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Chinese viscose sector's sustainability roadmap fails to deliver

Report from Changing Markets Foundation reveals significant gaps in new Roadmap from Chinese Collaboration for Sustainable Development of Viscose

A new report, *Dirty Fashion: Spotlight on China*, by the Changing Markets Foundation finds that a new sustainability initiative from Chinese viscose producers is short on ambition and will not meet NGO requirements on responsible viscose, which have been endorsed by leading fashion brands.

The Collaboration for Sustainable Development of Viscose (CV) has launched a three-year Roadmap, which claims to provide a way for Chinese viscose producers to achieve sustainable supply chains. However, Changing Markets, which has been investigating and campaigning on sustainable viscose production since early 2017, finds that the CV Roadmap¹ allows members to pick and choose between different standards and lacks ambition & transparency.

Urska Trunk, Campaign Adviser at Changing Markets, said: *“At a time when major fashion brands such as Next and Inditex are sending a clear message to their suppliers to commit to responsible production of viscose, it is hugely disappointing to see such shortcomings in the CV Roadmap. It is a weak attempt to clean up the Chinese viscose industry and much more needs to be done to ensure that Chinese producers are aiming for the same level of ambition as other industry players. In its current format, brands and retailers should not consider membership of the CV initiative and commitment to the CV Roadmap as proof of good environmental performance.”*

The rapid development of China's textile industry has become one of the biggest threats to its environment. China is the largest textile producer in the world and has a 63% share of the global viscose market. The new report also highlights that Chinese viscose factories – including sites operated by the members of the CV initiative – continue to violate government regulations.

Viscose is the third most commonly-used fibre in the world; as a biodegradable fibre, it has the potential to be a sustainable alternative to oil-derived synthetics and water-hungry cotton. However, many viscose manufacturers have yet to adopt responsible production methods and sustainable wood sourcing practices.

To date, eight major brands and retailers – Inditex, ASOS, H&M, Tesco, Marks & Spencer (M&S), Esprit, C&A and Next – have publicly pledged to integrate Changing Market's *Roadmap towards responsible viscose and modal fibre manufacturing*ⁱ into their sustainability policies. The Changing Markets Roadmap sets the viscose industry on a

¹ <http://www.cvroadmap.com/reportcn/201809/43.html>

pathway to closed-loop manufacturing in line with what are currently the most ambitious guidelines for cleaner viscose manufacturing: EU Best Available Techniques (BAT).

After analysing the CV Roadmap, Changing Markets' report finds that it:

- Lacks ambition, by not obliging its members to achieve the highest level of the Chinese Clean Production Standard for viscose (which the Chinese government itself recommends for companies selling to the international market) or a standard that would align with EU BAT. The world's two largest viscose manufacturers – Lenzing and Aditya Birla Group – have already committed to achieving EU BAT, which is the standard supported by several leading fashion brands and retailers through their commitment to the Changing Markets Roadmap.
- Allows members to pick and choose from a selection of certification standards and industry self-assessment tools, which have been criticised by NGOs for their lack of ambition (for example the PEFC standard for wood sourcing) or for failing to take a holistic approach (e.g. by only certifying a small part of the supply chain or simply the quality of the end product without addressing environmental impacts from manufacturing).
- Lacks clarity and transparency, by failing to provide publicly available information about how the Roadmap will be enforced, monitored, verified and whether it will sanction non-complying members.

Sara Bermudez Couto, Head of Product Safety and Environmental Sustainability, Esprit said: *"We are engaged in working on the Changing Markets Roadmap towards more responsible viscose & modal fiber production. Achieving this ambitious roadmap is only possible by a joint approach of all stakeholders in the different areas of the viscose industry. We are looking forward to be part of this work and move the viscose manufacturing forward towards a more sustainable industry."*

Felix Poza Peña, Chief Sustainability Officer, Inditex said: *"Committing to the ambitions of the Changing Markets' Roadmap towards responsible viscose is crucial. By working together towards these goals, we are able to align our expectations of viscose manufacturers and build the critical mass necessary to accelerate positive change across the industry"*

Next spokesperson said: *"Next is committed to supporting industry collaboration and initiatives that help drive the Changing Markets Roadmap towards its goal of responsibly produced viscose and modal fibre."*

ASOS Spokesperson said: *"ASOS is committed to more responsible viscose production so welcomes initiatives to improve the viscose industry. Only by aligning with a higher level of ambition can viscose producers minimise the impact on the environment, workers and local communities."*

H&M Spokesperson said: *"H&M group is committed to the Changing Market roadmap and will continue to monitor the progress of the viscose industry through cooperation within the industry and different stakeholders towards our shared goal of responsible viscose."*

Changing Markets' investigations in 2017 found that companies supplying viscose to global fashion brands were dumping toxic wastewater in lakes and waterways, destroying subsistence agriculture and fisheries at multiple sites across India, Indonesia and China. In addition, communities living near some of the plants spoke of a lack of access to clean drinking water, sickening smells that were making life unbearable and higher incidence of serious diseases such as cancer. *Dirty Fashion: Spotlight on China* sets out a series of recommendations to reform the CV initiative in line with responsible production methods and also for responsible wood sourcing.

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About Changing Markets:

The Changing Markets Foundation partners with NGOs on market-focused campaigns. Our mission is to expose irresponsible corporate practices and drive change towards a more sustainable economy.

www.changingmarkets.org / @ChangingMarkets

ⁱ Changing Markets, 2017. Roadmap towards responsible viscose and modal fibre manufacturing. [ONLINE] Available at: <https://changingmarkets.org/portfolio/dirty-fashion/>