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Luxury brands and high street retailers fail to deliver on responsible sourcing

- New report reveals the fashion brands and leading viscose producers making progress to clean up dirty viscose manufacturing.
- But the majority of brands continue to pay lip service to sustainability with no evidence of action.
- Comparison table launched, rating retailers on journey to sustainable viscose production.

Ten major high street brands and retailers have committed to take action on responsible viscose supply, according to a new report by Changing Markets. However, luxury brands, including Prada, Dolce & Gabbana and Dior and low-cost retailers such as Walmart, Matalan and Boohoo, are failing to take action on polluting supply chains, devastating ecosystems and causing severe health impacts in local communities in India, China and Indonesia.

The report, [*Dirty Fashion Disrupted: Leaders & laggards revealed*](#), categorises 91 fashion brands on transparency and sustainability in their viscose supply chains. The research reveals that many retailers are making progress to source viscose responsibly. However, faced with evidence of severe environmental and social damage, for the vast majority of brands, this is yet to translate into concrete and impactful action.

A clear divide between US and European brands is highlighted in the research. Not one US company makes it into the top 'Frontrunner' category, which is dominated by European firms, while only one US brand (Victoria's Secret) makes it into the 'Could do better' category.

Viscose: environmental issues

Viscose is the third most commonly used fibre in the world and it has the potential to be a sustainable alternative to oil-derived synthetics and water-hungry cotton. However, previous Dirty Fashion investigations found clear evidence of viscose producers dumping untreated wastewater, contaminating waterways and ecosystems, and causing severe health impacts to local communities.

A toxic chemical used in the viscose manufacturing process has been linked to serious health conditions, most notoriously as a cause of mental illness in factory workers but also a wide range of other conditions ranging from kidney disease and Parkinson's-like symptoms to heart attack and stroke.

Urška Trunk, Campaigns Adviser, Changing Markets Foundation commented: *"Sustainability is not just a buzzword but must lead to a fundamental shift in the way companies operate. Our findings show that many brands and retailers are still paying lip service and making lofty promises, rather than actually delivering transformative change.*

"With increasing awareness of the environmental and social impacts of the fashion industry, people expect clothing companies to take responsibility for their supply chains. Brands and retailers can no longer turn a blind eye to this. They need to rise to the challenge and open their supply chains up to external scrutiny to put the industry on a more sustainable footing."

Brands: evidence of progress

In 2018, Changing Markets launched a *Roadmap towards responsible viscose and modal fibre manufacturing*, designed to give ownership to retailers and brands to source sustainable viscose and reach ambitious environmental and social targets.

New Look and Morrisons today announce that they have signed up to the *Roadmap*. They join the eight firms – Inditex, ASOS, H&M Group, Tesco, Marks & Spencer (M&S), Esprit, C&A and Next – which signed up last year. These ten major brands and retailers have now made a public pledge to integrate the *Roadmap* into their sustainability and responsible sourcing policies and permanently ditch dirty viscose production methods by 2023-25.

Antonio Roade, Senior Sustainability Manager at New Look commented: *“Responsible viscose sourcing is a cornerstone of New Look’s sustainability strategy and we are fully aligned with Changing Markets Foundation. We welcome initiatives like the Roadmap which aim to drive systemic change and make fashion a better industry”.*

A Morrisons spokesperson said: *“At Morrisons we are committed to reducing the environmental impacts of the raw materials in our Nutmeg clothing range. Through this commitment we actively support an industry-led approach to improve current standards in viscose and modal fibre manufacturing.”*

Leading the way and in the ‘Frontrunners’ category in the new report are the ten brands that have signed up to the Changing Markets’ Roadmap. The report classifies the 81 remaining retailers into three other categories; ‘could do better’, ‘trailing behind’ and ‘in the red zone’. The 27 worst-performing brands in the red zone are those with no viscose-specific policy of any kind.

Among the lowest-ranked companies, luxury brands Versace, Prada, Dior, Armani and Dolce & Gabbana rub shoulders with Boohoo, Walmart, Matalan, Forever 21 and TK Maxx.

A number of other brands and retailers showed evidence of meaningful efforts to make their viscose supply chain more responsible:

- Lidl has committed to its own-brand textiles using only Lenzing Ecovero and EU Ecolabel-certified viscose by 2020.
- Monsoon communicated that its next spring summer collection will have over 500 options made from Lenzing Ecovero, representing over 60% of its range.
- Gucci was placed in the red zone in 2018 but ranked more highly this year, with the majority of parent group Kering's suppliers sourcing from Enka and Lenzing.

Producers: a mixed picture

The report also analyses the commitments and actions implemented by the world’s leading viscose producers in the transition to responsible viscose. Since the first Dirty Fashion report in 2017, Aditya Birla Group (ABG) and Lenzing have both committed over US\$ 100million investment in progress towards EU BAT technologies at their viscose fibre producing plants. Both disclosed to the Changing Markets Foundation that they aim to bring their sites in line with EU BAT by the end of 2022. However, the report highlights that ABG needs to make a clear commitment to improve its sulphur emissions to air.

In the meantime, ENKA, a German producer of viscose filament yarn, has made a ground-breaking commitment on transparency, by publishing its consumption and emissions data online.¹

The Chinese industry initiative to address impacts from viscose production, the CV initiative, is singled out for particular criticism. The report highlights that while the CV and its members are dragging their feet on committing to the same standard as other industry players, two Chinese

¹ http://www.enka.de/nachhaltigkeit_7_en.php

viscose fibre producers have already achieved pollution limits in line with EU BAT: Lenzing's Nanjing plant and ABG's Jingwei Fibres Company Limited (BJFCL).

The EU BAT standard is the most ambitious and comprehensive standard to address pollution in the viscose fibre production and Changing Markets recommends that all manufacturers should adhere to these standards as a minimum.

ENDS

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About Changing Markets: www.changingmarkets.org / @ChangingMarkets

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.

About the retailer research:

In 2019, the Changing Markets Foundation, along with Fashion Revolution, Ethical Consumer, the Clean Clothes Campaign and WeMove.eu, reached out to over 90 global clothing brands and retailers asking them for their most recent information on how they source viscose and inviting them to commit to the Roadmap's principles. A letter was sent to all clothing companies in August 2019 asking them how much viscose they use, the details of any policies they have to address the environmental impacts of their viscose supply chain, the names and factories of their viscose suppliers and any plans to disclose these suppliers publicly in the future. Their responses and the research are summarised and rated in line with the Changing Markets Roadmap, which can be viewed on the Dirty fashion [microsite](#).

Even though Changing Markets reached out to a far larger group of brands this year than in 2018, the response rate was significantly higher than last year. Almost two-thirds (54) of the 91 contacted brands engaged with some kind of response to our questions, compared to roughly a third from the 53 brands contacted last year.

Additional comments from retailers and brands:

A spokesperson for Tesco said:

"We are so delighted to support the progress made by the industry in transforming towards responsible manufacturing of man-made cellulose fibres. We believe collaboration and transparency are the main drivers to make positive change."

A spokesperson for Next 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."

H&M group commented: *"H&M Group is fully committed to the Changing Markets' Roadmap and we are making progress towards the 2025 goal of only sourcing viscose and other MMC fibers produced under good environmental practices. Creating lasting change requires long-term and*

collaborative work within the industry, thus we highly welcome the initiative by Changing Markets Foundation.”

An Esprit spokesperson commented: *“It is great to see the first progress. Man-made cellulose fibres are the third largest fibre group for Esprit. We want to grow this percentage as we believe these fibres are certainly more sustainable. To drive change in our industry, Esprit has committed to the Changing Markets Roadmap and together with our industry peers and producers we are working on ways to make viscose and modal fibres sustainable in all aspects.”*

Jeffrey Hogue, Chief Sustainability Officer, C&A said: *“In addition to ensuring that our viscose is not sourced from endangered or ancient forests, C&A is also committed to address the environmental impacts of producing manmade cellulose by sourcing from suppliers that are committed to adopting the practises outlined in the changing markets roadmap as well as our continued active engagement in the ZDHC on standard for assessing long-term environmental performance of viscose manufacture.”*