

Dressed to Kill

Fashion brands' hidden links to Russian oil in a time of war



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Executive summary

This report exposes the hidden supply chain links between major global fashion brands and retailers and Russian oil. The investigation by the Changing Markets Foundation focused on two of the world's largest polyester manufactures, Reliance Industries in India and China's Hengli Group. We found evidence that Russia has become the largest oil supplier to Reliance Industries and its polyester manufacturing, and evidence that Hengli Group is also purchasing Russian oil to make its polyester-based products. Polyester yarns and fabrics by both companies are then sold to garment manufacturers around the world, who in turn produce clothes for many of the world's largest brands. Even though over 25 of these brands have suspended or withdrawn their operations in Russia after its full-scale invasion of Ukraine in February 2022, through their reliance on synthetics they continue to contribute to the Russian economy, therefore indirectly funding the war.

Using shipping tracking, supplier lists published by brands or by the Open Apparel Registry, information published by brands, direct disclosure to us through our questionnaire and enquiries with companies on supplier lists, we were able to piece together the supply chains of numerous global brands to Reliance Industries and the Hengli Group. While only a handful of brands provide sufficient public disclosure of their supply chain to allow direct links to Hengli or Reliance to be established, many brands included in this investigation are less transparent. Nevertheless, our research has linked 39 of the 50 (78%) brands and parent companies included in this research directly or indirectly to the Hengli Group or Reliance Industries supply chains, illustrating how widely polyester-based clothing made from controversial fossil fuels can spread through the global fashion industry. This stands in contrast to the sustainability commitments and high-profile green claims made by many of the same brands.





The investigation also found that synthetic supply chains remain opaque. Most companies that we looked at only provided Tier 1 or Tier 2 suppliers, such as garment manufacturers and fabric mills, and are therefore not disclosing from whom they source the polyester used in their clothing, let alone the upstream suppliers of extracted fossil fuels.

[The plastic workhorse of the fashion industry](#)

Our investigation focused on the supply chain of polyester, as it is the most used fibre in the fashion industry, accounting for over half of all textiles produced and has become the driving force behind today's fast-fashion model. While people are well aware of pervasive plastic pollution and environmental concerns related to plastic packaging, such as plastic bottles, few realise that the same product is also present in our clothing, and yet is practically unrecyclable, causes a significant waste problem, as well as contaminating our bodies and natural environments with plastic microfibres. As this report shows, polyester production is further identified as a concern due to its oil and gas feedstock being sourced from Russian oil and fossil fuels from other highly extractive and polluting fossil fuel companies.

| **Credit:** *Flickr/manhhai*

Key findings

[Fashion is still supporting the Russian economy amid war](#)

In February 2022, in response to Russia's full-scale invasion of Ukraine, companies across the world faced pressure to suspend trading and operations in Russia to signal their condemnation of the invasion and put pressure on the Russian economy, in tandem with many government sanctions. The drop in exports of oil to countries with sanctions in place have been largely offset by surging imports from India and China, including the two polyester producers, Reliance Industries and Hengli. Reliance Industries cashed in on the sanctions on Russian oil, with customs data analysis by the Changing Markets Foundation showing that between August 2021 and February 2022, the monthly average landed import value of Russian oil by Reliance was €67.4 million (\$65 million). This increased nearly tenfold to €663.5 million (\$640 million) per month from April 2022 onwards. Much of this ends up at Reliance's Jamnagar complex in Gujarat, the world's largest oil refining complex with the petrochemical units where polyester production for garments sold by global fashion companies begins. Likewise, by May 2022

China's imports of Russian oil had soared by 55% compared with a year earlier, and Hengli is known to have been purchasing discounted crude oil from Russia in recent months. With the fashion industry now identified as a significant end-user of these oil-based products, their involvement in this supply chain is helping to keep the Russian oil industry afloat.¹

- There were 39 brands and retailers linked to polyester manufacturers using Russian oil, Hengli and/or Reliance Industries. Direct links from these two manufacturers were found to Benetton Group, Esprit, G-Star RAW, New Look and Next.
- Over 25 of the 39 of these brands have publicly suspended operations in the country or removed products from Russia, yet by sourcing from polyester suppliers importing record volumes of Russian oil, these same fashion brands are still contributing to the Russian economy and by extension to the state's continued illegal assault on Ukraine. This includes brands Esprit, New Look and Next.
- Only Benetton Group was found to have both direct links with producers importing Russian oil (Reliance and Hengli) and to also still be selling clothing in Russia, despite the pressure they have received to withdraw.²

Major fashion brands at risk of sourcing polyester made from coal, fracked gas and oil from the world's biggest emitter

Beyond Russian oil, Reliance Industries and Hengli Group also source fossil fuels for polyester from a number of controversial or unconventional sources:

- Our investigation found that Hengli has been importing oil from Saudi Aramco, the world's biggest greenhouse gas emitter.³
- Hengli has invested in a \$20 billion project to produce polyester from coal, which Hengli aims to have running by the end of 2025 in coal-rich Shaanxi province.⁴ That means despite fashion brands' climate commitments and plans to phase out coal, over 30 brands included in our research are at risk of selling polyester produced from coal in the near future; including Benetton Group, Esprit, G-Star RAW, New Look and Next.
- Several of these brands, including Esprit and G-Star RAW said they would not source from a supplier that produces polyester from coal, indicating that they should cut Hengli Group as a supplier. If such brands do not rapidly improve supply chain visibility and step away from companies with plans to turn coal into clothes, they will break their own climate commitments.
- There is increasing evidence that that fracked gas from the US is being imported to Reliance Industries to make polyester.

Fashion brands have no transparency over their synthetic clothing supply chains

In August 2022 we reached out for the second time to 55 brands with a questionnaire about their synthetics sourcing practices. The findings from the responses obtained in September reveal alarmingly low levels of disclosure and visibility of brands' synthetic supply chains and no progress has been made from last year. Several brands reported that they have not yet started mapping their synthetic fibre suppliers, despite reporting that a

significant share of their clothing is made from polyester and other synthetics. Yet, as our research has shown, we have been able to make these links for them in most cases, raising serious questions about brands' commitment to understanding their reliance on fossil fuel-derived fibre.

- Of the brands that responded to Changing Markets' questions about their synthetic suppliers, 26 out of 31 (84%) provided scant details on their synthetic suppliers. Several companies provided no details on synthetic suppliers at all, including retailers Asda, Sainsbury's and Tesco, high-street retailers Inditex and Uniqlo, online retailer Zalando, sport brand Puma and luxury companies Burberry and Kering (housing brands, including Balenciaga, Bottega Veneta, Gucci and Saint Laurent).
- A mere 4 out of 31 brands that responded (or 7% of all brands included in the research), sent the Changing Markets Foundation their synthetic supplier lists. These brands are Levi Strauss & Co, Next and Reformation, with Boohoo only sharing their recycled synthetic supplier lists.

What next?

Brands must urgently review their supplier relations and ensure they cut relations with synthetics suppliers sourcing oil or gas from Russia. Any brands still operational in Russia (such as Benetton) must also cease downstream operations in the country.

This report shows more generally the dangers of the fashion industry's addiction to fossil fuel-based fibre - a reliance that is both completely incompatible with climate targets and risks funding states engaged in illegal invasion and war. As such the Changing Markets Foundation calls for complete transparency with regard to the use of synthetic fibre use and a commitment to phase them out with a 20% reduction set to a 2021 baseline in the use of fossil fuels in materials by 2025 and a 50% reduction by 2030.

Specific recommendations for fashion brands, retailers and groups, as well as consumers and policymakers, can be found at the end of this report.

1. References

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