

Plan it with

PURPOSE

FASHION

SECTOR GUIDE

Sector-specific guide: Fashion

The future is in flux. Social injustice and the climate crisis are increasingly important concerns for consumers, and lead to them changing their behaviour. Customers want to buy from businesses that have a clear purpose and positive impact on society and the planet.

With this in mind, Enterprise Nation has launched the Plan it with Purpose campaign. There are six million small businesses across the UK. Together, they represent a powerful collective that can make a significant dent in the challenges facing our world. If each business made a small, conscious change to the way it operates, the effect would be game-changing, nationally and globally. This kind of impact could be a crucial weapon in tackling climate change and changing society so people can live fairer, better lives. Excitingly, all of this doesn't have to be at the expense of profit.

Over the course of the campaign, we'll be launching a number of sector-specific guides to help you understand how you can increase the social and environmental impact you are having tailored to your specific industry.

This guide looks at the fashion industry.

The fashion industry is worth around \$3 trillion and accounts for 2% of the world's GDP. However, it significantly punches above its weight in terms of environmental damage, with estimates saying that by 2050, the industry will be using a quarter of the world's carbon budget. Within the UK alone, we send approximately £140 million worth of clothing to landfills each year. However, according to estimates, if we were to keep hold of our clothing for merely nine months longer, we would reduce our carbon footprint by 30%.

As well as creating greenhouse gas emissions, the fashion industry contributes to environmental damage in other, less publicised ways. It is the world's second largest consumer of water, which it uses in large amounts throughout the entire manufacturing process. And, of course, everyone uses water to wash the clothes they've bought.

Growing cotton is particularly water-intensive. According to the Soil Association, 10,000 to 20,000 litres of water are used for every one kilogram of cotton – that's 2,700 litres for every 250-gram shirt. The use of agrochemicals – especially pesticides – to grow textiles contributes to pollution and soil degradation in the regions where the growing takes place. Cotton production consumes 4% of nitrogen fertilisers and phosphorus worldwide.

The rate at which UK citizens send clothes to landfill is touched upon above. However, fashion contributes to waste in other ways. For years, clothing companies – from well-known luxury brands to high-street household brands – have been incinerating stock they can't sell. A recent report on the fashion industry by Pulse says fashion generates 4% of the world's waste – 92 million tons – each year.

While environmental issues have been at the forefront of the fashion industry for a long time, the industry's impact on people is now also being examined. Brands and retailers have been criticised for paying employees poorly and creating dangerous working environments. The pressure to meet the high demand for new clothing means female employees, especially in Asian factories, are falling victim to gender violence. Closer to home, reports into UK factories and online retailers showed poor working conditions, low wages and employment contracts that offer very little security.

Nevertheless, fashion is an industry on the move. Many of its major players have seen what smaller organisations have been doing for years and are addressing their own social and environmental impact. Impressively, this shift has been playing out not only within individual organisations, but in collaborations across the industry to raise

awareness and improve standards in the industry.

The size and complexity of the fashion industry means it has an almost unique opportunity to positively contribute to all 17 of the United Nations Sustainable Development Goals. From Zero Hunger to Decent Work and Growth to Partnerships for the Goals, fashion has the touchpoints to be a major force for good within almost every goal. With the new desire for action in the sector, and the growing awareness of the issues and opportunities, the fashion industry has the ability to take a lead in shaping our world for the better.

In this guide we will cover:

The business case:

Why investing in impact is good for fashion businesses

Industry trends:

What the key players are doing and what best practice is emerging

Opportunities for impact:

Where and how you can start thinking about impact across your business

Case studies:

Real businesses in the fashion sector that are innovating and leading the way in how they manage and increase their positive impact

Actions you can take:

Measures you can put in place now to make your own social and environmental impact

Supplementary resources

FIND YOUR COMPETITIVE EDGE

Standing out from the competition is vital in today's rapidly changing markets. Stories about environmental and social responsibility are the **most significant type of news** in terms of affecting people's decision to buy. Consumers are one-third more likely to try a product or service from a purpose-driven organisation, and **50% more likely** to switch brands to a purpose-driven company. To grow your current customer base and reach new markets, it is vital that customers recognise their values in your company.

According to a McKinsey survey on consumer sentiment on sustainability in fashion, **67% of people surveyed** consider the use of sustainable materials to be important in determining whether they buy something. And research from Bazaarvoice's Influenster community reveals that 78% of consumers "feel it's important to use brands or products that are described as 'green', 'eco-friendly' or 'sustainable'".

FUTURE-PROOF YOUR BUSINESS

Social justice and environmental sustainability are business challenges. What affects people and the planet will affect your business too.

According to estimates, the impact that these challenges can have on your reputation, your ability to comply with regulations, and the efficiency of your supply chain could reduce your business's earnings before tax by **25% to 70%**. Managing and mitigating these risks, and proactively looking for opportunities to bring what you do into line with the needs of people and the planet, will make your business more resilient and ready to thrive in the future.

In 2020 the fashion shopping platform Lyst saw a **37% year-on-year increase** in searches for sustainability-related keywords. This supports the Business Research Company's predictions that the sustainable fashion industry will grow to **\$9.81 billion in 2025 and \$15.17 billion in 2030**.

Opposing these trends is consumers' weakening interest in brands that aren't keeping pace with their expectations. In McKinsey's State of Fashion 2021 report, **66% of consumers** said they would stop shopping, or shop much less, with a brand if they found it wasn't treating its employees or suppliers' employees fairly.

INNOVATE

Making commitments that not only benefit the people who hold an interest in your business, but have a net-positive impact on the environment too, will encourage new ideas and innovation. Organisations have used their sustainability goals to develop new, innovative products, disrupt traditional business models and access new markets. They are choosing to be proactive in the face of new social and environmental challenges.

Sass Brown wrote the following in her book, '**ECO Fashion**': "As with other social and political statements through commercial art, eco-fashion is a reaction to social and ecological conditions." The artistic side of commercial art in this quote may be easier to visualise but the commercial side has also done a lot of innovating in reaction to social and ecological conditions. Technology and social media are enabling a new breed of 'challenger' brands that disrupt a sector or category where incumbent players have rested on their laurels. Apps like **R Reflections** let customers try on clothes before buying them online, while online marketplaces like **Depop** and **Vinted** allow people to buy second-hand clothes and sell unwanted garments that would otherwise go to landfill. Digital platforms like **Common Objective** enable professionals within the industry to connect with each other and work together to achieve their own sustainability goals.

THE BUSINESS CASE

The [Fashion Pact](#) is a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) and their suppliers and distributors, all committed to meeting key environmental goals in three areas: stopping global warming, restoring biodiversity and protecting the oceans.

The [Fashion Industry Charter for Climate Action](#) is a commitment made by the fashion industry, and led by the United Nations, to find ways for the textile, clothing and fashion industry to take action against climate change. Part of the charter is the vision to achieve net-zero emissions by 2050.

INDUSTRY TRENDS





OPPORTUNITIES FOR IMPACT

1. INCLUSIVE FASHION

There is a growing awareness around the need to create more inclusive fashion and a much more diverse industry. Issues relating to body shaming are centre stage, with many companies now recognising that they must cater to people of all shapes and sizes if they want to be relevant.

While larger clothing companies can more easily provide clothes in a wider range of sizes, for smaller brands this can pose a stock issue. Niche fashion brands are emerging that cater specifically to the consumers' diverse needs, from adaptive clothing for people with disabilities, to clothing that's consciously designed to be gender-neutral. As people are encouraged to embrace and celebrate their individuality, suppliers must adapt to reflect this diversity and be more responsive to varied needs.

INCLUSIVE CLOTHING BRANDS

Unhidden Clothing. An adaptive clothing brand specifically for people with disabilities. At its recent pop-up shop on Oxford Street, during the checkout process, Unhidden's customers were able to request specific alterations to tailor the garments to their needs.

We Are Kin. A London-based clothing label created by Ngoni Chikwenengere. Ngoni wanted to create clothing for people of all sizes. If a customer can't find items in their size, Ngoni can create custom pieces, at cost. We Are Kin believes in sustainable and ethical practices – for example, making use of end-of-line sustainable fabrics – and also prides itself on being trend-free and therefore timeless.

Sabirah. A luxury clothing brand, created by Deborah Latouche, that focuses on women who want to dress modestly and still remain fashionable. Modest fashion is on the rise, with more mainstream clothing brands, high-fashion brands and even sports brands like Nike incorporating clothing that caters to people who want to dress modestly yet stylishly.





2. TRANSPARENT SUPPLY CHAIN

The horror stories of working conditions across the fashion industry make consumers nervous about where the clothes they are buying have come from. As we saw previously, McKinsey’s State of Fashion 2021 report found that 66% of consumers said they would stop buying from a brand if they found it wasn’t treating its suppliers’ employees fairly. Consequently, every business should be trying to show that its supply chains are promoting ethical treatment of workers and the planet.

For this to happen, there are three important steps for any fashion business to take.

First, identify all the steps along your supply chains, from soil to factory to store. Doing this well is more than half the battle in making sure you have a transparent supply chain.

Second, understand the working conditions and environmental standards of each step of those supply chains. This can occasionally be difficult when you need a specific item. But every sector should have its market leaders, and if you want to go really in-depth, companies like [Provenance](#) can support you.

Finally, talk about your supply chains. Not only does this give you a market advantage as you attract conscious consumers to your brand, but it also helps bring awareness to the issue and highlight those businesses that are unwilling to move their supply chains away from the worst offenders.

Brands with a transparent supply chain

ASOS

It may not be the first business you expected to see here, but it’s taking big steps to improve its social impact credentials. The company has [created a list](#) of every factory it uses to produce its own-brand clothes.

G-STAR RAW

The company has a three-pillar strategy for responsible business:

- + People – paying back into its local communities
- + Planet – limiting the impact of its materials and products
- + Philanthropy – through its foundation

As part of its People pillar, G-STAR RAW has created a manufacturing map to show where in the world its different types of apparel were created.



3. INNOVATIVE MATERIALS

One of the major environmental decisions we face is which materials we should use for which task. For many years, plastic has been the answer to our problems: lightweight, cheap, malleable and strong. However, because it isn't able to biodegrade – causing enormous trash islands in our oceans and killing marine life – more and more consumers are seeking products made of alternative materials.

A well-known example of this shift in thinking is the plastic bag charge in UK supermarkets, which led to a major uptick in the number of people buying cotton tote bags. At first glance, it seemed like a good solution. However, a 2018 study by the Ministry of Environment and Food of Denmark found that due to the large amounts of water needed to make an organic cotton tote bag, the item needed to be used 20,000 times before it equalled the environmental performance of a conventional plastic bag. So, choosing the correct materials for a product is not always a straightforward decision. It is, however, an important choice for any environmentally conscious fashion business, and there are some innovative businesses that are leading the way.

Brands using innovative materials

ANANAS ANAM

The company extracts the fibres from pineapple leaves – a by-product of existing agriculture – and mixes them with corn-based polylactic acid to create Piñatex, a natural, sustainably sourced, cruelty-free material. This process creates an additional income stream for farming communities.

YKK

This brand creates NATULON eco-friendly zips from recycled materials such as single-use plastic bottles and IKEA and KLM company uniforms that can no longer be worn.

BIOPHILICA

The company has created a material called Treekind, which is the world's first leather alternative made from urban plant waste collected from London parks. The added benefit of Treekind is that it is totally compostable.

KERING

We haven't included Kering here because it has created an incredible new material. Instead, it features in this list because it's a great example of a business that actively engages with the materials it chooses to source and clearly reports its process.



4. EMPLOYMENT

Employment in the fashion industry is associated with people being underpaid and overworked, whether in farms, factories or fashion houses. However, there is potential for this work to be hugely beneficial, as it can be creative both mentally and physically and adapted to different skill levels.

Businesses can play a huge role in people's lives through employment itself. Fashion businesses, in particular, have a responsibility to their workers – and to the industry at large – to set the standards by employing people in the right way. There are many ideas and schools of thought about what the 'right way' might be, but here are some key considerations.

- + **The right people** – who are you hiring? So many people face barriers to employment, whether it's due to having a disability, having left prison, or being unemployed and without any education or training. Providing opportunities to a diverse range of candidates strengthens you, your business, and your workers.
- + **The right pay** – what are you paying the people who work for you? If there is a living wage for your area, this should be the target for all of your employees.
- + **The right conditions** – every person has a right to work in a safe environment. But 'conditions' also means having job security, fair contracts and reasonable opportunities for progression.

BIRDSONG

A social enterprise that employs women who would normally face barriers to employment and pays them a living wage. Birdsong also partners with various charities, including Stitches in Time, which provides training and employment support to women of color from migrant backgrounds, and Mail Out, which offers people with learning disabilities opportunities for employment in fulfilment and distribution.

PIVOT

A jewellery company that employs people who are homeless. As the jewellery can be designed and assembled with few tools, the employees can do the work while based in hostels.



5. CIRCULAR ECONOMY

According to the Ellen Macarthur Foundation, "A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems". Given how much waste the industry creates, and with "fast fashion" becoming a recognised term, the opportunity for change through circular principles is significant. But what should fashion businesses be doing to move towards a circular economy?

- + **Returns** – from John Lewis to Levi's to Adidas, many clothing companies are now offering buy-back programmes, where they take a product back to upcycle then resell it.
- + **Mending** – clothes are complex items. They are made of materials that were grown and then meshed together, often using an energy-intensive process, before being shipped around the world to you. The idea of all that energy and time going to waste once the garment tears or rips is frustrating. Fortunately, many companies are now offering mending services, meaning your clothes can live on even after suffering damage.
- + **Clothing rental** – this is on the rise. New apps offering peer-to-peer rentals are becoming mainstream, while other businesses give consumers the opportunity to either buy or rent their clothes.
- + **Slow fashion** – a reaction to fast fashion. Limited seasons of durable, well-made clothes ordered in small batches, or even made-to-order clothing, all keep waste to a minimum while focusing on sustainability.

Circular economy brands

ECOSKI

A skiwear company that acknowledged the current linear "make - take - dispose" model is broken. It helps skiers make better choices, limit unnecessary purchases (and waste) and keep hard-wearing kit in circulation for longer. To do so, it provides four choices: Repair, Rent, Preowned, or New "kit with a conscience".

NUDIE JEANS

The company sells jeans, but also takes care of them when they're torn. At a Nudie Jeans Repair Shop, or at the company's mobile repair station, staff take a (clean) Nudie pair of jeans in any state and mend them for free.

TULERIE

A US app that offers its users the opportunity to borrow clothes from other users or to lend their wardrobe out to other people.

HOUSE OF SUNNY

A clothing line that produces small, sustainable ranges. Producing two seasonal collections a year sets the design team at a slower pace, allowing them time to research then source sustainable fabrics and develop greener manufacturing methods. They operate a pre-order model so they don't end up with extra stock.



IN YOUR SUPPLY CHAIN

- + Map out your entire supply chain.
 - + Create a checklist of practices you want suppliers to keep to, and review them to make sure they're doing it.
 - + Give suppliers guidance and resources for meeting new labour and environmental standards and hold them accountable for shortfalls in performance.
- + For your fabrics and raw materials, do you know where they come from and who has sourced them?
 - + Are they sourced in ethical and environmentally sustainable ways?
 - + How are these resources treated and tracked along the value chain? Can environmental sustainability and labour rights be guaranteed between transactions?
 - + The employment practices of suppliers you buy from should reflect your own. How do you ensure this is the case?

WITHIN YOUR BUSINESS

- + Consider what you do with any leftover waste products.
 - + If you can't make a product using the leftover material, there are companies that specialise in this. Think about how you could work with them.
- + Encourage your consumers to care for their clothing in low-impact ways.
 - + Washing garments in hot or warm water and drying at high heat or for longer than needed uses a lot of energy. Clothing makers and retailers can help steer consumers toward clothing-care practices that have a smaller environmental toll and keep garments in good shape for longer.
 - + Provide tips on what customers can do with garments that suffer damage or wear. Offer suggestions on how to mend and instructions on how best to upcycle or recycle.
- + Create a beyond net-zero energy strategy
 - + Measure your greenhouse gas emissions. We recommend following the [GHG protocol standards](#).
 - + Create a time-based plan to reduce emissions to net zero – or, even better, beyond net zero.
 - + The key to doing this well for both the planet and your bank balance is to find ways to reduce emissions. You can do this by working more efficiently, switching to renewable energy providers, or changing the way your systems and processes work before looking at paying to offset.

OUTSIDE OF YOUR BUSINESS

- + A great way to increase your social impact is through good governance and building strong relationships with your customers and supply chain. The key to this is trust and transparency.
 - + Create a simple list of all the groups who are influenced or directly affected by the work you do.
 - + Share your social and environmental impact ambitions with everyone who has a stake in them. They may be able to provide valuable insights and help you along your journey. In turn, your sharing may encourage them to take positive steps to reduce their own impact.
- + Use your voice for good. Actively engaging in campaigns or local community actions that align with your industry is a great way to have a positive social impact. [The Fashion Pact](#) is a worldwide coalition of businesses that have joined forces to overturn the environmental impacts within the fashion and textile industry. [The Fashion Revolution](#), a non-profit global movement created in response to the tragedy of the collapse of a garment factory in Bangladesh in which 1,138 workers died, has been encouraging people to join the [#whomademyclothes](#) and [#whatsinmyclothes](#) movements.
 - + Of course, it's important to make sure you're actively engaging in the causes you're promoting. Using your influence is important but influencing without acting is counterproductive and can end with you being called out for "purpose washing".

ACTIONS YOU CAN TAKE

SUPPLEMENTARY RESOURCES

- Ecoski’s [eco glossary](#) for a list of sustainable fashion terms.
- The [Provenance Framework](#) for correct wording to use in marketing.
- [The Higg Index](#) from Sustainable Apparel Coalition is a suite of tools for measuring the sustainability of value chains.
- Sustainability Accounting Standards Board (SASB)’s “[Materiality Map](#)” for understanding the key sustainability priorities by industry.
- The Mayor of London’s [Good Work Standard](#) brings together best employment practice and links to resources and support from across London to help employers improve their organisations.
- [Textiles 2030 Roadmap](#) from WRAP brings together organisations from across the clothing and textiles sector to collaborate on making rapid, science-based progress on climate action and on making the move to a more circular system.

ACKNOWLEDGEMENTS

About Enterprise Nation

[Enterprise Nation](#) is a business support platform and provider. The company is on a mission to support one million founders each year, in the UK, Ireland and the rest of the world. We help small business owners understand where their business needs support and then connect them to that support, attracting founders back with relevant recommendations according to their sector, location and stage of business. Founders come to Enterprise Nation to get their questions answered, and to join a vibrant and friendly community.

Plan it with Purpose is designed to help owners of small and medium-sized businesses develop a better understanding of environmental and social issues in the UK. By providing tailored resources, action plans and recommendations, and highlighting role models people can relate to, the programme aims to encourage business owners to consider the impact of what they do and make positive changes for the future.