from it. Similarly, polyester fiber is still produced in Pakistan, but not to the same quality as the Chinese products.

Additionally, Pakistan's processing and finishing industries lack the advanced chemicals and machinery available in China. Without this infrastructure, new product development becomes very challenging in Pakistan. As a result, we have to import many fashion-related items from abroad to meet the demands of the market.

Exactly, and because of this, consumers are also turning towards China. They will essentially have their production done there.

Yes, that’s why when we create a brand here, it becomes a major challenge for us. If we need to compete with the Chinese market, we have to import a lot of things from China. Otherwise, if we don’t import, and imports are being discouraged here, the necessary developments don't take place locally. As a result, Chinese suppliers dominate the market here, and their sales are much higher than ours. Our brands aren't able to grow because we can't access the same level of fashion, materials, and products that they can offer.

**Question: Do you believe that not keeping an eye on suppliers' eco-friendliness and not rewarding green practices is a big obstacle for fashion brands to follow SDGs?**

**Answer:**

Actually, the problem is that we are currently in a survival position. When someone is in survival mode, facing so many challenges, they are focused on surviving, not on thinking about the next step. Right now, no one is really thinking about the environment or people’s well-being, or how to uplift their lives. The reason for this is that the challenges are so overwhelming. As we mentioned earlier, there is a lack of materials, energy costs are extremely high, and labor costs are not being met properly. Our main focus is on survival. We try to achieve whatever we can, like improving labor pay a little to ensure they are mentally at peace, so they can work better. But beyond that, we don’t even have the capacity to think about achieving other targets. The state of our industry is such that, with the high energy costs, material shortages, and lack of government support, it’s almost impossible to think beyond just making it through each day.

Exactly, survival itself is difficult because meeting standards comes with its own separate costs.

**Question: How does the risk of technology failure, coupled with a lack of technology development, affect the successful implementation of SDGs in the fashion brands?**

**Answer:**

Again, the same issue comes up: people here are not allowing new technologies to emerge in our industry. And the core problem is that when we start R&D, it requires a certain ratio of profit or income to be spent on it. However, there is no government organization that works on different fibers, materials, energy, or technologies here. Another issue is that when we try to introduce new technology, our biggest problem is that the labor force is not familiar with it. If we replace traditional machines with new machinery, the main issue becomes the labor force—they are not ready to work with new technologies. Our people are not ready to adapt to new technology. If we had access to new technologies and our workforce was trained to use them, it could bring us a lot of benefits. But it’s a whole system, and no large fashion brand here has set up proper R&D to develop or introduce new technologies. We have to bring in technologies that are not fully developed yet, and the process of introducing them is difficult. However, this would ultimately improve our efficiency, and if we adopt new technologies, achieving the SDGs (Sustainable Development Goals) would become much easier for us.

Here’s a question: if you invest in training and development for your labor to help them adapt to new technologies, what barriers do you face in doing so?

The problem is that the cost of production has risen so much that we don’t even have room in our budget to think about things like this. First, we have to meet the production costs and also keep the purchasing power of consumers in mind. If we adopt new technologies and raise our prices accordingly, the question is: will this even sell in Pakistan? If we adopt such technologies, the prices will go up, and Pakistan's consumer society is not strong enough to afford those prices. The purchasing power is simply too low to make it viable here.

**Question: How does the lack of environmental training programs impact the fashion brands’ sustainability performance?**

**Answer:**

When it comes to the domestic environment, the environment inside our factory, keeping it clean is a necessity for us, especially for the end product or consumer products. If the environment is not clean, the product will not be clean either. So, it's a requirement for us to maintain cleanliness. We understand this, and we also provide training to the labor force. Achieving quality parameters is impossible without maintaining a clean environment. No brand can meet high-quality standards if it doesn't prioritize the cleanliness of its environment.

**B) Benefits of Presenting Sustainability Actions in Marketing Campaigns**

**Question:** **To what extent do a fashion brand’s tangible sustainability actions contribute to its positive reputation, and does it have an impact on customers’ purchase intention?**

**Answer:**

It has nothing to do with consumer intention. In Pakistan, consumers don't care how a product is made; they just want what benefits them. People here haven’t reached a level where they’re concerned about issues like child labor or the financial condition of those who are producing the items. Consumers only care about getting what they want. This is more about the ethical state of our society. Our society isn’t very ethical, and people don’t think about what others are going through—they only focus on their own benefit. If people's ethics were stronger, children wouldn't be working in workshops or factories. Here, the consumer only cares about cost-effectiveness.

**Question:** **Do you believe that implementing sustainable marketing practices can help fashion brands to enter new markets and increase market share?**

**Answer:**

Yes, if we adopt sustainable practices, it would obviously benefit us, especially in societies that value these factors. In such societies, people recognize the importance of sustainability. However, if you talk about Pakistan, as I mentioned in my earlier response, there is a moral collapse here. People in Pakistan don’t prioritize these issues at all. Those who are connected to the international market or working internationally will believe in these practices, but here, people will pretend to follow these practices. To some extent, they may do so because there are certain things like certifications—such as ISO or SEDEX—that are required to operate in the market. Without these certifications, international markets won’t give us space to operate. Therefore, to access the international market, we have to meet certain standards, even if we aren’t fully committed to the ethical or sustainable practices behind them.

**Question:** **Is it important for fashion brands to implement sustainable solutions to remain competitive in the international market?**

**Answer:**

Look, this is a contradictory question. When we implement sustainable solutions, we become less competitive because the cost of production in Pakistan has risen so much that we can't even manage our basic R&D. So, if we implement sustainable solutions, we won't remain competitive.

**Question: Do you think working for sustainable fashion brands will increase motivation and productivity of employees?**

**Answer:**

Definitely, when employees receive their rights, there’s no doubt that they will be motivated. Productivity will increase, and quality will improve as well, because they will be working with a peaceful mind and more comfort.

And they will be able to perform better.

**Question:** **In your opinion, do you think sustainable marketing practices help in attracting and retaining employees?**

**Answer:**

Definitely, the point is that the more you facilitate your employees, the better the outcome. Here’s an example from our industry: Interloop has provided excellent facilities to its employees and treated them very well. The reason for this might be that they’re not just working in the local market; they’re focused on the international market, and they’ve synchronized themselves with new technologies. They offer good prices, and as a result, when Interloop offers a job in the private sector, people tend to prefer it.

And they often subsidize a struggling industry, allowing smaller brands to become their subsidiaries. This helps them establish themselves in the market, and their name gains strength because of Interloop’s presence.

**C) Effective Techniques of Integrating Sustainability Activities in Marketing Campaigns**

**Question:** **Do you believe that the use of ‘Recycle, Reuse, Reduce’ in the marketing campaigns of fashion brands is an effective technique?**

**Answer:**

When we talk about exports, it is very fascinating for Europeans and Americans. The key point is that their level of intellectual awareness matters. In Pakistan, it’s the opposite. If a brand here says that their product is recycled, people often think that it’s made from trash or waste. Pakistan still needs awareness on this topic. Otherwise, the brand that claims its products are recycled will fail in the Pakistani market.  
  
**Question:** **Do you think increasing the research and development capacity of fashion brands will result in more effective sustainability marketing campaigns?**

**Answer:**

Obviously, it’s a basic fact that if we invest in R&D and develop new things, there’s much more potential in the market. This can lead to a successful campaign, and we can reach customers in a better way. But again, the issue comes down to resources, which is a limitation in Pakistan.  
  
**Question:** **Do you think that the use of green packaging material effectively contributes to the integration of sustainability into marketing campaigns?**

**Answer:**

The point is that when we enter the international market, our customers demand green packaging or recycled packaging because there is awareness in their society. In Europe, if a brand writes on its packaging that it’s made from recycled materials, it holds more value. In some countries, virgin fibers and materials have already been banned. However, in Pakistan, the issue is that there is no awareness about this, so there is no visible benefit or loss of adopting such practices in the local market.  
  
  
**Question:** **In your experience, please share any other sustainability marketing technique for the fashion brands. Sustainable marketing technique?**

**Answer:**

There are two things: public awareness and public demand. Manufacturers follow public demand. All the international brands today, the measures they have taken for their employees, for their labor, are meant to improve their lives. Forty years ago, they didn’t have these measures, but they introduced them because there was public awareness. People wanted to ensure that the products being made didn’t involve child labor, or exploitation, and that workers were being compensated fairly. Businesses and industrialists didn’t do this out of choice; they were forced to do it because of public pressure. They had to do it because consumers demanded it. Public awareness creates so much pressure that fashion brands are forced to follow these practices. But the real challenge is that this factor alone is not enough. Until we reduce the cost of production, we cannot implement these changes. If we don’t have resources, we can’t implement sustainable practices. But if there are two things—public pressure for SDGs, and the ability to afford it—then I believe this cycle becomes complete. Public awareness doesn’t only affect consumers, but also employees. When employees are aware, they see where they can work in a good environment, and they will choose to work there. So, there are two main things: cost of production (resources) and awareness.

**I have one last question:**  As we were told earlier, the United Nations prefers that businesses in the subcontinent, like in South Asia, should work with those who follow SDGs. Is there any pressure on you from clients or customers to follow SDGs, or do they tell you, "If you're not following these practices, we won’t work with you?"

Yes, some customers do demand that we comply with European standards, which means we can't use any hazardous chemicals in our products that could harm anyone. For example, SEDEX compliance requires us to maintain a safe working environment in our factories. We need to make sure that fire extinguishers are in place, and hygiene standards are followed, like having soap for handwashing, and many other things. They enforce this on us, and we comply. But if you go anywhere else, you’ll see that it’s not always being implemented in spirit—it’s mostly about the paperwork. Since they’re based outside the country, they only audit once a year. We prepare for these audits, and we pass them. But the problem is that it costs a lot. If a customer demands a specific certification, like SEDEX or ISO, I’ll go ahead and get that certification. After I get it, there are loopholes, and people take advantage of them. The audit happens once a year, and after that, they don’t ask for any updates. So, I go back to my usual practices. If they somehow enforce the real spirit of these practices in my factories, the cost would be so high that my factory would shut down.

Right, thank you so much.