



## Sustainability 2023-2024

### Overview of Sustainability. General Milestones and Approach to the Fashion Industry

Technical Note 1  
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#### Sustainability in the Fashion Value Chain

Sustainability is a complex word related to the three bottom line<sup>1</sup> of economic, social, and environmental dimensions of the development that meets the needs of the present without compromising those of the future<sup>2</sup>, within the planet's physical boundaries.

Sustainability in Fashion companies is no longer an option, but the “new normal”, evidenced by its privileged place in the Fashion Industry's Agenda since 2020<sup>3</sup>.

The fashion industry is considered the second most polluting in the world, textiles are the fourth highest-pressure category for the use of raw materials and water, after food, housing, and transport, and fifth for GHG emissions<sup>4</sup>. Clothing production doubled from 2000 to 2014 and the number of garments purchased each year by the average consumer increased by 60%<sup>5</sup>. People use their clothes half as much as they did in 2000<sup>6</sup>: in some countries such as China, clothing utilisation has decreased by 70% in the same period<sup>5</sup>.

Undoubtedly, the fashion industry is now a relevant player in the economic scene, with a contribution of more than \$2.4 trillion to global manufacturing<sup>7</sup>, and more than 300 million people employed if we include the clothing industry along the value chain<sup>6</sup> all across the world.

It is clearly a growing sophisticated business with a fragmented and relatively low-tech production system<sup>5</sup>. It began 200 years ago, but innovation to improve quality developed most significantly in the last 50-60 years; health and safety product control developed over the last 10-15 years, and sustainability emerged as a key concern only 5-6 years. The path to this transformation process is extremely difficult and multifaceted and must progress quickly.

Sustainability in the Fashion value chain needs the collaboration between academia and business (research in many fields like Communication, Environmental Sciences, Chemistry, Business, Biology, Law, Engineering, Design, Architecture, etc., and different players in the industry: providers, textile manufacturers, retailers, delivering services, etc.). It also needs the fuel of the public institutions and the commitment of the consumers.

But what does sustainability mean?

### **Historic evolution from the first declarations on sustainable development to the European regulations in Fashion in 2024**

At the end of the 20th Century, some steps accelerated the path to a deeper concern about the adverse effects that development might bring and the need to act differently. The milestones in that path were:

**1972**, the United Nations Conference on the Human Environment in Stockholm (Sweden), was the UN's first major conference on international environmental issues and it turned out to be a starting point in the development of international environmental politics.

Its Declaration contained the frame of reference, 26 common principles, and an action plan with 109 recommendations to inspire and guide the people in the preservation of the human environment.

The approach to the topic in this Declaration seems to be valid now, nearly 50 years later. It addresses directly the responsibility and the capacity to act of each person and community. We bring some of the claims here:

*1. Man is both creature and moulder of his environment, which gives him physical sustenance and affords him the opportunity for intellectual, moral, social and spiritual growth. In the long and tortuous evolution of the human race on this planet a stage has been reached when, through the rapid acceleration of science and technology, man has acquired the power to transform his environment in countless ways and on an unprecedented scale. Both aspects of man's environment, the natural and the man-made, are essential to his well-being and to the enjoyment of basic human rights-even the right to life itself.*

*2. The protection and improvement of the human environment is a major issue which affects the well-being of peoples and economic development throughout the world.*

*6. A point has been reached in history when we must shape our actions throughout the world with a more prudent care for their environmental consequences.*

*7. To achieve this environmental goal will demand the acceptance of responsibility by citizens and communities and by enterprises and institutions at every level, all sharing equitably in common efforts<sup>8</sup>.*

**1983**: The General Assembly established a special commission to make a report on the environment and the global problematique to the year 2000 and beyond: a global agenda for change, to propose long-term environmental strategies. This Commission

took the name World Commission on Environment and Development and was officially established in October 1984 in Geneva, being Gro Harlem Brundtland its chairman.

**1987:** Report of the World Commission on Environment and Development - Our Common Future.

The World Commission on Environment and Development elaborated a report that coined the concept of “Sustainable development” as the development that *meets the needs of the present without compromising the ability of future generations to meet their own*<sup>2</sup>.

This commission ceased its activities by December 1987, months after the issuance of this report and its consideration by the UN General Assembly during its 42nd Session in the fall of 1987.

**1989**, the United Nations General Assembly called for a global meeting for considering strategies to halt and reverse the effects of environmental degradation “in the context of increased national and international efforts to promote sustainable and environmentally sound development in all countries”.

**1992**, the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro (Brazil) is also known as the Earth Summit. It gave birth to the “Agenda 21, *Programme of Action for Sustainable Development*” that was the international community’s response to the request of 1989 UN General Assembly<sup>10</sup>. Agenda 21 is a comprehensive plan of action to be taken at all levels by all kind of organizations worldwide, in every area in which human impacts on the environment. Underlying Agenda 21 is the notion that humanity had reached a defined moment in its history. We could continue our present policies or we could change course. But “*no nation could achieve this on its own*”. “*Together we can –in a global partnership for sustainable development*”<sup>10</sup>.

Agenda 21 and the Rio Declaration on Environment and Development with its 27 principles were adopted by more than 178 Governments at the United Nations Conference (UNCED) in June 1992, being the most relevant milestone of the period. Six months later, in December 1992 the Commission on Sustainable Development (CSD) was created to ensure, monitor and report on implementation of the agreements.

**1997**, Earth Summit II. Rio+5 was held in a Special Session of the UN General Assembly in New York. Although much good work had been done since Rio, the major problems had grown worse since then. Among other issues, they signed the first Convention on Climate Change, promising to prevent dangerous global warming, and they drafted the work program for the Commission on Sustainable Development for 1998-2002.

**2000**, 8 Millennium Development Goals

In September 2000, the UN Millennium Declaration committed world leaders to combat poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. The United Nations Millennium Development Goals were those eight goals, with specific targets and indicators that all 191 UN member states have agreed to try to achieve by the year 2015.

**2002**, World Summit on Sustainable Development (WSSD), Rio+10. Johannesburg.

There, the implementation of the Agenda 21 and the Commitments to the Rio principles were reaffirmed. A plan for the implementation of the decisions was

approved, with precise and specific objectives, goals and deadlines.

**2012**, UN Conference on Sustainable Development Rio+20, “The Future We Want”

This declaration on sustainable development and a green economy adopted in Rio on June 19, 2012, included broad sustainability objectives related to the Millennium Development Goals that were tended to achieve by the end of 2014. It called for the negotiation and adoption of internationally agreed Sustainable Development Goals by 2015.

**2015**, Agenda 2030 17 Sustainable Development Goals

According to UN’s general Secretary Ban-Ki Moon, “the global mobilization behind the Millennium Development Goals produced the most successful anti-poverty movement in history”, but there was yet a lot to do “to put an end to poverty, leave no one behind”<sup>11</sup>.

In September 2015, the UN launched the Agenda for Sustainable Development based on the Millennium Development Goals, but with more ambitious aspirations, as they are addressed to all country members of UN (not only developed but developing too), and they highlight the three dimensions on sustainable and integral development (social, economic and environmental).

**2018**, UN Fashion Industry Charter for Climate Action

In December 2018, during the UN Climate Change Conference (COP 24) in Katowice (Poland), 43 leading fashion brands, retailers, supplier organizations, and others, signed the Fashion Industry Charter for Climate Action, a milestone in addressing the sector’s climate impact. Among the founding signatories, there are these companies: Adidas, Burberry Limited, Esprit, Guess, Gap Inc., H&M Group, Hugo Boss, Inditex, Kering Group, Levi Strauss & Co, Puma SE, Salomon, Skunkfunk, Stella McCartney. There are also textile providers, manufacturers, groups specialized in technical fibres and yarns, outdoor garments, and logistics sector, etc.

Besides the brands, twelve organizations signed to support the objectives. To name only few: Global Fashion Agenda (GFA), Global Organic Textile Standard (GOTS), China Textiles Center (CTIC), Sustainable Fashion Academy (SFA), ZDHC (Zero Discharge of Hazardous Chemicals Foundation), etc.

They affirmed their commitment to support the implementation of the sixteen principles contained in the Charter, both by pursuing the principles within their own organizations and by working collectively with other Signatories<sup>12</sup>.

Some of the principles are: to support the goals of the Paris Agreement limiting global temperature rise to well below two degrees Celsius above pre-industrial levels; to commit to reduce 30% aggregate GHG emissions by 2030; to develop a decarbonisation strategy for the fashion industry; to support global transition to low-carbon logistics; to support the movement towards circular business models; to establish a closer dialogue with consumers to increase awareness about the GHG emissions caused in the use- and end-of-life phases of products, and to establish a dialogue with governments in key countries to enable renewable energy.

They have established 7 working groups:

1. Decarbonisation and GHG emissions reductions
2. Raw materials
3. Manufacturing / Energy
4. Policy Engagement
5. Financial Tools
6. Promoting Broader Climate Action
7. Brand /Retailer owned or operated emissions

Its first Progress Report was launched on 14<sup>th</sup> June 2021, showing the results achieved until then: at least 60% of the companies have decreased their GHG emissions (<https://www.fashioncharter.org/>). From its launching, the number of signatories has evolved, reaching 129 companies and 43 organisations in January 2022, but reducing to 91 fashion companies and 42 supporting organisations in mid-February 2024.

### **2019, The UN Alliance for Sustainable Fashion**

It is an initiative for United Nations agencies and allied organisations to contribute to the SDG through coordinated action in the fashion sector<sup>7</sup>. It was launched on the 14<sup>th</sup> March 2019 in Nairobi, at the UN Environment Assembly.

Until now, we have no more information than that of the events they organised and the news from different media that they collect to put on their website.

### **2019, The Fashion Pact**

It was signed by 32 global fashion companies the 23 August 2019, and it was presented to Heads of State during the G7 Summit in Biarritz.

What makes this Pact different is not the content (it addresses similar topics to previous initiatives), but its origin and its members. The origin came as a mission: in April 2019, French President Emmanuel Macron asked Kering Chairman and CEO François-Henri Pinault to lead a global coalition of companies in the fashion and textile industry, to work in environmental goals after the Paris Agreement. The members are companies: It is a pact from the industry to the industry and the society. The Pact tackles three environmental goals in three areas: stopping global warming, restoring biodiversity, and protecting the oceans.

To the 32 founder signatories, they have added others, being 60 by mid-February 2024, comprising the most important players in the fashion industry (luxury, fast fashion, sportswear, etc.) in terms of production, number of employees, and revenues.

As of in the UNFCCC, the number of members has decreased in the last years. This Fashion Pact can be considered a true milestone in the fashion industry. In October 2020 they released their first report of the progress done during the first year<sup>13</sup>.

In parallel to these commitments from both the industry and international organisations, many proposals and campaigns have arisen among NGO and third parties (Clean Clothes Campaign; The Fashion Revolution-Who made my clothes; Detox by Greenpeace; ZDHC, etc.), and some Indexes are devised to compare performances: Index of Transparency focuses on the disclosure of information in websites; Higgs Index, among others, try to benchmark frequently incomparable items.

## **European Union Regulations**

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In the European Union context, these trends are shaping new regulations, in a framework designed to make Europe more competitive in tackling the climate change challenges and promoting circularity.

### **2020**, European Commission New Circular Economy Action Plan

In this plan, the textile industry is identified as one of the seven key value chains in which developing a radical change towards a more circular pattern of production and consumption.

### **2022**, Proposal for a Directive of Due Diligence.

This proposal is addressed to all big or listed companies, not only in the fashion sector but attaining them very closely. The proposal aims to foster sustainable and responsible corporate behaviour in EU companies, by identifying and mitigating risks in their global value chains linked to respect of human rights or environmental impacts. It applies to large and listed companies.

### **2022**, Strategy of the EU for Sustainable and Circular Textiles

The Strategy for Sustainable and Circular Textiles establishes new requirements for the industry: reducing the production, making textiles and clothing repairable, with ecodesign characteristics, containing a proportion of recycled materials, free of hazardous chemicals to be more easily recovered or recycled, and avoiding the release of micro-plastics. A new task for the producer was announced: the Extended Producer Responsibility (EPR) of collecting and recycling the textile waste produced. To empower the consumers and make them capable of more informed decisions, products should have a digital passport with all the information regarding the products (from composition to end-of-life care), always avoiding greenwashing. The motto: “fast fashion is out of fashion” is also launched in an attempt to stop overproduction and overconsumption.

The Strategy announces upcoming regulations, i.e. substantiating “green claims” made by companies, new requirements on packaging, a new regulation for ecodesign for sustainable products, a proposal for empowering consumer in the green transition, etc. Although the Strategy is the only one uniquely focused on textiles and clothing, many other proposals for regulations are directly connected to them.

### **2022**, Proposal for a Regulation of ecodesign for sustainable products

Extends the existing Directive related to energy-related products to a wider range: new

eco-design requirements, digital product passport, durability, need of recycled content, recyclability, etc. Although it has a general focus, a lot of requirements are set for textiles.

**2023**, Proposal for a directive on substantiation and communication of green claims

**2023**, Proposal for a directive on the right to repair

**2023**, Proposal for a directive amending Directive 2008/98/EC on waste

This proposal amends the Waste Framework Directive focusing on two intensive resource sectors: textiles and food. It aims to prepare a common EU approach to textile waste management (collect, sort, and recycle) in all Member states, avoiding cross-border movements of waste and material flows, or different applications of the polluter pays principle and the Extended Producer Responsibility (EPR).

The obligation of collecting separately textiles to recycle in a fiber-to-fiber system and reintroduce them in the value chain is based on the waste hierarchy: waste prevention, preparation for re-use, and preparation for recycling. It will apply from 1 January 2025 in Europe, and it is a way of harmonising the imbalance (imbalance: as of 2023, in Germany 60% of used textiles are collected separately while in Spain only 12%<sup>14</sup>), what suggests that different efforts should be made by the producers (or distributors) to ensure the collection and to involve consumers in.

Year	Title	Approach	Focus	Complete cite
2019 Dec	European Green Deal	objectives to protect the environment and mitigate climate change	General	European Commission, 2019. The European Green Deal. (COM/2019/640 final)
2020 March	A New Circular Economy Action Plan	The potential of CE to reduce Europe's consumption footprint	General: 7 key value chains: including textiles.	European Commission 2020. A new circular economy action plan for a cleaner and more competitive Europe (COM(2020) 98 final)
2022 Feb	Proposal for a Directive of corporate Sustainability Due Diligence			Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 COM/2022/71 final <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071</a>
2022 30 March	EU Strategy for sustainable and circular textiles	Includes Extended Producer Responsibility	Textiles and Fashion	European Commission, 2022. EU Strategy for sustainable and circular textiles (COM(2022) 141 final)
2022 30 March	Proposal for a Regulation of ecodesign for sustainable products	Extends the existing Directive related to energy-related products to a wider range: new eco-design requirements, digital product passport	General	European Commission, 2022. Proposal for ecodesign for sustainable products regulation <a href="https://environment.ec.europa.eu/publications/proposal-ecodesign-sustainable-products-regulation_en">https://environment.ec.europa.eu/publications/proposal-ecodesign-sustainable-products-regulation_en</a>
2023 22 March	Proposal for a directive on substantiation and communication of green claims		General	European Commission, 2023. Proposal for a directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive) (COM(2023) 166 final)
2023	Proposal for a directive on the right to repair	To contribute to a more sustainable and circular consumption	General	European Commission, 2023. Proposal for a directive of the European Parliament and of the Council on common rules promoting the repair of goods and amending Regulation (COM(2023) 155 final)
2023 5 July	Proposal for a directive	To amend the Waste Framework Directive	Specific Textiles and Food	To prepare a common EU approach to textile waste management (collect, sort, and recycle) in all

	amending Directive 2008/98/EC on waste	focusing on two intensive resource sectors: textiles and food		Member states, avoiding cross-border movements of waste and material flows, or different applications of the polluter pays principle and the extended producer responsibility. European Commission, 2023. Proposal for a directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste. (COM (2023) 420 final
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The proposals issued from the European Commission go to the Council of Europe, and then to the European Parliament to be approved.

Apart from the regulations, as the consumer's awareness has increased, it is likely that a non-sustainable company or not able to communicate its sustainability, will not be competitive.

Fashion companies must face a lot of transformation processes to be more sustainable. To name only a few: humanising working conditions, globalisation, regulations, technology for new materials, elimination of pollutants, digitalisation (in customer experience, supply chain and distribution, and product development, including virtual sampling), decarbonization (thinking of the whole life-cycle), logistics, improving techniques in manufacturing processes, ensuring good end of life in processes of circular economy, etc.

After centuries of minimal evolution in manufacturing processes, the sustainability imperatives must be conquered in brief. The COVID-19 pandemic added new limitations to the industry, and more recently, Ukraine's and Gaza's wars, the crisis of logistics, and the increase in the price of raw materials and fuels, are posing new challenges.

**Approach to Sustainability in Fashion**

ISEM Fashion Business School's approach to Sustainability was developed in our programme The Right Fashion©.

It expressed a holistic vision of the five "R" that we consider paramount to do good while doing well or, in other words, to do the Right Fashion, that is *per se*, sustainable. It implies:

1. Right Human: social sustainability means, first of all, to respect the human dignity always and in all circumstances. It has to do with paying fair wages (almost living wages), compliance with the regulations in each country, insurances, not forced labour or child labour, due diligence, reporting, etc.
  
2. Right Design: 80% of the environmental impact is determined at the design phase<sup>16</sup>. To design in a more sustainable way, principles of ECO-design have to be applied. The 10 principles coined by Prof. Rebecca Earley and her team provide good guidance: The TED Ten<sup>17</sup>. The proposal for an Ecodesign Regulation for Sustainable products shapes other aspects of ecodesign.  
It is important to train designers to do their work in this new way.



Fashion has to move towards a Circular Economy model, which means an approach of Circular Design, that bears in mind the five fields of action of the circular economy: to take, to make, to deliver, to use, and to recover/enrich.

3. Right Product: What is most unsustainable is the recall of production due to health and safety problems. A sustainable product is not necessarily one made out of organic raw materials, but a product that is healthy and safe both for workers involved in its production and for consumers. It implies also meeting the chemical standards, and regulations in all the countries where the products are sold.
4. Right Delivery: The logistics processes of moving the products from the manufacturing countries to the selling points can be sustainable or unsustainable. There are also other issues like packaging, plastic bags, hangers, last-mile delivery, etc. The online channel poses also new challenges in distribution, with reversed logistics, devolutions, etc.
5. Right Price. Sustainability opens the path to new business models, most of them, based on the circular economy principles or digitalization. At the same time, to produce more sustainably normally requires a lot of investment, estimated at \$300 billion in the next 10 years<sup>3</sup>.

Sometimes the so-called sustainable products are more expensive than normal ones (20%- 30%). People are not aiming to pay more to buy more sustainable products. Although luxury has been intended to be sustainable, there are also brands in fast fashion playing an important role in the sustainable scenario.

With this “Sustainability” course we want to provide scientific-based knowledge for key aspects of sustainability (environmental, social, and economic) across the value chain, that might provide an overview and the possibility to build a roadmap to sustainability, for whatever manager in the fashion industry.

The approach of this course helps the fashion industry to contribute directly to achieving the UN Sustainable Development Goals 8, 9, 12, and 17, and it also addresses elements of SDG 1, 3, 4, 5, 6, 10, and 13.

The objective is to train managers capable of disseminating and communicating among different sectors and internationally knowledge about sustainability to the stakeholders (designers, providers, manufacturers, retailers, consumers, academics, investors, civil society, and governments), in their daily work and with their business decisions.

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