

Executive summary

Dirty Fashion Disrupted

Leaders and laggards revealed



The purpose of this report is to shed light on industry-specific issues related to the environmental and food security impacts of the use of wild-caught fish as feed inputs in the aquaculture industry.

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1. Executive Summary

One year on from *Dirty Fashion: On track for transformation*,¹ this report assesses where global clothing companies and viscose producers stand in the transition towards responsible viscose. Through detailed scrutiny of 91 brands’ and retailers’ transparency and sourcing policies, and producers’ responsible production plans, we examine progress to date and gaps in existing commitments and pledges.

When our Dirty Fashion campaign launched in 2017, there was little knowledge of the environmental and social impacts of viscose production within the clothing industry. To the extent that brands and retailers were aware of sustainability problems in the viscose supply chain, they were mostly focused on the sourcing of timber for use in the production of wood-based dissolving pulp, which is the starting material for most viscose. In partnership with the NGO Canopy, many had pledged to stop sourcing pulp from ancient and endangered forests. Through ‘Detox’ commitments with Greenpeace and other initiatives, such as the ZDHC Foundation’s Programme on hazardous chemicals, some had also taken action to curb pollution from wet processing by committing to phase out the use of toxic substances in textiles dyeing and finishing.

However, almost without exception, brands and retailers had neglected to address a key part of the production chain causing significant pollution and taking a heavy toll on the health and livelihoods of communities living in the shadow of viscose factories.

In June 2017, all this changed when we published *Dirty Fashion: How pollution in the global textiles supply chain is making viscose toxic*.² Following on-the-ground investigations in India, Indonesia and China, we revealed how companies supplying viscose to the international market were dumping untreated wastewater in lakes and waterways, ruining lives and livelihoods. Toxic run-off into rivers next to factories was destroying subsistence agriculture and had been linked to higher incidence of serious diseases in local populations. Communities living near some of the plants spoke of a lack of access to clean drinking water and sickening smells that were making life unbearable.

Some clothing companies reacted swiftly to our findings, expressing shock at the scale of the damage we had uncovered and pledging to take steps to tackle it. In the weeks and months following the publication of our report, many of them voiced their concern to us but seemed uncertain about how to drive the transition towards more responsible production.

As a result of this, in February 2018, we produced the *Roadmap towards responsible viscose and modal fibre manufacturing*,³ which defined key principles and guidelines for cleaning up manufacturing. In parallel to the Roadmap, we published a follow-up to our first report, *Dirty Fashion revisited: Spotlight on a polluting viscose giant*,⁴ which confirmed our earlier findings of pollution in the viscose supply chain but focused specifically on the world’s biggest producer, the Aditya Birla Group (ABG).

With New Look and Morrisons coming on board with the Roadmap this year, ten major brands and retailers – Inditex, ASOS, H&M, Tesco, Marks & Spencer (M&S), Esprit, C&A, Next, New Look and Morrisons – have now made a public pledge to integrate its requirements into their sustainability policies. With this commitment, some of the world’s biggest clothing brands and retailers are sending a strong signal to viscose manufacturers that they expect the industry to move to more responsible viscose production by 2023-25.

The report finds that that the fashion industry is waking up to the realisation that it needs to take responsibility for what happens in viscose supply chains and be transparent about where and how clothes are manufactured. 2019 has seen the highest level of engagement from brands and retailers than ever before on this issue, while manufacturers are increasingly making strides towards responsible viscose production.

Key findings:

High consumer expectations:

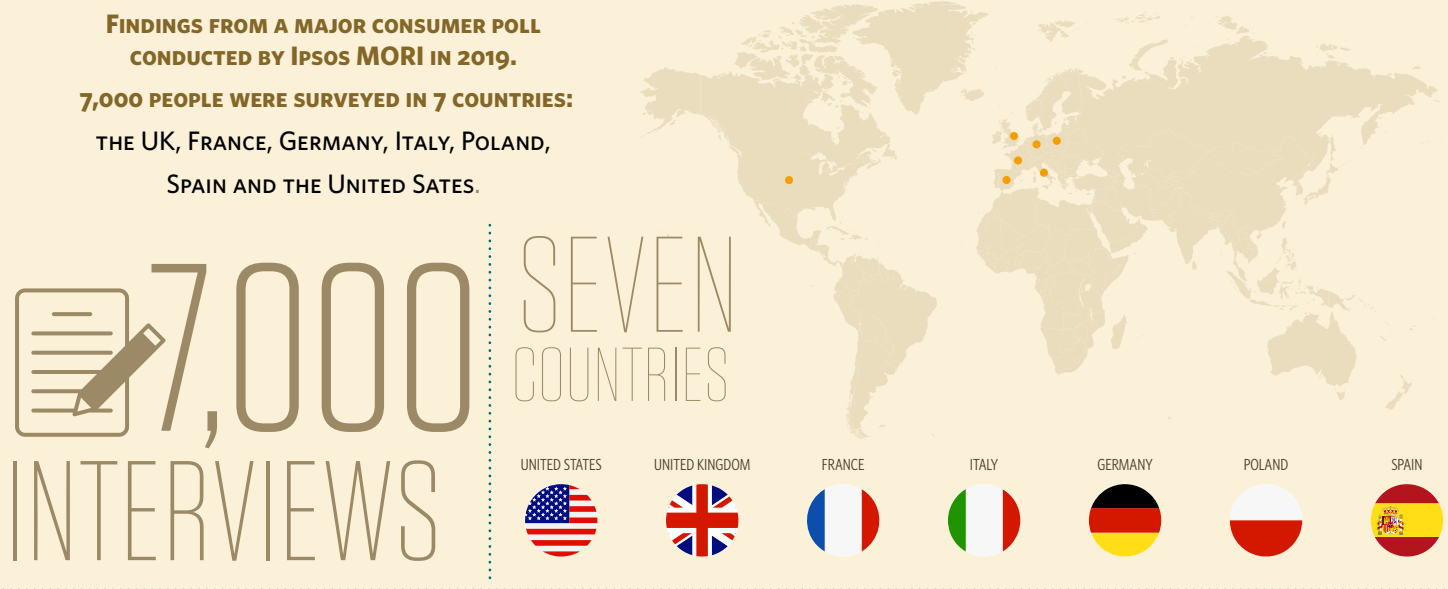
- Consumers expect brands to be responsible and transparent, both in terms of how workers are treated and when it comes to environmental impacts in their supply chains.
- Findings from an opinion poll published by the Changing Markets Foundation and the Clean Clothes Campaign in January 2019⁵ show that three-quarters of the public (72%) think clothing brands should be responsible for what happens during the manufacturing process. Over half (56%) would be put off from buying from brands associated with pollution from production.
- Consumers also expect more transparency from clothing companies. The survey results show that fewer than one in five (17%) feel informed about the fashion industry’s environmental and social impacts. Four in five (79%) think it is important that clothing brands provide information on their environmental commitments and seven in ten (68%) believe brands should have to provide information on their viscose manufacturers and how their production affects the environment.

Brands and retailers: clear progress on engagement, policies and transparency.

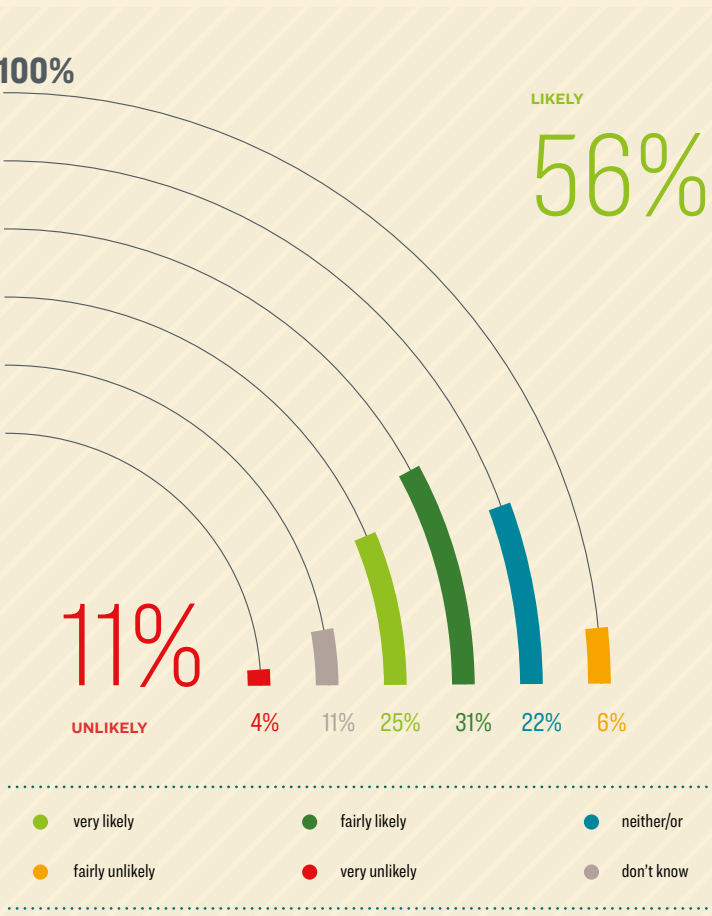
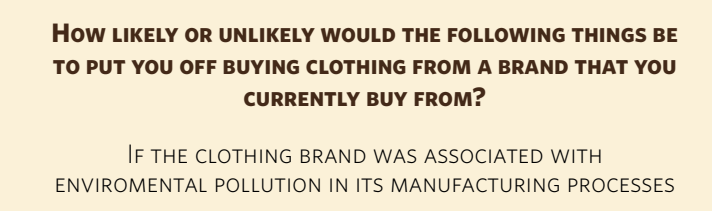
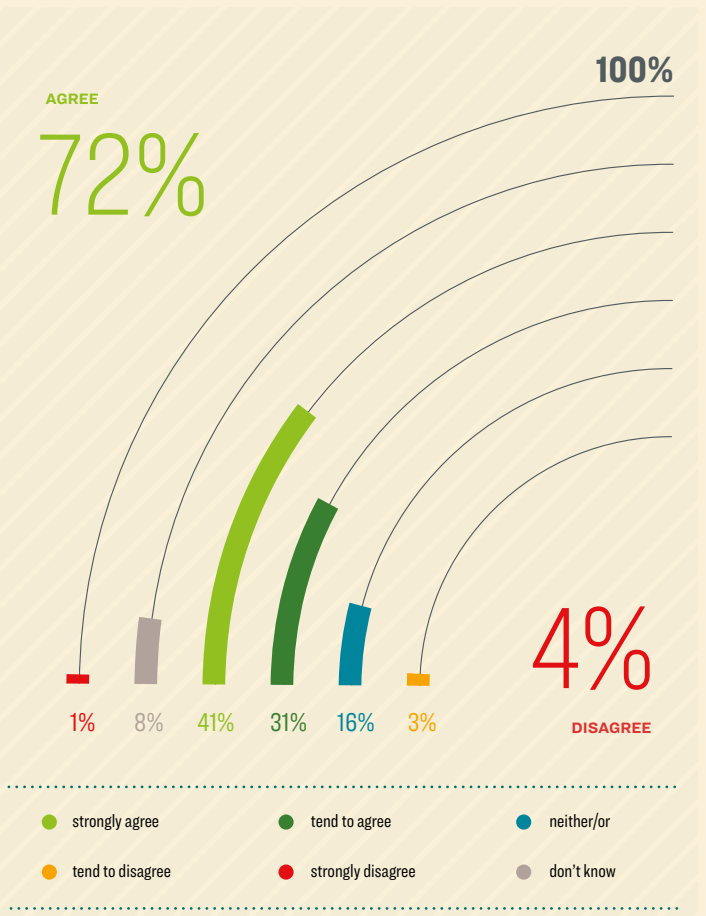
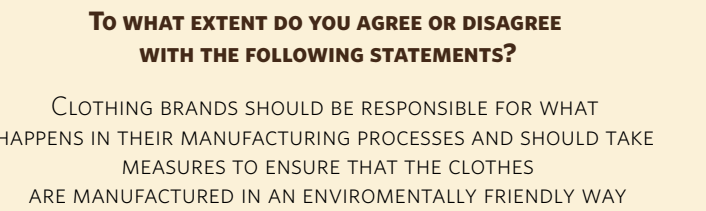
- The issue of responsible viscose production is now firmly on the agenda of the fashion industry and brands and retailers continue to make progress towards responsible viscose sourcing.
- There has been a notable improvement in engagement on the part of clothing brands and retailers. Of the 91 brands that we contacted this year, almost two-thirds (54) engaged with some kind of response to our questions, compared to roughly a third out of the 53 brands contacted last year.
- There has been a strong increase in the number of brands which either already have a viscose fibre sourcing policy in place or communicated plans to introduce one. However,

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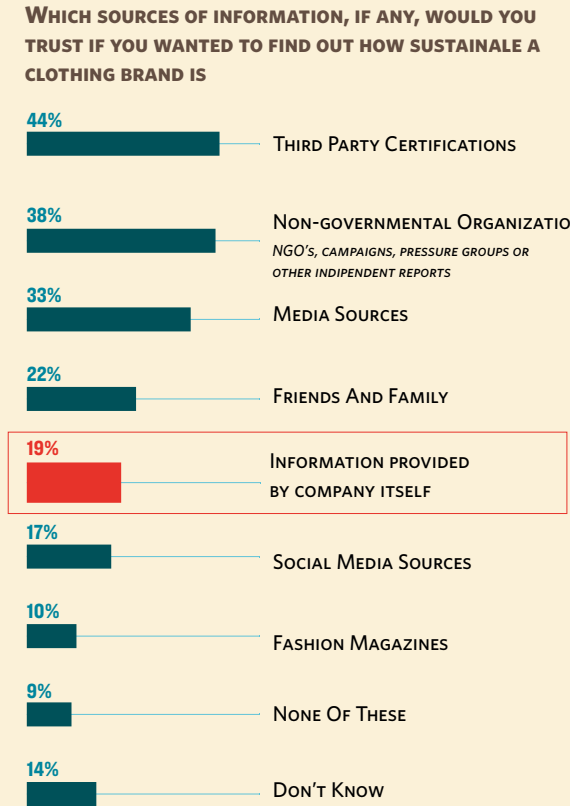
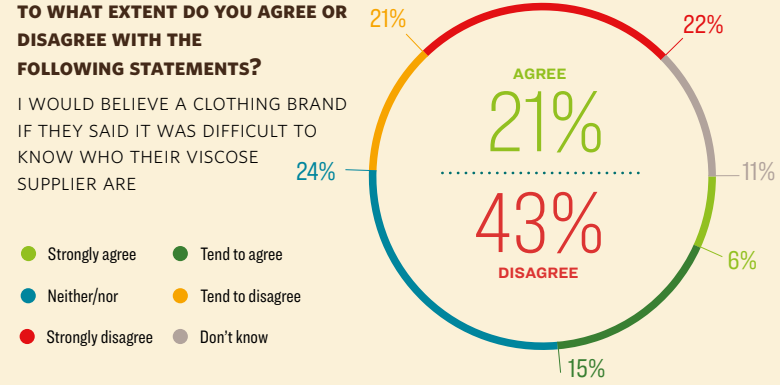
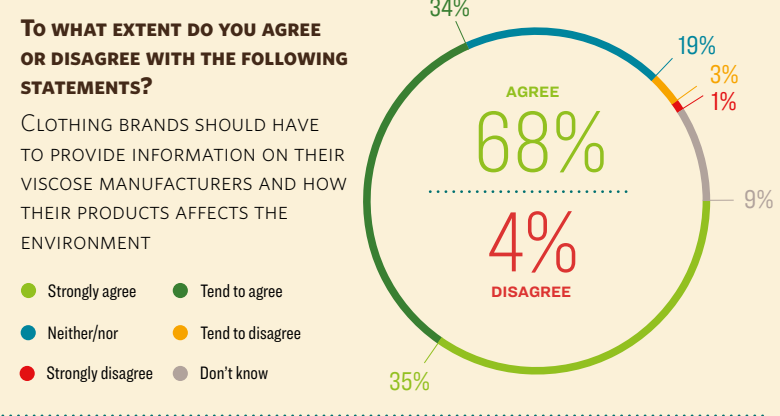
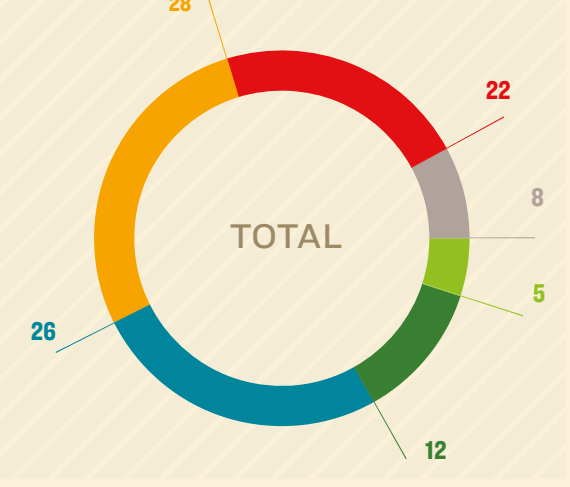
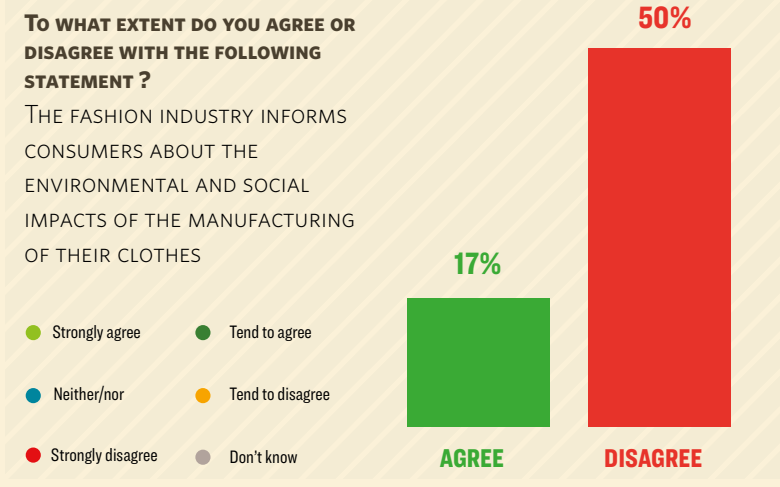
WHAT DO CONSUMERS EXPECT FROM CLOTHING COMPANIES?



THE MAJORITY OF THE PUBLIC THINK CLOTHING BRANDS SHOULD BE RESPONSIBLE FOR WHAT HAPPENS DURING THE MANUFACTURING PROCESS AND WOULD BE PUT OFF FROM BUYING FROM BRANDS ASSOCIATED WITH POLLUTION.



CONSUMERS EXPECT BRANDS TO BE TRANSPARENT ABOUT THEIR VISCOSE SUPPLY CHAIN, THEIR COMMITMENTS AND THE IMPACTS OF PRODUCTION ON PEOPLE AND THE ENVIRONMENT.



where they exist, viscose manufacturing policies are often piecemeal or vague, addressing only a portion of the supply chain through “sustainable” collections or offering lofty promises of more responsible viscose without evidence of concrete action.

- Several brands have shown marked improvement when it comes to transparency. Four Changing Markets Roadmap signatories now publicly list the companies, down to factory names, supplying them with viscose.
- However, more than a quarter (27) of the brands we contacted have no viscose-specific policy of any kind. Some of these have little in place on environmental or supply chain strategies at all, which demonstrates an astonishing lack of commitment to responsible production and shows that they are completely out of step with industry trends and consumer expectations.
- Among the lowest-ranked companies, luxury brands Versace, Prada, Dior, Armani and Dolce & Gabbana rub shoulders with low-cost retailers Boohoo, Walmart, Matalan, Forever 21 and TK Maxx, proving that this problem is not confined to the cheaper end of the market.
- There is a clear divide between US and European brands. Not one US company made it to the top ‘Frontrunner’ category, which is dominated by European firms, while only one US brand (Victoria’s Secret) made it to the second ‘Could do better’ category.

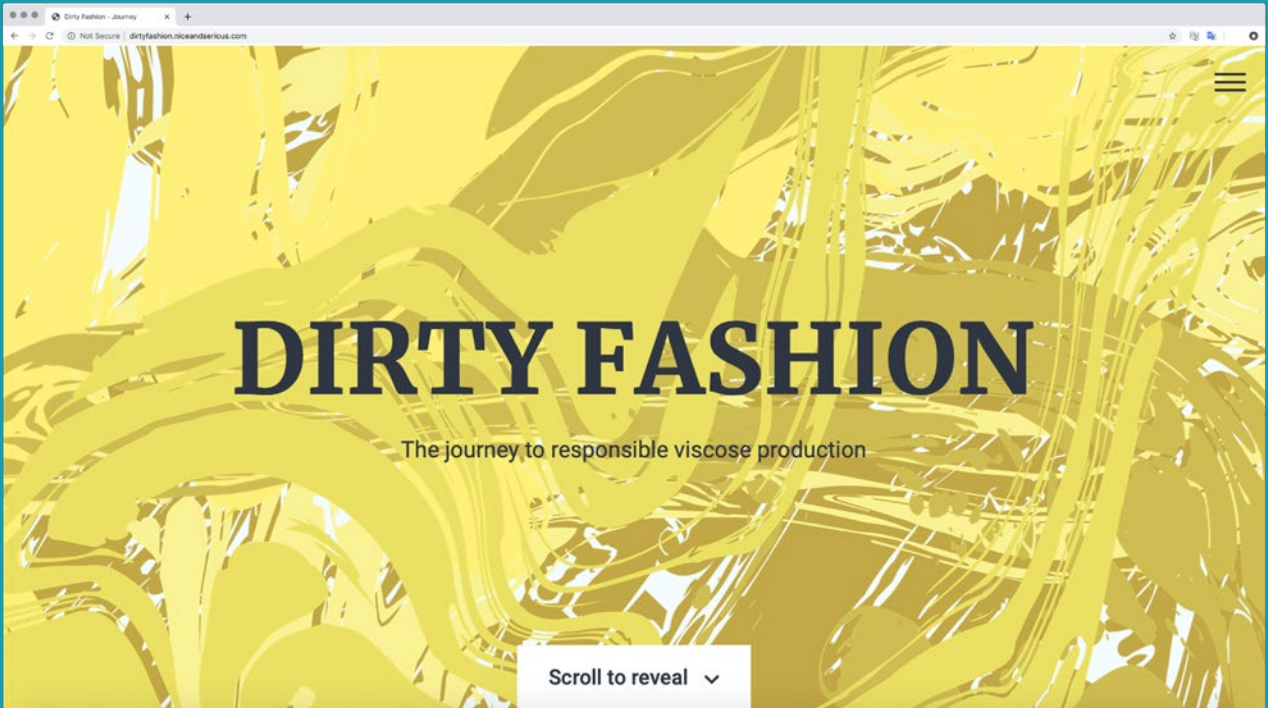
Producers:

We highlight promising developments on the part of a number of producers supplying viscose to the global market as well as the brands that buy from them. These include:

- ENKA’s advanced approach on transparency: going a step further than other viscose producers, ENKA has disclosed consumption and emissions data on its website, demonstrating how its environmental performance compares with EU BAT values.
- Lenzing’s requirement that all of its manufacturing sites comply with the Group Environmental Standard (which is aligned with EU BAT) by 2022.
- Aditya Birla Group’s announcement that it has set a target for all of its manufacturing sites to be compliant with EU BAT and verified by the end of 2022. However, this commitment does not cover sulphur emissions to air.
- Lenzing and ABG have also made some steps beyond closed-loop viscose production, by investing in expansion of their lyocell capacities and embracing circular technologies using pre-consumer waste to produce lyocell and viscose.
- Two Chinese viscose fibre producers have already achieved pollution limits in line with EU BAT: Lenzing’s Nanjing plant and Aditya Birla Group’s Jingwei Fibres Company Limited (BJFCL).

However, the report expresses concern about the progress made by Chinese viscose producers which are part of the Collaboration for Sustainable Development of Viscose (CV) initiative’s roadmap. Changing Markets analysis has previously highlighted the CV roadmap’s lack of ambition, given that it only obliges its members to achieve the lower levels of the so called Clean Production Standard – a standard based on the Chinese government’s recommendations – rather than making viscose producers align with EU BAT, which is the approach supported by several leading fashion brands and retailers. Analysis of new information for this report indicates that the CV initiative’s upcoming five-year Roadmap to 2025 does not appear to include significant improvements on the existing objectives.

Finally, the report highlights the limitations of self-regulation, noting that the global nature of the textile industry requires an approach to tackling environmental and social violations in its supply chains that goes beyond national borders and voluntary industry-led initiatives. Despite the significant progress made by the front-runners, the fact that the majority of brands and retailers still only pay lip service to responsible viscose manufacturing or ignore it completely points to the fact that governments need to introduce legislation that will focus the entire industry’s attention on delivering fashion that is better both for the environment and for people.



To embark on transition to responsible viscose, brands, retailers and producers should consult the Dirty Fashion microsite (www.dirtyfashion.info), which outlines the steps needed to move towards closed-loop production in line with our *Roadmap*.

References

1 Changing Markets Foundation, 2018. Dirty Fashion: On track for transformation [ONLINE] Available at: <https://changingmarkets.org/portfolio/dirty-fashion/>

2 Changing Markets Foundation, 2017. Dirty Fashion: How pollution in the global textiles supply chain is making viscose toxic [ONLINE] Available at: <https://changingmarkets.org/portfolio/dirty-fashion/>

3 Changing Markets Foundation, 2018. Roadmap towards responsible viscose & modal fibre manufacturing [ONLINE] Available at: <https://changingmarkets.org/portfolio/dirty-fashion/>

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5 Ipsos MORI, 2018. Sustainable Fashion Survey [ONLINE] Available at: http://changingmarkets.org/wp-content/uploads/2019/01/IPSOS_MORI_summary_survey_results.pdf



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www.dirtyfashion.info

