# Sustainability and Socially Responsible Labels for Clothing

A comparison of current clothing labels of sustainable fashion brands practicing corporate social responsibility, sustainable clothing stores, and clothing labels' effects on consumer purchase intentions.

> "Trees are poems that earth writes upon the sky We fell them down and turn them into paper That we may record our emptiness" – Kahlil Gibran

Kahlil Gibran, the Lebanese-American writer poetically described the process of environmental destruction for the creation and manifestation of our emptiness, our neuroticism, our search for creating something better, which perhaps leads us back to the origin of our search; ourselves, the simple soul looking to make itself better. Surely we can't deny the practical advances civilization had made in search of science, knowledge, and policy, including the paper on which we write these ideas and record our collective knowledge to advance our lifestyle.

#### The Situation in 2016 – Current Overconsumption of Resources

If Kahlil Gibran were alive today, some eighty-five years after his death, he would see the speed at which prioritizing the advancement of lifestyle and knowledge has taken its toll on the environment. In "Natural Capitalism" Hawkins, Lovins and Lovins state, "in the past three decades, one-third of the planet's resources, its 'natural wealth,' has been consumed" (Hawken et al. p.4. 1999). According to the Environmental Protection Agency, "in the U.S., industry admits to releasing over 4 billion pounds of toxic chemicals a year" (EPA. 2005). With these eye-opening statistics, it is clear current industry practices, resource consumption and waste production are not sustainable. In recent decades, awareness of climate change and sustainability has become a hot topic creating policy such as "the President's Climate Action Plan [that] stated a goal for the Federal government to consume 20 percent of its electricity from renewable sources by 2020 – more than double the current goal of 7.5 percent" (US Government. 2013).

Many think these initiatives seem slow and disproportionately small to combat the rapid destruction of the environment and surely it is remarkable to hear statistics like those from Young and Sachs in *The Next Efficiency Revolution: Creating a Sustainable Materials Economy*, who claim, "for every one garbage can of waste you put out on the curb, 70 garbage cans of waste were made upstream to make the junk in that one garbage can you put out on the curb." (Young and Sachs. 1993. p.13) Consumers are mainly unaware of the inefficient and toxic industry-waste created down the supply chain when

purchasing clothing. In the article "Use It and Lose It: The Outsize Effect of U.S. Consumption on the Environment" in the *Scientific American*, Sierra Club's Dave Tilford cites, "between 1900 and 1989 the U.S. population tripled while its use of raw materials grew by a factor of 17" (Sheer and Moss 2012). Advertising, credit cards and an upgrading mentality have also fueled consumer behavior. This wasteful chicken-and-egg scenario has resulted in consumer behavior that perpetuates pollution, as well as bottom-dollar focused companies acting in interest of shareholders who often think of sustainability as a buzz-word rather than corporate policy.

#### **Fashion Waste**

More specifically, the fashion industry is the second largest consumer of energy after the oil industry (Morgan 2015). The proliferation of Fast Fashion brands peddling "cheap" clothing, often created for planned and perceived obsolescence has resulted in enormous waste, greenhouse gas emissions and energy use and like most conventional industry is a contributor to climate change. In a July 2014 article in The Atlantic, Elizabeth Cline sites statistics that prove America's exponential desire for excess consumerism. The Council for Textile Recycling states, "Americans send 10.5 million tons of clothing to landfills every year" which accounts for "6% of all garbage" (Cline, 2014). This is a snowballing phenomenon as studies show "Americans now buy five times as much clothing as they did in 1980," but the tragedy is, "after 6 months 90% of clothing is thrown away" and much of it is not reused "giving textiles one of the poorest recycling rates of any reusable material" (Cline, 2014). Additionally, as most fashion is not made in a sustainable closed loop system, new fashion chiefly uses new resources. Furthermore, lack of public awareness means only 15% of clothing gets recycled or reused (Cline, 2014, Morgan 2015). While there are some fashion brands slowly adapting into sustainable practices, according to Rank a Brand, an NGO that ranks sustainability, "a large number of the fashion brands researched create the impression that they are doing the right thing for sustainability, but then fail to produce relevant and tangible information about the action they are taking," a concept called "greenwashing" (Rayapura, 2014). This shows a need for quantitative metrics on clothing labels to 1) raise awareness in consumers and 2) demand responsibility from brands to accurately convey and improve what's happening down the supply chain, which most likely needs the consistency and verification from 3) third-party auditing.

#### Thesis

As we can see from the previous statistics, sustainability practices should be implemented to responsibly manufacture garments and consumers should "theoretically" support responsible brands. However, the problem is that the cost on the price tag that most consumers make their daily purchasing decisions with, is not the collective externalized cost that takes in the totality of the social and environmental expense to deliver that product.

I hypothesize that garments labeled with sustainability and socially responsible (SSR) metrics will aid consumers and brands to determine and compare externalized costs of production. Standardized, explicit, and verified garment labeling with third-party

logos will enable consumers to understand how to compare a garment's sustainable and ethical merits. One would hope this would result in creating environmentally conscious and ethical purchase behavior.

Standardized externalized cost labeling on clothing and possibly the creation of sustainable stores selling high-ranking SSR garments, could create consumer awareness and trends about sustainable products and their impact on people, profit and the planet. Moreover, this may create a tipping point of consumer demand to force producers to act sustainably. In this essay I will investigate sustainability and socially responsible (SSR) labels on garments from fashion brands in New York State in Summer 2016, including Modavanti and Eileen Fisher. Studying their successes and challenges can help us understand and improve SSR labeling, and SSR consumer awareness and purchase behavior.

#### The True Cost of Garments and Cost Externalizing

Most garments are not labeled with enough transparency for a consumer to decipher differences in manufacturing conditions, such as whether the fibers are toxic, organic or produced in a closed loop system or whether the garment workers' conditions fall under forced labor (a form of modern-day slavery), sweatshops or ethical fair-trade.

Additionally, although media is widespread and accessible to most Americans, consumers are uninformed of the true costs of products and many do not understand the implications of what they buy and how it affects the environment, workers and the local and global economy. Annie Leonard, Louis Fox, and Jonah Sachs in their project titled *The Story of Stuff*, explain that "cost externalizing is a socioeconomic term describing how a business maximizes its profits by off-loading indirect costs and forcing negative effects to a third party" (Leonard et al, 2007). Leonard quotes *Earth Economics* describing an externality as:

"Externality: "An unintended and uncompensated loss or gain in the welfare of one party resulting from an activity of another party." Another way to explain this is that there are many real costs of producing things (like using water, dumping waste, contributing to climate change, paying sick worker's medical care,) which are incurred by producing things, but are ignored by the company owners. Since the company owners don't pay for these real costs, but shift them onto the public and the environment, they are said to "externalize" them, which means making someone else pay for them. That is what I mean when I say that the prices of many goods don't reflect the true cost of making the things. Someone else is paying for the doctors bills, the longer hike to get water after local water is polluted or gone, the impacts of climate change, the cost of the asthma inhaler and more costs incurred from the extraction, production, distribution and disposal of stuff." (Leonard. 2007)

An essential point that Leonard makes is that consumers don't see or understand the

holistic cost of the \$6.99 T-shirt. Although in the short term, this may be an exciting bargain find, in the long run, unnecessary consumption and waste will be a detriment for non-renewable resources. Leonard cites statistics from the EPA, "in 2005, U.S. residents, businesses, and institutions produced more than 245 million tons of MSW, which is approximately 4.5 pounds of waste per person per day" (cited as EPA 2007). Leonard clarifies, "that is twice what we each made thirty years ago." (Leonard, 2007) In light of these statistics, it is clear that current levels of waste are not sustainable requiring consumer and brand awareness. On a positive note, technological and creative advancements achieved each week in the marketplace from human ingenuity, show solutions to create less toxic dyes and chemicals, better water efficiency, recycled fabrics and upcycling already exist and further innovation is inevitable. The goal need not be "cheaper" but "better" and in the long run may not cost us the Earth. There are a myriad of ways we can improve systems to become sustainable.

#### What really is freedom of choice?

We are perhaps at a true climax of consumerist mentality with new discussion about sustainability starting to emerge. In the June 2016 online issue of *The Atlantic*, Dan McAdams connects with a psychologist who investigates how Donald Trump's extraordinary personality might shape his possible presidency and describes these traits as "narcissism, disagreeableness [and] grandiosity" (McAdams, 2016). With the rise of Instagram selfies, over-consumerism and Fast Fashion, perhaps Trump is an embodiment of a certain collective consciousness in the American public. Whether or not one votes for Trump, excess is perhaps deeply rooted in us all, from the constant advertising and lifestyle comparisons with the rich and famous, to the proselytized ideology of the American dream. It is the psychology of more stuff, more money, more status, more for me, while forgetting about global interrelatedness and environmental impact in a finite system.

Contrastingly, according to Andrew Crane, professor of Business Ethics at York University, Canada, in his book *Corporate Social Responsibility*, he admits, "films such as Inside Job, Margin Call and Wall Street 2, reflect a growing interest among the public in the impact of corporations on contemporary life" and "media pressure, major disasters and sometimes government regulation" brings light to "these companies with oppressive regimes, being implicated in human rights violations, polluting the environment or misinforming and deliberately harming their customers" (Crane, 2014, p.3). Crane implies consumers are more interested in how businesses not only make a profit for shareholders but are also taking responsibility for their stakeholders and addressing externalized costs with corporate social responsibility (CSR). At this time, running businesses that benefit society (workers, consumers, community, supply chain and environment) or at least "do no harm" would be a goal.

Whether political votes illuminate people's values or reflect consumer choice is a different debate, but I believe we are at a crossroads in social understanding of sustainability and true costs. While some people believe government should strictly

legislate producers and consumers to act sustainably, others believe America stands for the "freedom of choice." When discussing the "Story of Stuff" and the idea of government intervention in terms of limiting the amount of resources that people use with my fellow classmates, one student said "I am against that as a rule because this is America and I believe people should have freedom to use as much as they want with the hope being that they don't use that freedom in a way that hurts the Earth." Another student rebutted, "I half agree with the comment you made about the government protecting us from ourselves... if the government was going to intervene, perhaps their best intervention would be targeting the companies, enforcing compliance in a way where recycled materials must be used or materials used must be 100% recyclable. I feel it should have to do with active choices at the highest level- the corporations."

As debated here, I believe we must keep a balance of legislation and freedom of choice. Foremost, informing people of what they are really buying is the first step in awareness to create a beneficial cycle of product sustainability. Practical metrics are needed so consumers can understand true cost, and make well-educated choices. In the article, "Fast Fashion, Sustainability, and the Ethical Appeal of Luxury Brands" in the journal *Fashion Theory*, Joy's study shows that "there is a great deal of concern about environmental issues, but, "when it comes to actually buying green goods, words and deeds often part ways." (Joy, 2015, p.288)

A solution could be educating consumers about the difference between sustainable and unsustainable products. Since this is a global problem it would be about educating people worldwide about the true costs of products. Additionally, creating a value system for products that will last longer or have repairable or replaceable components and not create "impulsive behavior" with "continuous and rapid turnover" could be a solution" (Joy et al, 2015, p.275)

Although global sustainability practices would be the ultimate goal, initially starting in smaller communities would be ideal to show sustainability labeling increases consumer awareness and changes consumer behavior. If small batches of SSR garments were initially expensive, brands could introduce them to wealthier communities first, targeting early adopters. Once niche success is achieved, then economy of scale for sustainable production would lower the price of systems and materials to allow products of any budget to be produced.

If every garment label showed the price, as well as facts about how it was produced, how the people who worked to make it were treated and how it affected the environment, then we could demonstrate the true cost. Production transparency is needed for consumers to make decisions based on true metrics.

# How to translate the positive changes in the food industry to changes in consumer goods?

A model to follow for clothing could be the change seen in the last ten years in the organic and healthy food industry. Labeling of "ingredients", the supply chain and

production practices should be made a standard for clothing as they are increasingly for food. Supply chain awareness arose from the 2013 horsemeat scandal that gripped Europe and the tragedy of Chinese milk contamination where milk and baby formula was "adulterated with melamine," and "China reported an estimated 300,000 victims in total.... Six infants died from kidney stones and other kidney damage with an estimated 54,000 babies being hospitalized" (Wikipedia 2016). These and subsequent events brought a need for better regulation in the food supply chain.

In Manhattan in 2008, Major Bloomberg implemented regulation enforcing fastfood chains to publish calories in New York City to fight the obesity epidemic. Surely understanding what one is consuming should be the most important way to affect consumer choices, whether with food, or the goods consumers buy.

Today, the primary way people choose which products to buy is with advertising. Fashion and beauty advertisers market to us using imagery to associate positive feelings and aspirations with products. Rather than manipulative identification with social status, sexual attraction or happiness touted in advertising, if consumers had clear understandable metrics, they would be able to make choices that are really in line with their needs and values.

For this purpose, the food industry has increased transparency with calorie labeling, source labeling and organizational labels such as USDA organic, FairTrade and Non-GMO. Consumer awareness in the food industry has also resulted in awareness of "bad words" such as "high-fructose corn syrup", and "trans-fat", which are unhealthy additives some brands add to food to decrease cost and increase shelf-life. If garment components and manufacturing processes were labeled, surely conscientious consumers would adjust their purchases as was seen in recent years in the food industry as reported by the 300% organic food industry growth from 2002 to 2008 (Wikipedia 2016). Better labeling would result in conscientious consumers demanding and purchasing SSR products.

Additionally, as seen in the food industry there are new trends such as "farm–totable", "local", "sustainable", "hormone free", "non GMO", and "organic" showing an increase in consumer interest in eating natural food. This also creates the alternative comparison and implication that foods that do not meet these standards are "yucky", "processed" or "low brow". How can we use these values to market sustainable consumer fashion, and not just for "greenwashing," but also to create transparency in consumer purchases? How can we create a culture and new language relating to verified SSR standards that motivates brands to manufacture better?

Another change in the food industry has been the creation of healthy food stores such as Whole Foods. Large supermarkets that focus on organic and fair-trade product have been successful, regardless of the additional cost associated with these brands.

Joy cites Bonini and Oppenheim, "that there are five barriers to being green: "Lack of awareness, negative perceptions, distrust, high prices and low availability" (Joy, 2015, p.289). Obviously, reducing all of these barriers would be beneficial to sustainability. Creating affordable, accessible, trustworthy stores that create awareness and positive perceptions would be an enterprise for change. This must not be greenwashing, defined by the Greenwashing Index Organization as; "a company or organization spending more time and money claiming to be "green" through advertising than actually implementing business practices that minimize environmental impact" but products that show their sustainability with standardized labeling (Greenwashing Index-University of Oregon).

Will a few brands that initiate sustainability labeling be able to start a trend? Or consumers that demand better labeling fuel corporate responsibility? Or will a superstore that labels garments with externalized costs in mind create enough hype to make competitors follow? These questions are pivotal to the possibility of change with sustainability labeling.

#### Money Is Not The Only Reminder

"For nothing is so productive of elevation of mind as to be able to examine methodically and truly every object that is presented to you in life, and always to look at things so as to see at the same time what kind of universe this is, and what kind of use everything performs in it, and what value everything has with reference to the whole." (Marcus Aurelius, Roman Emperor from 161 to 180)

#### **Stoics and Numbers**

Marcus Aurelius, one of the wisest and noblest of Roman emperors wrote his journal titled "Meditations" in the last days of his life, in a time of political turmoil reflecting on the lessons learnt from his teachers and contemporaries. In this passage, Aurelius reminds us of how we should examine ourselves to understand the interconnectedness we have with nature and others. Aurelius' memoir focuses on the Stoic principals of inner peace, detachment and moderation. Stoicism, which could be compared to Daoism in eastern philosophy, is an ethical belief without the mysticism of most religions that emphasizes connection with nature and raising one's consciousness through self-examination. Stoics believe that "civic virtue is a mirage unless anchored in the inner virtue of each citizen" (Aurelius, p.v-11).

Today, in a time where according to "Pew's 2014 U.S. Religious Landscape Study... the number of people who are religiously unaffiliated — either atheist, agnostic or simply "nothing in particular" — has grown by more than six percentage points, from 16.1 percent in 2007 to 22.8 percent in 2014" (Kuruvilla-*Huffington Post*). Millennials are the source of this shift, which poses the question, where will a modern citizen find "inner virtue?"

As fast as technology has changed in the past hundred years, so too have our values. Science and numbers are often the decision makers replacing the ethics Stoics

spoke of. Financial numbers and the bottom-line have become most modern corporation's guiding light, and consumerist society's view of success. According to the famous 1970's economist, Milton Friedman, "profit is the only purpose of the corporation." Unfortunately, as short-term stock market profits seem to be the primary goal, externalized costs of making these profits has created climate change, labor violations and overconsumption of global resources. So if numbers are how corporations and consumers in the US make decisions, perhaps we need to find new metrics.

# **New Metrics**

Money is a man-made concept. Its name is sourced from ""Moneta" either from the Latin word "monere" (remind, warn, or instruct) or the Greek word "moneres" (alone, unique)" and could be described as to <u>remind</u> us that for a certain good or service, there would be a debt of another good or service. In bartering terms, it would be understandable that the total cost to grow, harvest and transport a certain amount of blueberries to market, would then be the equivalent of the cost to grow a certain amount of potatoes, harvest and bring them to market. But as time went on, as money, for its convenience, replaced and symbolized the cost, so too did the understanding of the resource cost for what was being traded. And even so, in bartering perhaps total costs of foresting or fishing were not fully understood, as natural resources, when only taken in small amounts seemed replenishable.

Mankind has grown distant from natural realities. As chicken breasts come deboned in polystyrene trays at the supermarket and industrial pollution in the rivers of Bangladesh seem distanced from the sparkly malls that sell Joe Fresh's or Primark's clothes, cost is no longer serving its purpose. Money's original meaning is meant to remind us the debt we have for the true cost. So what new metrics can remind us of this debt? How can consumers truly buy knowing what externalized costs are with standardized metrics that are quick and efficient.

# **Eco-labels on Products**

Eco-labels awarded to accredited products aid consumers and brands to ascertain SSR. While eco-labels may seem like a simple solution, according to *PRCH*, *Resources for the Responsible Consumer*, there are over 460 eco-labels for the products we buy, and many brands use labels that are not legitimate posing a major risk of greenwashing (PRCH 2016). This shows that all labels should have some third party auditing or governmental regulation as voluntary reporting often leads to misrepresentative claims.

Here below are major US eco-labels, some audited by government agencies:



USDA Organic gives its seal if a product's ingredients are at least 95% or more certified organic. However, one should note language can often be misleading as "made with organic"... means at least 70% of the ingredients are organic but the rest do not need to meet organic standards" and for "100% organic,"

ingredients meet the USDA organic requirements."



Non-Genetically Modified products may display the Non-GMO badge (which is a stipulation of the organic category as well) but many statements of "GMO free" on packaging are often false if not verified.



Fairtrade certification, often seen in the coffee industry, is given by FairTrade International, a organization that systematizes trade partnerships to allow small farmers fair trade prices and to not be subjugated by larger companies. This label shows "standards for hired labor, democracy, and w among developing communities" (PRCH 2016)

transparency among developing communities" (PRCH 2016).



To account for energy efficiency, Energy Star gives its certification for products, homes and industrial buildings that are the best in their class in energy efficiency, a standard that is evaluated and awarded each year to keep up with changing energy systems and practices.

There are hundreds of other eco-labels. Knowing which are legitimate can be confusing to consumers. I also believe the saying, "out of sight, out of mind" does effect consumer purchases meaning that consumers may be distracted and forget to look for labels or sustainability certifications. What if labels showed whether a product did or did not make the standards of those eco-labels?

For a rough example, a standardized SSR clothing label in stores, perhaps initially in SSR curated stores, that showed values similar to Figure 1, could be prototypical in attaining brand and consumer awareness:



Perhaps if consumers had the realities of externalized costs on the label, it would start to change their purchasing decisions. Low-scoring brands would not want to have graded eco-labels, but if certain stores standardized them, then corporations would have to improve their practices to stay competitive.

# **Certification for Sustainable Companies**

Other ways for consumers to identify which businesses have sustainable practices are B Corporations- standing for Benefit Corporations - which go through a rigorous certification process to prove they have "a goal of using business to solve social and environmental problems" (PRCH 2016). This involves changing their legal structure to be somewhere between a corporation and a non-profit, showing a long-term commitment to sustainability. Major brands such as Patagonia, Eileen Fisher, Ben & Jerry's, New Belgium Brewing, and Couchsurfing have converted to B Corps. B Lab which certifies B Corps states, "today, there is a growing community of more than 1,600 Certified B Corps from 42 countries and over 120 industries working together toward 1 unifying goal: to redefine success in business."

In an interview with Rob Michalak, Global Director of Social Mission of Ben & Jerry's, B Lab asks:

# "Q: What business benefits do you directly attribute to your B Corp certification?

A: There's no question that people place a high value on companies that manifest a social purpose alongside economic and environmental missions. We can easily argue and studies that show—that people are more loyal to and will switch to supporting companies with a social purpose. The B Corp certification galvanizes public confidence in companies that achieve B Corp certification. Also, the B Corp community creates more opportunities for collaboration, benchmarking, networking—a variety of elements that can improve a company's performance and ultimate success. (B Corp Handbook, 2016)"

According to Michalak, companies who become B corps are more successful due to their integration of sustainability practices and connecting with a network of like-minded brands. Studies that show this are not listed in the interview.

*Cradle-to-Cradle* is another certification that awards products, of almost any industry, Basic, Bronze, Silver, Gold, Platinum level status. They audit for five categories; Material Health, Material Utilization, Renewable Energy & Carbon Management, Water Stewardship and Social Fairness. Brands that meet certifications include *Method* beauty and cleaning products, *Aveda* haircare, *Work Wear* and *Revive* apparel, *Accoya* Wood and *Armstrong* Adhesives (Cradle and Cradle 2016). Interestingly, the phrase "Cradle to Cradle" is a conceptual definition of a closed loop cycle, as opposed to "cradle to grave" which indicates a wasteful linear cycle.

Organizations that promulgate forthcoming businesses for SSR metrics are a good start. However, what is more important is to have metrics standardized on a larger scale

so consumers are more aware, fueling competitive corporations to change practices to improve sustainability ratings and consumer purchase intentions.

As money was created to remind us the cost of goods and consumers have grown more disconnected with nature and globalization, there needs to be new metrics to educate consumers and brands of externalized costs which are not apparent on current product labels. While accounting for vast supply chains and future health risks may seem boundless, surely, as we created sophisticated calculations for money, global currencies and stock markets, so too can those externalized costs have some form of structure and calculation to quantify problem areas.

While there are hundreds of organizations that audit businesses and products for their environmental and human equity practices, the complimentary issue is, are these metrics effectively educating the consumer?

We are now clearly seeing the environmental costs of behaving in an accelerating consumer cycle emerging since the industrial age. Whilst not asking to stop consuming, it seems sensible that responsible business and consumption could be the solution. As Marcus Aurelius stated, it is admirable to be "able to both abstain from and to enjoy, those things which many are too weak to abstain from, and cannot enjoy without excess" (Aurelius p.v-11).

# The Status Quo on Clothing Labels

"Words can be twisted into any shape. Promises can be made to lull the heart and seduce the soul. In the final analysis, words mean nothing. They are labels we give things in an effort to wrap our puny little brains around their underlying natures, when ninety-nine percent of the time the totality of the reality is an entirely different beast. The wisest man is the silent one. Examine his actions. Judge him by them."
— Karen Marie Moning, Author, "Bloodfever"

Moning's quote enlightens us to the ambiguity of words. Used for rhetoric, sales and politics, words can be misleading and convey only a fraction of the truth. Online advertising for a "genuine silk blouse" sold by a unfamiliar distributer on Amazon, and plastic flip flops with hangtags stating "made with recycled paper" representing the small paper hangtag and no mention of the petroleum based footwear the hangtag should be describing, results in consumers falling victim to misrepresentative claims by businesses labeling their product in an SSR favored way to sell more goods. Thus, Moning advises to examine actions. That is, to observe, identify and label the action. How can externalized costs be labeled? The answer that nobody wants to hear is auditing and data. It's expensive, it requires consensus and regulation and it takes time. Trying to control this on a national level would be laborious, but no more than other regulations such as building codes, income tax, fiduciary duties or food safety. However for clothing, with vast supply chains on a global level, where different governments have different laws, it creates challenging complexity in regulation. Additionally, as products and standards are constantly changing, measurement systems must also be updated.

### **Standardized U.S. Clothing Labels**

To understand how consumers are affected or could eventually be affected by sustainability labeling, we should first look at how clothes are currently labeled.

The U.S. Federal Trade Commission (FTC) governs clothes labels in the United States. Most textile and wool products must have a label "listing the fiber content, the country of origin, and the identity of the manufacturer or another business responsible for marketing and handling the item" (FTC 2014). Additionally, there are special requirements for fur products and for care instructions.



Figure 2: FTC Clothing Label Example

Recent amendments to labeling rules in July 2014 updated generic fiber names and modified laws governing hangtags. Where previously, manufacturers were required to list all fibers on the hang-tag, now garments can claim to be, for example, a "Wool Sweater," however if it is not 100% of the fiber stated (wool), the hangtag must say "see label for the product's full fiber content" (FTC 2014). The FTC labeling applies to almost all clothing but not to shoes, boots and slippers and a litany of miscellaneous items such as cummerbunds, pet clothes, oven mitts, sleeping masks or wigs.

Fiber content must be listed for fibers that comprise more than 5% of the weight of the garment, disregarding buttons, zippers, beads and sequins. Fibers under 5% of the weight of the garment need only be mentioned if providing "functional significance" such as spandex for stretch. Additionally, elastic materials need not be disclosed unless comprising more than 20% of the surface area and decorative materials more than 15% of the surface area. Lining fibers must be disclosed separately and recycled materials listed as "recycled" and the fiber name. e.g. "Recycled Llama."

The Country of Origin regulations mandate that "imported products must identify the country where the products were processed or manufactured" and the use of "Made in U.S.A" can only be used for products that are "made completely in the U.S. of materials that were made in the U.S" (FTC 2014). Buttons and zippers are exempt. There are limitations to origin labeling as often supply chains are so large they may disregard certain segments in production. It is legally possible, in these situations, to label garments, "Assembled in U.S.A of imported components," which ambiguously describes the global supply chain with no quantifiable metrics or standards. Indefinite origin labeling doesn't account for abuses in the supply chain. As seen in the documentary, *The True Cost*, examples of supply chain abuses range from leather products treated with chromium that cause birth defects in children and skin disorders near leather-treating polluted water sources in Bangladesh, or deadly worker abuse in Cambodian sweatshops (Morgan, 2015). As well as fiber and origin, the Registered Identification Number (RN) must be listed for the manufacturer, importer or other firm marketing the product. Changing labels is permitted "as long as the new label lists the name of RN of the person or company making the change." Civil penalties can be \$16,000 per violation for each instance under the Textile, Wool and Fur acts. They allow a 3% tolerance in the difference of fibers disclosed (FTC 2014). Although the RN number does provide accountability at the final part of the production chain, it provides little transparency for standards at other parts of the supply chain, which are physically and ideologically worlds away for consumers and many fashion brands.

Many FTC labeling rules also apply to the advertisements of clothes, and govern that clothing advertised, for example, as a "Cotton T-shirt, Made in the USA," is legitimately made of the fibers and from the sources stated on the label. This has been updated in the amendment to include e-commerce advertisements. Whilst we can see this is a good start to identification, it does not touch upon sustainability metrics such as farming practices, dyes, labor, pollution, energy cost, fair wages and other externalities.

#### **Consumers and Clothing Labels**

Academic studies that try to determine clothing label influence on consumer purchase behavior primarily conclude current consumers have low awareness or understanding of labels and symbols. In a study conducted by the National Institute of Consumer Research in Norway in 2013, Laitala and Klepp interviewed Norwegian households about their use of clothing labels in purchase, care and clothing life-cycle decisions. The most important discovery was that "consumers know little about ecolabeled garments as almost none are available on the market [in Norway]" (Laitala et al. 2013). Feltham and Martin mirror this finding in a study in 2006 for the University of Manitoba, Canada, that investigated consumers care label behavior and concluded the study "indicated a high level of non-comprehension" (Feltham et al, 2006).

As discussed in both studies, clothing labels provide certain basic information, but not the whole story to truly convey the sustainability, composition or processes in the production and lifecycle of the garment. As highlighted by Laitala, "a garment can be laminated and include over 50% of non-fibrous content and this is not covered by fiber labeling requirements" (Laitala et al. 2013). Additionally chemicals and energy use are unseen aspects on labels for clothing production. This is important because "cheap synthetic fibers also emit gasses like N2O, which is 300 times more damaging than CO2" (Conca 2016).

A participant in the Norwegian study named Pia answered, "we should get more education on what kinds of chemicals are used in synthetic fabrics" and "clothes that are marked synthetic such as acrylic, cordel, and a lot more different names, we have no idea what they really are" (Laitala et al. 2013). Additionally, the Norwegian study also found that "sometimes wrong assumptions were made, such as when all natural fibers are considered to be more sustainable than synthetics" which is not always the case, especially for high water consumption processing of certain types of cotton, which most consumers are unaware of (Laitala et al. 2013). The environmental impact of cotton is also chemically alarming to the environment. According to Forbes, "Cotton is the world's single largest pesticide-consuming crop, using 24% of all insecticides and 11% of all pesticides globally, adversely affecting soil and water" (Conca 2016; Morgan 2015).

In Feltham's and Martin's study, the correlation with care labels and garment <u>purchases</u> was most statistically significant for consumers with higher levels of education, however not for income level. In using care labels for <u>laundering</u>, there was no difference in education or income levels. This shows that consumers who are more educated are more aware of labels and the long-term impact of clothing care and clothing lifecycle when <u>purchasing</u>. That is to say, educated consumers are aware when deciding if they want the garment and if they want to accept the care the garment requires. Most consumers preferred clothing with easy care instructions and avoided dry-clean only garments primarily for cost and convenience and secondarily for chemicals. (Feltham et al, 2006).

The lifecycle of clothing is a major impact on clothing waste. Extending clothing lifecycle would aid in sustainable consumer practices. The mentioned studies suggest clothing lifecycle can be improved by consumers taking better care of clothing they own (in part having clear care instructions and following them), high quality clothing (reducing planned obsolescence) and proper sizing. The Canadian Study asked

participants how they learnt to read clothing care labels and reported a variety of sources including: "high school Home Economic classes, information from magazines, on their washing machines, on laundry products...and from their mothers." Additionally, younger participants also admitted that most of their care instruction efforts were "guessing the care label meaning" and "expressed the preference for care labels that are written out in words" rather than symbols (Feltham et al. 2006). In the Norwegian study, Laitala also suggests delivering environmental messages on clothing care labels would be a way to encourage awareness of lifecycle and cleaning energy usage for sustainability.

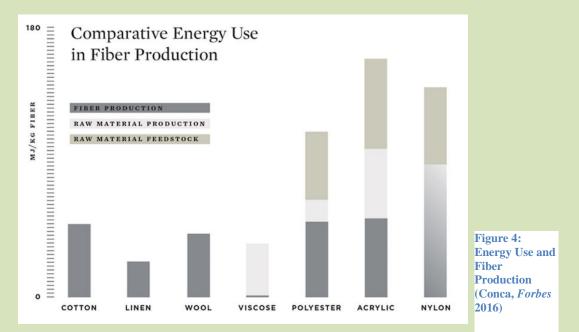


Figure 3: Examples of Garment Care messages with environmental messages (Laitala et al. 2013)

Energy use data Laitala cites in her study is based on the Carbon Trust Study in 2011 that states, "Global clothing production is estimated to cause around 330 Mt of CO2 emissions per year, whereas the use phase adds another 530Mt of CO2 per year" (Carbon Trust 2011, cited by Laitala et al. 2013). This shows that consumer care adds additional

energy consumption from washing, dry-cleaning and chemical products, and is an important component for sustainability consumer education.

To convey scale, "this equals to 3% of global CO2 emissions" per year from clothing. (Carbon Trust 2011, cited by Laitala et al. 2013). This data seems somewhat low when compared to data provided by *Forbes*, "The apparel industry accounts for 10% of global



carbon emissions and remains the second largest industrial polluter, second only to oil" (Conca 2016).

As seen in Figure 4 above, different fibers account for vast differences in energy use in the supply chain. At this point, consumer awareness of these environmental impacts are not understood by participants in both the Canadian and Norwegian studies as they do not understand fiber names and processes (Feltham et al, 2006; Laitala, 2013).

Another aspect raised in clothing labeling improvements, is that better standardization in sizing would also help clothing life cycle. Laitala explains, "Ill-fitting clothing is an important disposal reason" and claims "poor fit was related to 22% of women's disposed garments... [and] 9% of men's garments." Global differences in sizing also contributed to confusion with sizing, especially for plus-sized clothing, perhaps due to sample scaling (Laitala et al. 2013). Laitala found clothing waste from ill-fitting sizing was emphasized from sizing mistakes due to online shopping. According to *Forbes*, this has major impact on the environment as "Americans throw away about 70 lbs. of clothing per person every year" (Conca, 2016).

Lastly, the country of origin information, which is mandatory in the U.S.A but voluntary in the E.U, was investigated in the Norwegian study. "Very few participants read the country of origin label" and would only do so if they had heard of "ethical problems" of production. They did not make any connections to "shorter transport distances" on environmental impact (Laitala et al. 2013). Some participants when

questioned on country of origin said they would "like" to know the people and processes involved in clothing production were sustainable and ethical but it was "far out of reach financially" and mainly bought clothes made in China or Bangladesh as they were cheaper (Laitala et al. 2013). This is of concern since, "fast fashion garments [such as H&M, Zara, Forever 21 and Primark], which we wear less than 5 times and keep for 35 days, produce over 400% more carbon emissions per item per year than garments worn 50 times and kept for a full year." (Conca 2016)

In the Canadian study consumer preferences were based on "price, fit and style" when buying for themselves which were more important than "color, brand name, recommended care or fiber content" (Feltham et al, 2006). When buying for their spouse, participants valued "price, fit and style", for their son valued "price, style and recommended care" and for their daughter "price, style and fit" as the most important values on clothing purchases in preferential order. The results are similar to Joy's "Fast Fashion" study in 2016, showing that consumer's primary factors in clothing purchases are still, ten years later; price, style and fit (Feltham et al, 2006; Joy et al, 2016).



Although in the U.S. there are standardized clothing labels regulated by the FTC, they primarily govern basic fiber, origin and manufacturer information and omit important sustainability information. The awareness and use of these labels by consumers is varied depending on the consumer's knowledge of what the

Figure 5: Commercial example of lifecycle care messages on clothing label information pertains to and their motivation regarding their final purchasing decisions.

Conclusively, Laitala explains, <u>"labels should</u> <u>be comprehensible, recognizable and believable</u>" (2013). That is, the goal would be to create metrics to

quantify and direct the actions of both industry and consumers. Overall, it is apparent, there are three areas for improvement in the clothing production and consumer life cycle. There must be improvement in SSR industry practices as well as improved labeling to identify garments that are made to better or worse standards. Clothing label improvements would also require educating consumers to understand the implications of their choices from the data given on labels.

# Where's the Beef?

"Truth will not afford sufficient food to their vanity; so they have betaken, themselves to errour. Truth, Sir, is a cow which will yield such people no more milk, and so they are gone to milk the bull." Samuel Johnson, 1709-1784 Samuel Johnson, the sixteenth century English poet and moralist wrote that truth would suffice for certain people's vanity, and these people would search for fripperies to satisfy their delusion. And so perhaps, beyond truth are what our dreams are made of, larger than life, dreams of fame, riches and excess. Advertising and branding helps illustrate these visions, when the metrics, the truth, point to massive waste piles and seawater levels rising from overconsumption. So too, in this section to follow, we can see that data on the effects of consumer labels on both food and clothing, highlight the majority of consumer behavior to be semi-aware, under-educated and motivated by appearance. However, there is hope, as awareness changes, little by little.

At this time, sustainability labeling for clothing is embryonic at best, and anything but standardized. It unfortunately is often subject to greenwashing or to a voluntary honor system with no standardized third party auditing to verify claims. Since the concept is so new, there are not many studies on the causative affect of sustainability labeling for clothing on consumer purchases. To find scope on the effect of labels on consumer decisions we can turn to academic studies on food labels and consumer behavior.

In the United States, Food Nutritional Fact labels are governed by the FDA, and cover the basic ingredients, nutritional percentages and regulate generalized terms.

# What We Can Learn From Nutrition Fact Labels

and the second second second	2002		
Amount Per Servi	1. The second		
Calories 230	Ca	lories fron	n Fat 40
		% Dall	y Value*
Total Fat 8g	12%		
Saturated Fat 1g			5%
Trans Fat 0g			
Cholesterol Omg			0%
Sodium 160mg		7%	
Total Carbohydrate 37		′g 12%	
Dietary Fiber 4g			16%
Sugars 1g			
Protein 3g			
Vitamin A		10%	
Vitamin C			8%
Calcium			20%
Iron			45%
* Percent Daily Value Your daily value may your calorie needs.	be higher or	lower depen	ding on
Total Fat	Calories: Less than	2,000 65g	2,500
Sat Fat	Less than	20g	80g 25g
Cholesterol	Less than	300mg	300mg
Sodium Total Carbohydrate	Less than	2,400mg 300g	2,400mg 375g
Dietary Fiber		250	30g

Figure 6. Example of a Nutrition Facts label

In 1990, the Nutrition Labeling and Education Act (NLEA), created by the recommendations of the Food and Drug administration (FDA), standardized labeling of ingredients, source, and (eventually) "organic" definitions for food and beverages.

On the FDA's website they report, "The food label is one of the most valuable tools consumers have," says Barbara Schneeman, Ph.D., Director of the Food and Drug Administration's (FDA's) Office of Nutrition, Labeling and Dietary Supplements. "The food label gives consumers the power to compare foods quickly and easily so they can judge for themselves which products best fit their dietary needs." (Bora, 2006)

Additionally, to create marketing standards, the FDA tests products to regulate and verify claims. For example, ""low sodium," "reduced fat," and "high fiber" must meet strict government definitions. The FDA has defined other terms used

to describe the content of a nutrient, such as "low," "reduced," "high," "free," "lean," "extra lean," "good source," "less," "light," and "more."" (FDA 2016) The Nutritional Information label also lists the Percent Daily Value (%DV) explaining the percentage of daily nutritional intake recommended per serving of the product. Critics may claim that although FDA labels have been classifying products for years, with current obesity levels at all time highs, perhaps the consumer isn't influenced by labels in consumption choices. Schneeman explains, "A premium ice cream could be 'natural' or 'organic' and still be high in fat or saturated fat, so would not meet the criteria for 'healthy" (Bora, 2006). The confusion in labeling could be partially to blame in unhealthy consumer choices as many products tout deceitful claims and/or the data is not easily translated into decision-making terms.

In a study by the International Food Information Council (IFIC) in 2003 to understand consumer perspectives on food labels, results showed "more than 8 of 10 consumers (83%) looked at ingredients or nutrition information at least sometimes." What is interesting to note, is that although consumers may report <u>awareness</u> and demonstrate they look at labels, the difference in the label's effectiveness on consumer <u>purchases</u> then halves. This can be seen in the following statistical conclusions; "Consumers showed <u>high awareness</u> of the information on nutrition labels. When aided, they were most aware of calories (89%), followed by total fat (81%), sodium (75%), sugars (73%), carbohydrates (72%), saturated fat (71%), and cholesterol (66%). This ranking provides insight into the relative importance consumers place on each of these items. When <u>purchasing</u> or <u>choosing</u> food, consumers consider calories (58%) and total fat (56%) first, followed by sodium and saturated fat (both at 45%), sugars (42%), cholesterol (39%), and carbohydrates (34%). In all categories, awareness of the information was much higher than use" (Bora, 2006).

The major criticism by consumers pertaining to the Nutrition Fact panel is "some find it useful for making better food choices, whereas others believe it is too complicated and should be easier to use" (Bora, 2006). Usually the standard for FDA labels show 15 nutrients: calories, calories from fat, fat, saturated fat, trans fat, cholesterol, sodium, carbohydrates, dietary fiber, sugars, protein, vitamin A, vitamin C, calcium, and iron. These results could demonstrate that consumers who are better educated in nutrition find the Nutrition Fact panels helpful, while others, who are less educated in nutritional data don't find the information helpful. We can assume, the latter segment of consumers, the "less-knowledgeable" segment, are most affected by words that create a "product summary" such as "low sodium," "reduced fat," and "high fiber" on the front label making the decision for them. This recognizes the "less-knowledgeable" segment of consumers is more likely to fall victim to false claims or greenwashing. We must remember "product summaries" when we discuss labels in clothing later.

#### Do Consumers Care About What is On the Label?

As discussed previously, many organizations such as Fair-Trade, EnergyStar and USDA Organic award eco-labels highlighting standards of production, and standardized labels from the FDA and FTC govern basic product information. But, do they have impact on the consumer?

Consumer purchase motivation may be understood by the 2003 Food Marketing Institute's *Shopping for Health* survey, that showed, "most consumers (83%) always or sometimes check the Nutrition Facts panel when buying foods for the <u>first time</u>. Nearly one-half (48%) check the Nutrition Facts panel to purchase healthy foods for their family, and nearly one-quarter (23%) do so to lose weight" (Bora, 2006). This shows consumers care about their family's health and appearance, as well as the basic health information on their first purchases. This provides evidence that repeat consumers may not check labels of brands they repurchase, allowing a brand to benefit from repeat sales if the label has a good first impression.

When it comes to sustainability labels in food, conclusions are mixed as some studies show consumers care and others say it doesn't effect consumer purchases. In an interview with *Spend Matters*, Steve Polski, senior director of responsible supply chains and sustainability at Cargill, one of the largest food commodity firms in the world, Polski reported from several studies that consumers say they want more sustainable products but are unwilling to pay for the difference, however the brand may benefit from brand loyalty. Polski adds, "We know this is a growing area of opportunity for businesses throughout the supply chain, but there is limited data that supports consumers are willing to pay more at the checkout counter." (McAvoy, 2016)

Contrastingly, Bob Ernst from KPMG ambiguously admitted, "the reality is, a lot of people care, and I mean a lot of people." He added, that for employee acquisition, sustainability values were most effective in hiring, as young talent out of college are most sensitive to values in the companies they work for (McAvoy, 2016).

A recent study by GT Nexus published in November 2015, to ascertain if consumers care or will pay more, reported there is a demand for ethically and sustainably sourced products. Of "1,100 U.S. consumers, 52% said they would pay more for food and beverage products that were sourced under ethical and sustainable means. For clothing and footwear, 45% of consumers would pay more" (McAvoy 2016). The survey also investigated what consumers were willing to pay for sustainable upgrades. "Thirty percent said they would pay up to 5% more and 28% said they would pay up to 20% more for such products. A quarter of consumers also said they actively sought sourcing origin information when they made their most recent purchase" (McAvoy 2016). Other statistics relevant to fashion purchases were, "30% of consumers said they would pay up to 5% more for clothing responsibly produced in the US and 28% said they would pay up to 20% more for clothing produced responsibly in the US" (Nella, 2015).

In respect to consumer motivation, this study could be paralleled with a study by Joy, Sherry, Venkatesh, Wang and Chan published in the *Fashion Theory Journal* stating that although "participants [aged 25 to 35] cared greatly about sustainability" it was only related to "food, recycling, and in some cases, cosmetics." What seems to be more important for consumers when it comes to purchasing fashion is "style, quality, color, compatibility with one's current wardrobe, and an ongoing desire for new clothes." Joy concluded this to mean consumers prefer "volume over ethical considerations" (Joy et al. 2015). We could derive from Joy's study that even if labels were stating the garments sustainability attributes, the consumer's decision would still be mostly decided by style and price.

Joy's study also reports that although most consumers in developed nations sincerely wish to act sustainably, the SSR fashion industry doesn't seem to produce products of the wanted style, price and availability to allow consumers to easily adapt their choices. This highlighted consumers' resistant attitude towards SSR purchases due to lack of availability, price or lack of understanding. The study of 75 Hong Kong and Canadian consumers between the ages of 25 and 35, found "while concerned about the environment and social impact of their non-fashion purchasing decisions, [they] did not apply such principles to their consumption of fashion" and thought of eco-fashion as "just plain dull and for older people perhaps" (Joy et al. 2015). There is conflicting data on what a consumer says and what a consumer actually does. Studies don't seem to be thorough or omni-present enough to decipher true consumer behavior but Joy's study. This provides clearer problems to find a solution for. That is, consumers want SSR fashion to be on trend, well fitted, more accessible and at the same cost or a maximum of 5-20% more cost than non-SSR garments.

In trying to identify who are the consumers that care about SSR clothing, a study conducted by Nielsen, a global information and measurement company with headquarters in New York, "tried to separate "passive eco-friendly" consumers from passionate ones" to identify which participants would actually act on their ethics. The study showed that "40% of North American study participants... were interested in buying from socially responsible brands. Yet when asked if they check the labels on products to ensure the company was actually committed to making a positive social and environmental impact, just 32% of North American participants said they took such action when purchasing a product" (McAvoy 2016). This 8% decrease from said interest to checking the label shows dissention, which may be further reduced if a study could actually follow consumer's purchases to collect data on what ends up in their shopping bag.

In summation, food label studies show that educated consumers are more likely to look at and purchase by considering labels, a theory that was also prevalent in the Feltham and Laitala studies for consumer behavior and clothing labels in Canada and Norway. This shows the importance of educating consumers for sustainable choices.

Additionally, people's desire to look good seen as calorie consciousness in food, and style and fit in clothing is also prevalent in purchase decision-making. On average, about half of consumers say they would pay more, in differing amounts, for SSR fashion, but studies did not show data on actual purchases. As Crane says in his book *Corporate Social Responsibility: Readings and Cases in a Global Context,* "although many consumers express a commitment to rewarding socially responsible firms, their actual market place behavior does not always reinforce this very strongly."

# God Is In The Details

"When the great Tao is forgotten, Goodness and piety appear. When the body's intelligence declines, Cleverness and knowledge step forth. When there is no peace in the family, Filial piety begins. When the country falls into chaos, Patriotism is born"

Lao Tzu, Tao Te Ching (Mitchell translation) 600-500 BCE

Lao Tzu (Laozi), the Chinese philosopher who is attributed for creating the religion Daoism (Taoism) and authored the Dao De Jing (Tao Te Ching) spoke of honoring nature and living within the principles of the natural way. Daoism created a naturalist movement in China, which believed in meditation, health, humility and recreating natural beauty in architecture and gardening. As dynasties and governance in China changed over the last three thousand years, so too did religious ideology and often Chinese were said to be "Confucian during the week and Daoist on the weekend," meaning in a sense, business and societal pragmatism during the workweek, followed by a spiritual escape to nature on the weekend (Murphy 2013). Whilst this statement is an oversimplification, this model provided a balance in energy, a feature of the Daoist symbol of the Yin and Yang, action and passivity.

China, now desperate to catch up with the West in industrialization is touted as the "factory of the world" and the consequences of unbalanced manufacturing have put China into unseen levels of pollution and health concerns (Morgan, 2015). In Liaoning Province in north-east China "pollution (PM2.5) levels reach 50 times more than WHO's safe level" on a daily basis, resulting in citizens requiring gas masks to go outside and hotels providing guests gas masks for their stay (Lyme 2015). An unparalleled level of smog and pollution, blocking skyscrapers from sight, is caused by coal burning factories powering China's industry. Without government regulation or businesses taking responsibility of the obvious externalities we see a bleak frontier of destruction by humans producing for excess. Lao Tzu has warned when we forget the Tao, the balance of nature, then goodness and piety, cleverness and knowledge will appear. Now is the time to innovate with nature in mind.

As Leonard says, consumers bred from post-Depression Era scarcity and the pervasive manner of modern advertising created the value that "success equals excess," meaning that the bottom dollar and owning more stuff is all that matters (Leonard et al. 2007). But as clothing label studies show, there is enough SSR consumer interest to spark a change.

#### **"GOOD CLOTHES"**

In the search to understand if consumers care about sustainable product labeling,



the best study published on this subject to date is from the *Clothing* and Textiles Research Journal, by Hyllegard, Yan, Ogle and Lee (2012) titled Socially Responsible Labeling: The Impact on Consumers' Attitudes and Patronage Intentions Towards an Apparel Brand. This study from Colorado State University investigated the effect of different ethical and environmental messages on apparel hang tags on US consumers. They tested message content and message explicitness, gender and whether labor practice or environmental practices were of concern.

Figure 7: Example Hang Tag stimuli with message content and message explicitness manipulation

The study concludes that, "<u>the use of explicit messages and logos produced</u> <u>favorable evaluations of hangtags and positive attitudes toward the apparel brand, which</u> <u>predicted purchase intentions</u>" (Hyllegard et al. 2012). These findings support "use of point of purchase promotional communications, specifically hangtags, to inform consumers about apparel companies' engagement in SR business practices" (Hyllegard et al. 2012). In Figure 7 we see four examples of the ten hangtags tested that showed a combination of ethical labor messages, environmental messages, third party logos, and varying degrees of explicitness. Results showed that hangtags featuring "highly explicit messages AND third party logos produced the most favorable evaluations" (Hyllegard et al. 2012).

This recent label study shows that consumers are more aware and effected by socially responsible labeling as according to Hyllegard, approximately 60% of participants actively look at hangtag information, whereas a 2005 British study (cite: Iwavow et al.) showed that only 11% of British consumers read apparel hang tags (Hyllegard et al. 2012). Hyllegard does remark that their study of 597 participants might have had sampling bias for higher education and income. Hyllegard showed no difference

in awareness for males or females, where she mentioned other older studies have shown females to be more aware of responsible labeling (Hyllegard et al. 2012; Dickson 2001).

Hyllegard recommends "on-going policy efforts within the apparel industry, the Fair Labor Association (FLA) and/or the Federal Trade Commission (FTC)" would help set regulations for information on apparel labels. She also recommends that brands should "<u>avoid the use of vague terms</u> such as "eco-friendly" and "green"" on apparel hangtags as this produces lower purchase and perception rates from consumers. Brands that educate their consumers with SR practices will benefit from positive attitudes towards the clothing brand (Hyllegard et al. 2012).

In the study, garments with the "GOOD CLOTHES" label were offered as a choice to participants as well as a generic version of the same garment without the SSR labeling, both for the same price (Hyllegard et al. 2012). Hyllegard's study shows that garments labeled explicitly with SSR information with an official third-party logo, provided the best results from consumer perception of the brand and purchase intention.

Critically reviewing the study, the hangtag labels and fictitious brand "GOOD CLOTHES" created for the study was entirely theoretical and may have resulted in theoretical results, based on ideology but not genuine purchase behavior. Hyllegard recommends further studies should be done to test and compare real brands. Not covered in the study are the real life purchases rather than mere intention. The items sold in the study were identically priced, and a real shopper's experience is much different with a variety of brands, online shopping, discount stores and other factors. Also, the risk to the consumer is that if a governing body does not verify labels, an unethical brand could greenwash with explicit and false third party logos. Here again we see the importance of all stakeholders being responsible; an auditing governing body, the voluntarily (or forced by legislation) responsible brand and the consumer who is motivated by SSR messages and/or self-educated.

# **Toxins in Clothes**

As discussed earlier some consumers exhibit a correlation of food purchase and preference after referring to food labels. Chemicals in food and beverages are probably of higher concern by consumers as they are ingested, and therefore more connected with one's body and health. To date, the nature of food, beverage and cigarette's effects on human health are more clearly causative, resulting in negative effects such as cancers, diabetes and obesity. Ingestion provides more immediate cause for concern for consumers than toxins from apparel. There are no definitive studies on the direct causative effect of clothing toxins on humans. In Joy's study, she cites Bonini and Oppenheim (2008, 56) who cites Petit, "while clothing is central to the body and the definition is identity, it has not been related to health concerns." (Petit 2007)

However in recent years, as awareness in clothing manufacturing has increased with documentaries such as "Race to the Bottom" and "The True Cost" and organizations

such as Fashion Revolution and Eco-Age educate consumers and request accountability from fashion brands, regulation and consumer awareness has increased. (Morgan, 2015)

According to Greenpeace's Investigation in 2012, "Toxic Threads - The Big Fashion Stitch-Up," Zara, one of the world's largest clothing brands, that is also criticized for promoting Fast Fashion, is "alone in the study for having clothes that contain chemicals from certain dyes [with] cancer-causing amines. Other brands were also found guilty as they had "several items containing NPEs, which break down into hormone disrupting chemicals, with the highest concentrations – above 1,000 ppm – in clothing items from Zara..., Levi's, C&A, Mango, Calvin Klein, and Marks & Spencer (M&S)" (Greenpeace 2012). John Deans, Greenpeace's Toxic Campaigner, said, "H&M and Marks & Spencer have committed to zero discharge of toxic chemicals by 2020. There is no reason Zara can't do the same." This shows some fashion brands, voluntarily or with media pressure are stepping up to reduce toxic chemicals in manufacturing.

Three years after the Greenpeace article, in 2015 the EU banned imports of clothing with NPEs for this concern, which is expected to influence the global supply chain (Wu, 2015). This shows raised awareness of clothing manufacturing has also created change in government policy.

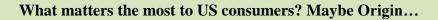
Causative effects of chemicals used in the production of clothing are clearly related to manufacturing processes, three to four steps backwards in the supply chain. In the documentary, "The True Cost," director Andrew Morgan awakens the Western viewer to the reality of harsh chemicals causing birth defects, skin disorders and early death in Bangladesh where leather is treated with chromium and untreated wastewater is pumped into rivers and fields. Closer to home, cotton farmers in Texas are prone to brain cancers from pesticides used in inorganic cotton farming which is the most pesticide consuming crop globally (Morgan 2015, Greer 2013, Reformation 2016).

While there is no evidence showing clothing causation with health problems, there are definite toxic effects on the environment. "The USDA reported that over 2 billion pounds of synthetic fertilizers are applied to U.S. cotton annually and ranks cotton third behind corn and soybeans in total amount of pesticides sprayed." (Greer 2013) What is alarming and unacceptable is the EPA believes "seven of the top 15 pesticides used on cotton in the U.S. as "possible," "likely," "probable," or "known" human carcinogens" (Greer 2013).

Moreover, according to Brian R. Clement, Ph.D., in his book "Killer Clothes" he emphasized, "adequate testing has not been done to determine whether fabric additives, such as insecticides and metals, can safely be in constant contact with human skin" (Greer 2013). Although there is insufficient evidence for toxic effects from wearing clothes in humans, there is concrete evidence of toxins affecting human health in manufacturing clothes so we can assume that finding healthier production would be wise regardless.

#### **Consumer Hesitation to Learn More**

One aspect we must not forget about consumer awareness is willful blindness. According to a *Quartz* article, a 2005 study that showed "consumers actually avoid learning about how or where a product was sourced so they do not have to address possible negative emotions" (McAvoy 2016). A study by *The Journal of Consumer Psychology* showed that "more than 85% of the 147 students surveyed chose not to learn about the ethical sourcing efforts behind different brands of jeans" showing that willful blindness is a factor for consumers who don't want to change their purchase behavior (McAvoy 2016). This was also referenced in Joy's study where consumers said they couldn't afford the extra cost of sustainable clothing over Fast Fashion so did not pursue educating themselves on Fast Fashion to avoid guilty feelings (Joy 2015).



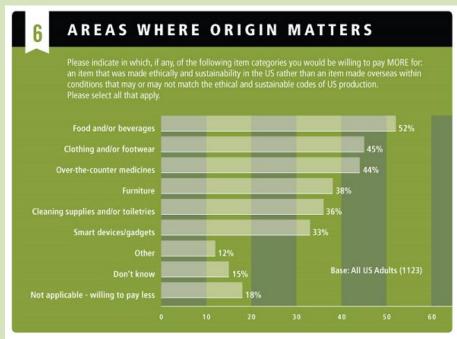


Figure 8: GT Nexus Consumer Study- Origin Importance in Product Industries

One aspect of product information that U.S. consumers show concern for is origin. In Figure 8, the graph shows that consumers <u>say</u> they would be willing to pay more for items in different product categories that were "made ethically and sustainably in the US, rather than an item made overseas that may or may not match the ethical and sustainable codes of US production. First, at 52% is food and beverages, and second clothing and footwear at 45% (Nella, 2015).

In an interview I conducted with AH, Director of Social Consciousness at fashion label Eileen Fisher, a B Corp and leader in the fashion industry to voluntarily improve their own sustainability standards, AH remarked that customers don't ask many questions about sustainability of their clothes and Eileen Fisher has no data on how labels affect consumer choices. A majority of Eileen Fisher garments are made from organic materials and Eileen Fisher is working on creating an ethical supply chain. Eileen Fisher presents information on sustainability via articles and videos on their website. Additionally, their garment's hangtags provide blurbs with ethical or sustainability information to educate their shoppers. However, AH comments that most customer's questions and concerns are, "Is this made in the US?" AH believes this is because US customers worry about the decline of jobs in the United States due to offshore manufacturing. At the time of the interview, 70% of Eileen Fisher's clothes are made in China and 22% made in the U.S. Eileen Fisher does not have systems to measure what factors, including labeling, motivate customers make purchases or how SSR labels affect consumer awareness.

Additionally, as stated by Crane in his book *Corporate Social Responsibility*, as clothes are increasingly manufactured in countries with less government regulation such as Bangladesh and China, brands and consumers feel they have less understanding of the practices used to make those consumer goods and many Multi-National Corporations (MNCs) abuse loopholes to manufacture cheaper offshore. (Crane 2014)

From the data on the GT Nexus graph, awareness of origin for food is only 7% ahead of clothing and footwear. One can assume this could be related to media, industry advocates and NGOs that have been raising awareness in the food and clothing industries when compared to consumer perceptions and behavior related to smart gadgets or cleaning supplies. Since some consumers show awareness in origin, this could be emphasized in clothing labeling to improve consumers making sustainable purchases. Clearer supply chain labeling may allow consumers to feel more comfortable in supporting ethical brands.

# A Guiding Hand

For what the flesh desires is opposed to the Spirit, and what the Spirit desires is opposed to the flesh; for these are opposed to each other, to prevent you from doing what you want. -St. Paul, Galatians 5:171

NYU professor and author, Jonathan Haidt remarks in his book, "The Happiness Hypothesis," we are constantly pulled between the divided self: The mind vs. body, left vs. right, new vs. old and controlled vs. automatic. St. Paul's quote from the bible draws on the complimentary and contrasting human values that make us aggressors and protectors. It's the yin and yang of the Tao, a balance of forces masculine and feminine, light and dark, that somehow should create harmony. However, as seen throughout history, harmony isn't present all the time. It is an ebb and flow of ideas and cycles, of growth, destruction, and rejuvenation. And whether we blame all that is wrong on the other, or acknowledge the dichotomy in our own minds, only through reason may we find insight. As Benjamin Franklin puts it, "if Passion drives, let Reason hold the Reins" (Franklin 1962/ c1791). From studying the works of great thinkers, we see similar messages of awareness and self-control.

In reality, how can we expect this of ourselves? How can we expect this from the business community and consumer populations at large? As religion dictates morality, and law dictates societal regulation, who can dictate how we as consumers can help us help ourselves? And yes, without sounding like a dictatorship! How can we find guidance from our internal compass in a <u>conscious</u> free market economy?

# **Curated Sustainability Stores**

Although Hyllegard showed with her 2012 U.S. study that sustainability labels have causative effects on consumer purchase intentions and positive brand perception, other studies in both food and fashion showed that only about 10% of consumers are knowledgeable of sustainable labels and are conscious of the sustainability effects of their purchases (Borra 2006; Feltham 2006).

A solution to this issue, to encompass the breadth of consumers who are unknowledgeable, confused, busy, or worried of brands marketing false claims, would be to create sustainability stores. By creating stores that "do the work" for the consumers– understanding sustainability jargon, eliminating greenwashing, researching third-party audits and evaluating each brand and product- consumers could reduce poor choices generated from confusion and ignorance. Additionally sustainability stores could remove some cases of willful blindness, as consumers who enter the store, will be reminded that their choices are sustainable and don't have the options to buy "cheaper" or unethical within the store itself. They would then make sustainable purchases or consciously leave the store.

The garments in these sustainability curated stores would need to be as "cool" as Fast Fashion (Zara, H&M, TopShop), and have consistent fit standards since studies show the primary predictors of clothing purchases are style and fit (Joy et al. 2015, Feltham et al. 2006). Additionally, garments should be made with quality materials that are organic where possible, consume less water, consume lower or renewable energy (hopefully to be carbon neutral or carbon positive), have low transport externalities and possibly reuse or recycle materials to minimize environmental effects. Moreover, fair-trade or ethical labor metrics could be standardized as practices progress. To measure these metrics the Higg Index, a new sustainability brand model used for fashion companies created by the Apparel Coalition could define the industry requisites for such a store (Apparel Coalition, 2016). I will address the details of the Higg Index later in this paper.

In a study by Bocken and Allwood in 2012, published in the *Journal of Cleaner Production*, they report, "The results demonstrate several opportunities that have not yet been exploited by companies. These include <u>editing product choice in stores to remove</u> <u>products with higher carbon footprints</u>, using marketing competences for environmental benefits, and bundling competences to create win–win–win business models" (Bocken, Allwood. 2012). If a retail outlet with sustainable values audits, edits and curates the products, consumers would be able to "trust" the products they buy are verified as having better environmental or ethical practices. This is an important aspect if consumers risk paying more for something they currently can't clearly identify or trust.

To shed light on the fear of consumers, one consumer I spoke with in the Soho New York shopping district said he often felt skeptical of brand sustainability claims. "I don't really believe those greener things are really what the product is" and would rather buy the cheaper version instead of "being scammed."

In academia, as mentioned in Hyllegard's study, having clothing with explicit sustainable messages with third-party verified logos would improve consumer confidence (Hyllegard 2012). Ideally, if a sustainability store became culturally and economically successful, it would create market demand and additional consumer exposure for sustainable brands. This could inspire existing brands to become sustainable or new sustainable brands to displace unsustainable and unethical brands (Crane 2014). A sustainable store would possibly allow for a larger consumer feedback loop so the store could evaluate how consumers purchase different types of sustainable brands and give collective sustainability feedback and collect more thorough data on this topic.

#### The Whole Foods Model

As suggested in Bocken's study, creating stores which curate products that meet sustainability standards is one way to start raising awareness as well as making choices easier for consumers. This model has been practiced in some capacity by Whole Foods, the American Health Food supermarket chain "exclusively featuring foods <u>without</u> artificial preservatives, colors, flavors, sweeteners, and hydrogenated fats" (Wikipedia 2016). Whole Foods additionally does not sell products from unethical practices such as foie gras, battery eggs, or meat from cloned animals and sits on the Marine Stewardship Council promoting sustainable fisheries. Whole Foods' business practices also contribute towards sustainability with 100 percent net-wise of its electricity covered by "biomass, geothermal, small-hydro, solar, and wind sources" (Wikipedia 2016).

Sustainability curated stores must adapt with the market and changing product standards. Whole Body, a division of Whole Foods that sells beauty products overtime increased its standards of products sold. Prior to 2011, it sold "Organic" labeled products, which still contained "petroleum-derived and other synthetic or chemical ingredients, prohibited in organic foods." As stated by Urvashi Rangan, an environmental health scientist at Consumer Reports "[these] can be found among the organic shampoos and lotions made by Avalon, Nature's Gate, Jason Natural Cosmetics, Kiss My Face and other brands" (Wikipedia 2016). Since 2011, beauty products "sold at Whole Foods Market were required to follow the same USDA National Organic Program standards for organic food", meaning it is at least 95% organic" (Wikipedia 2016).

This reform came after founder John Mackay in a 2009 interview with *The Wall Street Journal* admitted Whole Foods "lost touch with its natural food roots and would attempt

to reconnect with the idea that health was affected by the quality of food consumed" (Wikipedia 2016).

John Mackay's statement makes us aware that creating sustainability-curated stores is not as easy as it seems. Whole Foods has come under criticism by activists for stocking live lobsters and now has created "humane standards" for lobster conditions. Additionally, Whole Foods shareholders "filed a resolution asking Whole Foods to report toxic chemicals found in its products" leading to an elimination of the sale of child and baby cups containing Bisphenol A (BPA) (Wikipedia 2016).

Organic Consumer Association director, Ronnie Cummins said in an interview with *The Guardian*, "Whole Foods Market now is a big-box retailer – and it's much more concerned about competing with the other big boxes than issues of ethics and sustainability" (Wikipedia 2016). Another critic, researcher Stacy Mitchell of the New Rules Project argues that the corporation's aggressive marketing of local food is more hype than substance. Surely, making a claim that a business supports "sustainable" or "ecological" products, means it may come under scrutiny by critics (Crane 2014).

Critics are essential to dissect the minutia of business practices and demand accountability reducing greenwashing. However, it is clear that having stores that curate sustainable goods has accounted for more public interest and a creation of larger market share of sustainable products by providing accessibility to those goods. According to a Whole Foods 2007 presentation titled *The Past, Present and Future of Food* Mackay cites statistics that "Organic Food in general [increased] from \$23 billion (2002) to est. \$40 billion worldwide (2006)" (Wholefoods 2007). Furthermore, on the USDA's website, the National Organic Program (NOP), claims "the number of domestic certified organic operations increased by almost 12 percent between 2014 and 2015, representing the highest growth rate since 2008 and an increase of nearly 300 percent since the count began in 2002" (USDA 2016). Despite criticism, Whole Foods has shown to be successful in the marketplace as it posted revenues of US\$12.9 billion in 2013 and US\$11.7 billion in 2012, demonstrating an ethical and legal business model can be economically profitable, fulfilling Carroll's three domain model of Corporate Social Responsibility (Crane 2014, Wikipedia 2016).

One can see Whole Foods is a leader in ethical and organic values for retail stores. Its presence in the United States amongst other health brands, media and public education has increased consumer awareness and responsibility in the food industry. So how can this idea be applied to fashion?

#### Sustainable fashion stores

Within the fashion industry, sustainable brands and online stores are emerging in the United States and the United Kingdom. Online stores that stock a collection of sustainable brands are appearing like Master and Muse, Modavanti and big name-brand stores have eco-collections like Urban Renewal; a division of multi-national corporation (MNC) Urban Outfitters, and GreenRoom by ASOS, part of the British online fashion store ASOS.com.

# **Case Study: Master and Muse**



Figure 9: Amber Valetta- Founder of Master and Muse

Master and Muse, a collaboration between Yoox and supermodel Amber Valleta claims to sell "cuttingedge fashion and mindful manufacturing". It is meant to be a "one-stop shop" experience for high fashion shoppers and showcases 32 ethical brands (Master and Muse, 2016).

When using the site, it seems more like a fancy referral portal that allows the shopper to learn about ethical designers and then click through to the Yoox.com

site to purchase the item. In Figure 10 below, we see a bag by the brand Bush Princess, which claims to help artisans in Kenya and the local Kenyan community. The leather is described as "soft leather" but not much information is told about the leather source, dye, decorative material or manufacturing process. The Across-body bag is not labeled distinctly enough for consumers to critically examine the sustainable and ethical practices that justify purchasing this bag over a competitor's product.

	R&MUSE valletta
	BUSH PRINCESS \$ 348.00 Across-body bag \$ 265.00 YOOX PRICE (info)
9	SELECT COLOR
	Last one available Grey ADD TO SHOPPING BAG DREAM BOX
	Product Info         Delivery & Returns           Composition:         Soft Leather           Details:         Bush Princess combines traditional African tribal craftwork with urban lining, bush Princess volumes the Kenyan community of workers highly and support the product providing francial help.           Measurements:         Deth: 2.15 inches, Height:           Product code:         45280132C6

Figure 10: Master and Muse item page on Yoox.com

Another designer listed on Master and Muse is Svilu, a brand that claims clothes are manufactured in the USA, and use "innovative eco-fabrics such as organic cotton that is GOTS and OEKO-TEX certified, as well as tencel, modal and cupro." These materials are meant to be less environmentally damaging and the cotton used has certification from two major cotton regulatory boards (Master and Muse, 2016). Once rerouted to the Yoox.com site, we see this skirt is described as 100% organic cotton but without the GOTS and OEKO-TEX certification. There is not much more information to tell the consumer this is a sustainable or ethical garment.

	<b>SVILU</b> Knee length skirt	\$ <i>_295.00</i> \$ 144.00
	🖂 Email	
	SELECT COLOR	
	8	
9	SELECT SIZE	Size Guide
	4	
	The size shown for this item is the size indicated by label.	the designer on the
	O Last one available Blue - 4 (US Size)	
	ADD TO SHOPPING BAG	DREAM BOX
	Product Info Delivery & Returns	
	Composition: 100% Organic cotton Detalis: twill, multicolor pattern, darts, zip closure, front clo unlinad, trapeze dress Product code: 35247500WW	osure, multipockets,

Figure 11: Svilu Skirt on Yoox.com

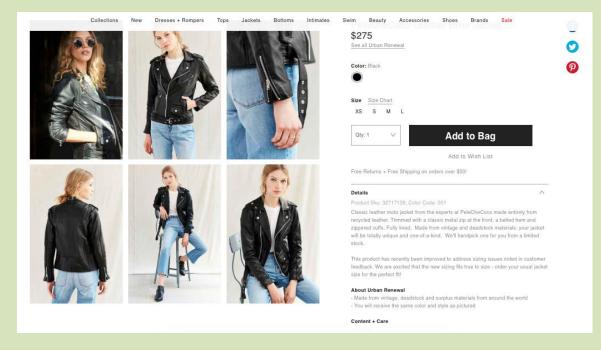
Master and Muse publishes it vetting principles online that seem admirable theoretically yet are vague policy with no quantifiable metrics.

AWARENESS: We work with brands that engage in and facilitate the dialogue with consumers and industry partners about socially responsible fashion. INNOVATION: We work with brands that offer consumers more sustainable options through innovation in design, sourcing, and production. COLLABORATION: We work with brands that join forces with others to achieve common sustainability goals. INTEGRITY: We work with brands that engage in honest, accountable, and transparent business practices. CREATIVITY: We work with brands that have fashion forward vision and design.

(Master and Muse 2016)

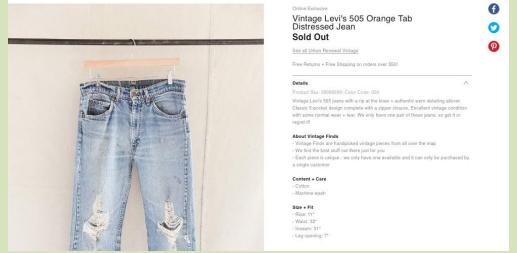
# **Case Study – Urban Renewal**

Master and Muse is relatively small and unknown by consumers, and its online site might only be found if a consumer searched for sustainable clothing, so it is promising to see a multi-national clothing store like Urban Outfitters creating a minor collection called Urban Renewal to sell vintage and updated vintage clothing using old clothes or fabrics. There are no consumer education infographics or sustainability messages on the website to accompany the collection, showing Urban Outfitters is not trying to actively educate the consumer.



#### Figure 12: Urban Renewal Leather Jacket

The 2016 Summer Urban Renewal collection has 46 items that are only for women. This collection is minor compared to possibly two thousand items I estimated that are on the Urban Outfitters website for sale. Figure 12 shows a recycled leather jacket made from recycled leather and deadstock (unused fabric from a previous collection) with a modern design and Figure 13 shows vintage jeans that are ripped according to current fashion trends. There is no additional sustainability information other than the claim that the garments are recycled vintage pieces.



#### Figure 13: Urban Renewal Jeans

As seen with Master and Muse, and the Yoox.com site, there is a miniscule amount of sustainable information listed with the garment, perhaps just one vague phrase, which is certainly not enough to allow a consumer to critically analyze the garment's sustainable or ethical merits and does not adhere to Hyllegard's standard of explicit labeling.

Although it is inspiring to see MNC stores showcasing sustainable designers and offering trivial education to consumers, there are still no hard metrics to provide comparison or accountability for clothing. Master and Muse (as a platform for MNC Yoox) and Urban Renewal (as a subdivision for MNC Urban Outfitters) show that multinationals could use their power to market sustainable products to create or to aid consumer's sustainable or ethical values. So how can SSR brands create a tipping point?

# **Tipping Point**

"One of the most famous diffusion studies is Bruce Ryan and Neal Gross's analysis of the spread of hybrid seed corn in Greene Country, Iowa, in the 1930s. The new corn seed was introduced in Iowa in 1928, and it was superior in every respect to the seed that had been used by farmers for decades before. But it wasn't adopted all at once. Of the 259 farmers studied by Ryan and Gross, only a handful had started planting the new seed by 1932 and 1933. In 1934, 16 took the plunge. In 1935, 21 followed, then 36, and the year after that a whopping 61 and then 46, 36, 14, and 3, until by 1941, all but two of the 259 farmers studied were using the new seeds."

*"The Tipping Point"* Malcolm Gladwell (2002)

As Malcolm Gladwell illuminates in his bestselling book "The Tipping Point" there needs to be three things to create a revolution, a tipping point for a new way. The Law of the Few, The Stickiness Factor and the Power of Context. An idea, a new product first embraced by a few influential Early Adopters, then helped by the well-connected "Mavens" can leap a fledgling trend from the Early Adopters to the Early Majority. After which once 10% of a "group" adopts the product or idea, its acceptance grows exponentially. The tipping point theory is shown in the diffusion of the telephone, Facebook, and that "new" seed in the thirties in Greene County Iowa (Gladwell, 2002). The Stickiness Factor demands the product or idea be memorable and retain interest with novelty, efficacy or importance. And lastly, the Power of Context is all about time and place. For a new trend to tip, it must have momentum when the environment is ready for it to blossom.

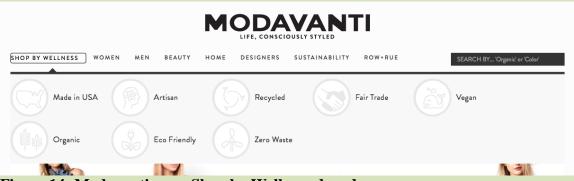
So how can we relate this to SSR Fashion? Is climate change, Rana Plaza, China spray-painting its grass green for the Olympics and 150-200 species becoming extinct per day a clear indication of the "right" timing and the Power of Context? (Vidal 2010)

Although studies and interviews with sustainable brands show less than ten percent of customers act on sustainable purchases, are there Early Adopters and Mavens to influence the market enough to transition into a tipping point with the Early Majority? Rebuttals from consumers saying "it's too expensive" and "I don't trust green brands are any different" and "I never think about it" show there are major hurdles to overcome for consumers and brands to adopt sustainable fashion.

Early adopters in sustainable fashion can be found on Instagram promoting SSR values. Examples of Instagram accounts and their followings include ecoage (21k), peopletreeuk (28k), truecostmovie (21k), ethicsstore (20k), ethicalfashion (24k), safia\_minney (6k), fashionkind (19k), ethicalfashionhunter (5k), zady (21k), copenhagenfashionsummit (5k), wfto\_fairtrade (13k), sustainablychic (50k) and hundreds of others. Celebrities like Emma Watson (11.5 m), Olivia Wilde (1.4m) and Gwyneth Paltrow (2.3m) push SSR values and collaborate with designers and fashion labels like *H&M* and *Amour Vert* and start collections like *Feel Good Style* and support "The Green Carpet" crusade. Gladwell's influencers/mavens and celebrities have reaches a hundred times of advocacy groups and can create awareness and change (Pustetto, 2015).

In hoping to create an SSR fashion revolution, who are the consumers? Who are the Early Adopters and Early Majority? The followers of SSR fashion advocacy groups, floats around the 20,000 Instagram follower mark. Are these the early adopters? When some consumers say they are interested and willing to pay more for SSR fashion, how does it really translate into action? And where are these committed consumers purchasing from?

To continue the search, we will look at another sustainability-curated store to see how consumers act.



# Case Study of an Online Sustainable Store: Modavanti

Figure 14: Modavanti.com: Shop by Wellness dropdown menu

Modavanti, an online fashion store with its headquarters in Brooklyn New York, sells 104 brands of clothes, shoes and accessories that adhere to some aspect of sustainability and social responsibility. The website provides search functions for sustainable metrics such as "Made in the USA", Artisan, Recycled, Fair Trade, Vegan, Organic, Eco-Friendly and Zero Waste in the navigation menu bar so customers can shop according to their values (see Figure 14).

Modavanti's sustainability page explains that although the fashion industry is "adopting a more sustainable outlook, there is not yet an accepted definition covering all aspects of sustainability" (Modavanti 2016). Modavanti adopted its own model to categorize clothing and accessories with its 8 badge system to "make it clear how and why the item you are buying is ecofriendly and/or ethically sourced" (Modavanti 2016). Every item on the Modavanti website must meet at least one badge standard (Modavanti 2016). When an item meets the standard the badge is colored and when the item does not meet the standard the badge is light grey (see Figure 15).

Home » Women » Essential Infinity Dress in Atmosphere by Synergy Organic Cl	« Back to previous page					
	Essential Infinity Dress in Atmosph SYNERGY ORGANIC CLOTHING	ere by Synergy Organic Clothing				
	\$114.00					
	STYLING NOTES:					
	<ul> <li>95% GOTS Certified Organic Cotton, 5% Sp</li> <li>Dyed with low-impact dyes</li> </ul>	bandex				
Tube dress, with long straps     Hem falls around knees     Full skirt						
					<ul> <li>Hand wash, line dry</li> <li>Made in Nepal</li> </ul>	
	• Size:					
	EXTRA SMALL SMALL LARGE					
	ENTRA LARGE					
	Quantity:	+ Add to Wishlist				
		+ Email to a Friend				
N.		+ Share on Social				
	🐂 ADD TO CART					
•	BECOME A MEMBER & GET \$20 OFF					
à â	WELLNESS STANDARDS:					
		$\bigcirc$				
¥ ¥ II						
	Artisan Eco Friendly	Fair Trade Made in USA				
	Cartisun Eco Friendly	ran I/uue muue m 05A				
		( 3) ( 2)				
	Organic Recycled	Vegan Zero Waste				

Figure 15: Modavanti.com : Online shop item page with descriptions and sustainable icons

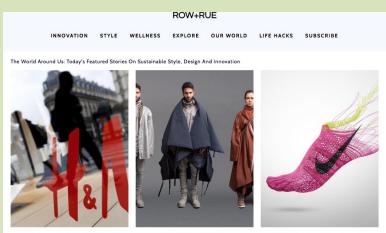
Each Modavanti badge standard is further described on their website such as this infographic (Figure 16) about what Zero Waste means. The infographic explains the Modavanti badge system for Zero Waste giving the example of the Baggu nylon bag using one continuous piece of fabric with no offcuts to produce zero waste. The infographic educates the consumer about how to think about waste and clothing, however it is rather simplistic and doesn't offer any real metrics.

The consumer would hope the honor system in Modavanti's badge system is truthful and not greenwashed. Unaudited and unstandardized claims need regulation or standardization for consumers to completely trust the sustainability claims of brands.



Figure 16: Modavanti Zero Waste explanation

Modavanti also has a blog, RowandRue.com (Figure 17), which looks like a trendy fashion blog however featuring only sustainable and ethical discussions, brands and fashionistas. This blog is updated every few days with fashion industry sustainability articles.



So, When Do We Stop Trusting Fashion Designed To Help Figure 17: Row and Rue website

Nike Is Quickly Becoming The

In an interview I conducted with DD, founder of Modavanti, he explained that the business's trendy blog helps remove the negative stereotype of "crunchy" eco-friendly fashion brands. DD added, that "sustainable fashion has become trendy only in the last four years" and the sustainable fashion movement supported by the momentum of documentaries such as *The True Cost*, have created awareness in some consumers and designers, which has expanded into a larger and younger market. The brand's online presence is as current and professional as a MNC's website and uses marketing such as hashtags on Instagram saying #wearwhatmatters. DD states the company mission is "fashion as a force for good" and tries to keep sustainable fashion positive and creative.

DD added that Modavanti is always improving its SSR ranking system and will soon increase a garment's minimum requirement to achieve two badges to be eligible to be listed on the site. Additionally, each brand must sign an agreement vouching for low waste standards, no sweatshop labor and no harm in any other category if they do not have the badge level attained in that category.

Modavanti uses third-party certification to verify standards such as Bluesign for dyes, Fair-trade certification, USDA for organic fibers, and vegan and cruelty-free certification from Leaping Bunny. In good faith, Modavanti works closely with up and coming brands to give guidelines and audits for brands who have not completed certification filings and approval. DD explains that if they preemptively allow a brand to be listed under a badge standard, within a year, they must complete the official filing to retain their exposure on the website. This obviously leaves room for error and bias. One can understand Modavanti's financial motivation to sell more merchandise and have a larger variety of designers for consumer desires. From an altruistic standpoint, Modavanti providing a platform to support small emerging designers to become established would help the sustainable fashion industry develop strength to viably compete with large MNCs.

When asked to rank the effectiveness of consumer's shopping with "values in mind" with the badge sorting system, DD explained that the "Vegan" category far outperforms all other categories. Second place would be "Organic", third, "Fair Trade" and fourth, "Made in USA." Once again, there is a correlation with primary food values and ethical label shopping directing fashion purchase ethics for Vegan and Organic categories. DD thinks the reason "Vegan" is the most popular category is that vegan clothing is the hardest to find and has an active and engaged following due to NGO campaigns on social media. There is also "cross over appeal" from food purchasing values. DD says the Los Angeles social conscious and "Animal Care" movements provide definitive click-through rates to the site's Vegan products. Modavanti's other badge categories -Organic, FairTrade and Made in USA- derive business from Google searches in those categories. DD also adds the blog provides high conversion rates to sell Modavanti's products for consumers who first go to the blog for SSR information.

DD explained that 20 to 30 percent of the sites new visitors have sustainable and ethical knowledge already, but after visiting the site, he believes from purchase patterns, return purchasers have a higher participation and understanding of purchasing with values in fashion. While a hopeful outlook, he did not provide data on this claim. One could see there isn't clear causation that return purchasers weren't already consumers with ethical and sustainable values in mind.

Modavanti works with the Nexus Fashion Lab, building awareness around sustainable fashion. They do not use the Higg Index as they claim it is for MNCs that generate hundreds of millions in revenues only. DD says that smaller brands do not have large supply chain issues like MNCs and "smaller supply chains are easier to manage and have accountability for."

Modavanti is primarily an online store at the moment but does "pop-up shops" several times a year in major US cities. DD illuminates that pop-ups have an easier entry point for consumers as they can touch and feel the fabrics and try on the clothes. There is also accompanying customer engagement as customers can directly ask employees questions on sustainability and feel the business's passion in SSR values. DD says although reluctantly, one day there may be a physical Modavanti store. DD believes other companies may also create brick and mortar sustainability stores, but predicts that larger name brands within the collection would be required to make these stores viable. At this point in June 2016, DD only named Reformation and Stella McCartney as labels that were large enough and sustainable enough to be major players on the frontier of sustainable fashion. He believes existing MNC brands would need to adapt practices to join the movement, but this is easier said than done as large companies' supply chains are often large and "hard to control." He said it is tricky for some brands who on a corporate or PR level try to do good but are not strong or pervasive enough to change the supply chain.

DD also believes sustainability stores should be "done in a very specific way" and previously unsuccessful attempts were too focused on being "green" and should instead focus on being "fashionable, trendy and cool" to meet the fashion needs of the consumer. He again mentioned Reformation as a brand who has managed to transcend from "crunchy values" to "fashionista-worthy," doing collaborations with it-girls like Alexa Chung and using trending models like Bambi Northwood Blythe.

DD warns us of the risk of greenwashing from scams such as the Better Cotton Initiative (BCI) that enrolled international brands such as Zara, Nike, Marc Jacobs and Timberland to change their cotton practices from airplanes spraying pesticides on entire fields to spot spraying pesticides. Although this does sound preferable by using less pesticide and reducing the amount that seeps into the environment, it is still far more harmful than organic cotton. Moreover, the "wizard behind the curtain" for the BCI is the ever-pervasive farming supply firm, Monsanto, that is marketing and selling its pesticides and GMO seeds, which must be repurchased each year and has been linked to economic stress in third world farmers resulting in 300,000 farmer suicides (Morgan 2015). DD said the BCI program is the epitome of greenwashing. DD remarks it is a lobbying "farce" from a true sustainability perspective, created to silence activists and create promotional SSR marketing. As with many SSR certifications, BCI reporting is voluntary, posing another issue for industry abuses and obtaining true metrics. DD lauded some Fast Fashion brands such as H&M for innovating and developing recycled textiles, organic textiles and sustainable water practices as the scale of MNCs is what is needed to drive costs for these materials down so they can become common place materials. When asked about government intervention on practices, DD answered that he believes "companies will only change when they are forced to," whether that be from government, activists, boycotting or consumer demand. DD added, "consumers are more educated on food, cars and fashion due to activism and that is only a small percentage of consumers. It takes a long time to catch on." He believes in twenty years we will see SSR fashion frequently in the marketplace and commonplace SSR fashion stores. DD believes the real change-maker will be more documentaries like the *True Cost* providing a visual narrative for the behind-the-scenes of fashion manufacturing.

#### The Good Neighbor

"No one can live happily who has regard to himself alone and transforms everything into a question of his own utility; you must live for your neighbor, if you would live for yourself"

- Seneca, Roman Stoic Philosopher, 4 BCE to 65 CE

Seneca, the tutor and advisor to the tyrannical Roman emperor Nero tried to apply stoic philosophy in turbulent times, however with much debate on his own hypocrisy and morals. In an era governed by powerful patriarchy and politics that controlled by force, realization of equality and harmony was almost non-existent. However, in trying to guide politics of the time with stoic philosophy, Seneca touches upon the idea of the "good neighbor" and the Golden Rule to "do unto others as you would wish they would do unto you."

In a negative sense, the idea of benevolent reciprocity aids us in also understanding the concept as a warning. As Confucius taught five hundred years earlier in China in 557 BCE, "what you do not want done to yourself, do not do to others." Perhaps the Golden Rule being phrased in the negative conveys the message with additional impact.

In the case of large MNC fashion brands, often businesses are criticized for thinking only of profits and shareholder value, disregarding externalized costs unless activists raise the "ethical megaphone" as in the case for Nike and H&M. Activities in the enormous global marketplace are so dissociated from consumer's actions that most of us do not know how leather is dyed, how tencel is made, who made our clothes, what happens when clothes are donated and where the trash ends up. As small eco-fashion brands start to emerge to raise industry standards and provide clearer practices, their individual power is tiny when compared to multi-hundred-million and billion-dollar MNCs. As DD claims, when large MNC brands make the change to cleaner and ethical practices, then there will be real traction. It takes vision, compassion and compromise to "live for your neighbor, if you would live for yourself." It requires thinking of the externalities, other than simply profit to remind us of the tangible earth we live in, with lakes and trees and people, when so many are focused on the unbalanced value of printing fleetingly tangible money.

For corporations to be "a good neighbor" they should develop CSR policy built into the very core of their business to at least, according to Confucius, "do no harm." Large MNCs, with revenues as large as some small countries, have tremendous power and opportunity to diminish global warming, improve social standards and innovate with the planet's prosperity in mind.

## Case Study of a Sustainable and Socially Responsible MNC: Eileen Fisher

Eileen Fisher is a US fashion retailer for women's clothing targeting a consumer demographic of women 40+ and has been an industry leader for innovating Corporate Social Responsibility (CSR) practices in the US marketplace in the fashion industry. Eileen Fisher has 56 retail stores in the United States, two stores in London and one store in Canada with total annual revenues exceeding US\$300 million (Wikipedia 2016). Eileen Fisher leads the fashion industry with sustainability programs, ethical fair trade programs and educating consumers on life cycle and product source. Eileen Fisher governs its business with Contemporary CSR, because their socially responsible values are BUILT IN, not bolt on, seen from the myriad of programs and initiatives.

A majority of Eileen Fisher garments are made from organic materials and the firm has and continues to improve its dye process. Overall, Eileen Fisher is working on creating an ethical supply chain from the various material and manufacturing sources it uses, as well as creating jobs in the United States and promoting sustainable values, community and women's leadership (Fisher, 2016).

I interviewed AH, the Director of Social Consciousness at Eileen Fisher and a twenty-minute interview turned into a fascinating two hours as we discussed Eileen Fisher's CSR mission, changes, challenges and perspective on the future of CSR. One aspect I appreciated about the interview was that AH was quite candid about how large scale the fashion industry supply chain is, a similar statement to DD, and how far Eileen Fisher as a business has yet to improve, let alone the entire industry. As CSR is a new realm of business, the firm finds itself asking new unprecedented questions and having to investigate for new answers and solutions collaborating with stakeholders and NGOs. The following categories are how Eileen Fisher proposes to meet its SSR vision.

Social Impact Supply Chain Their global supply chain has met the international standard called SA8000 since 1997 that "encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace" by setting a standard of "fundamental human rights in nine areas: child labor, forced labor, freedom of association, disciplinary practices, discrimination, working hours, remuneration, health and safety and management systems (Fisher 2016; Wikipedia 2016). Although it can be perplexing for a company far from its supply chain to monitor ethical practices they attempt to use modern technology such as cell phone surveys and partnerships with local non-profits to raise and maintain standards. They have used Verite for ten years, an NGO focused on stopping human trafficking, modern day slavery and child labor, to train their workers in China to give "tools to advocate for themselves" (Fisher, 2016).

In an interesting inside look in the fashion industry, we see that companies who use offshore sewing factories create employment waves in those markets according to collection production cycles. Eileen Fisher is aware of that and discusses this saying,

"a lot of sewing factories have to build their staff overnight when they get big jobs. They'll hire people for a week or two and then, when they have to scale back down, lay those people off. So we've created long-term relationships throughout our supply chain. We've built know-how in those factories by repeating core fabrics and shapes" (Fisher, 2016).

## Fair-Trade

Eileen Fisher has a fair-trade program called the "Peru Project" to provide fair wages and worker safety in the cotton and wool production based in Arequipa, Peru. This claims to help 500 families with steady income and jobs. Although they admit that challenge took a hands-on approach to help knitters raise their standard of product, they now have a reliable workforce that delivers US standards of wool knitting. It is however unclear the percentage of garments that are produced in with Fair-Trade. They do not mention fair-trade for Chinese labor.

#### Artisanal

Handloomed scarves from India preserve the old craftsmanship of traditional loom fabrics, so Eileen Fisher ordered and sold 19,000 handloomed scarves in 2014. During this interaction with the supply chain they recognized there were many problems including corruption, fair wages, toxic dyes and workers rights that they want to improve. The awareness from using handloomed fabrics caused Eileen Fisher in October 2014 to launch, "EILEEN FISHER's Handloom Project, a six-year commitment to address these issues and invest in weaving communities connected with Indigo Handloom", the local supplier (Fisher, 2016).

# **Environmental Impact**

Eileen Fisher is aware of the risks and environmental stress of conventional farming and tries to improve upon the standard to create cleaner waterways, a balanced ecosystem, reducing genetic modification, toxic pesticides and chemicals. Their ultimate goal, AH says, would be to create a "closed loop system."

# Dyes

In 2012, Eileen Fisher's silks became bluesign® certified and not only achieved accreditation, but since 2009 worked with bluesign® to develop better dyes for water and energy use across all of its fibers. This means "no toxic heavy metals, formaldehyde, aromatic solvents" and 'chemicals meet basic requirements on toxicity and biodegradability" (Fisher 2016). Eileen Fisher is credited with its fabrics meeting two third-party environmental standards: "Bluesign Technologies certifies energy, water, chemistry and emissions at processing facilities. Oeko-Tex Standard 100 certifies that finished fabrics are free from more than 100 harmful substances." (Fisher, 2016) They also provide candid conversation about challenges with natural dyes since they are less reliable, more expensive, less color fast or less replicable than synthetic versions.

# **Materials**

Eileen Fisher created the VISION2020 to commit itself to improving its standards by 2020.

*Cotton:* Eileen Fisher is committed to use only organic cotton by 2020 to reduce pesticide use, health risks for farmers and farming communities, genetic modification and rebuying seed and keeping balanced insect populations. They also do not use Uzbek cotton which uses conventional pesticide farming and forced labor including child labor.

*Linen:* For the same reasons as cotton, Eileen Fisher believes in reducing harmful linen production such as synthetic fungicides, pesticides and herbicides by a commitment to use 100% organic linen by 2020. Eileen Fisher uses a significant amount of linen in its collection, compared to other fashion brands, as linen is also known to use less water in production than cotton and other fabrics (Envormation, 2016).

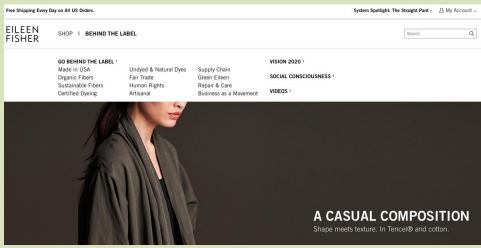
*Low impact material changes:* Eileen Fisher has made a commitment that by 2020 tencel will replace viscose. Tencel is made with "sustainably harvested trees" and the process is more sustainable and more traceable when compared to viscose. Tencel is said to have a closed loop system, an ideal goal for all industry, as "wood pulp is converted into fiber using a solvent that has low toxicity and is recycled in a closed-loop process, which

means that 99.5% of chemicals are reused" (Fisher 2016).

*Recycled fabrics* such as recycled cotton, recycled polyester and recycled nylon can be used for clothing and sourced from old clothes, fishing nets and water bottles. This reduces the amount of waste sent to landfills and reduces energy consumption required for new materials. Eileen Fisher has adopted recycled fabrics since 2009, but provides no information on the percentage.

*Bleach free wool* is a new initiative released in 2015 to reduce the toxic byproduct of bleaching wool called Dioxin. In collaboration with bluesign technologies they have modified the chemistry to treat wool without harmful chemicals. This process took longer than expected to meet fabric feel and durability standards, but it has been achieved. They also have boiled and felted wool collections that are chlorine free.

*Trees:* Eileen Fisher works in collaboration with NGO Canopy to ensure its supply chain is aware of protecting primary forests and rainforests. They state, "we are asking our suppliers to support the best available practices by sourcing wood from Forest Stewardship Council-certified forests and plantations, or other third-party certification programs that meet consistent ecological, economic and social criteria" to safeguard from buying illegally deforested wood for its fibers (Fisher 2016). They also promote using recycled paper within the business.



# How does Eileen Fisher Market its CSR to Consumers?

Eileen Fisher's website shows that the business's CSR mission is central to its practices. When you enter the website there are two tabs; SHOP or BEHIND THE LABEL. There is an implied equanimity between the economic and well as the CSR or ethical domain of the business. There are few firms in the fashion industry that would

Figure 18: Eileen Fisher Website Menu

#### compare with this ratio.

EileenFisher.com is loaded with CSR data and education for the media and consumers. It covers the topics of Made in the USA, Organic Fibers, Sustainable Fibers, Certified Dyeing, Undyed and Natural Dyes, Fair Trade, Human Rights, Artisanal, Supply Chain, Green Eileen (recycled clothing) and Repair and Care to talk about the business's policy for each of these topics and provide educational information to the press and consumers. Additionally, Eileen Fisher has the motto, "Business as a Movement" for the Behind the Label section of its site. Contemporary CSR aspect is "built in", not "bolted on" as an afterthought. Although from viewing EileenFisher.com one can tell there is an enormous amount of educational material on sustainability about half of it seems to be claims of value, rather than hard claims of fact or claims of policy. I assume this is because they do not want to claim sustainability metrics they are not certain they are achieving and be subject to criticism. They are allowing themselves the opportunity to show they are trying, researching and improving in an ongoing CSR effort.

As with Ben and Jerry's, Eileen Fisher, the founder, design director and owner is the name and face of the business and her ideology propagates the business's practices. Although there are many fashion labels with people's names as the business name, the consumer can feel that Eileen is truly governing her kingdom of ethical business as a movement. This feeling is reinforced with photos of Eileen on the website and phrases such as, "Eileen talks about changing the world, one garment at a time." (Fisher, 2016) In an online interview with Eileen Fisher posted on EileenFisher.com she comments that new sustainable projects happen at Eileen Fisher, not only because of her, but more often from teams of people who are motivated to make positive changes.

"Everyone needs to understand that the little choices they make matter. Our salespeople can make a customer feel a little more confident to walk out into the world, because they've found her the right garment, or maybe they've simply taken the time to connect with her. We have impact in all the ways we touch people. How long will the styles last? Are the fabrics sustainable? Does it cost too much? Will it sell? It's this constant balance between making things work for the business, the customer and the environment." Eileen Fisher. (Fisher, 2016)

This shows that Eileen Fisher operates in the Economic, Legal and Ethical domains of Carroll's three-domain model of CSR and considers the various stakeholders involved in the process of business including consumers, employees, supply chain and the environment (Crane 2014).

Eileen Fisher is a private owned company and therefore is not subject to

shareholder interests as publicly listed companies Michael Kors or LVMH may be (Wikipedia 2016). Eileen Fisher, the founder and CEO has built the company based on her values and put ethical and sustainable values into the business model.

# Lifecycle Analysis

Eileen Fisher's lifecycle analysis of its carbon footprint focuses on the sourcing and production of fiber (silk, cotton, wool), the dyes used, and its supply chain. They have established a methodology of four phases to create goals, investigate, quantify and act on improving their products' life cycle. They also have invested in renewable energy to offset and minimize their carbon footprint.

An innovative idea they have incorporated in the Ethical and Economic model is a clothing recycling program where they give a \$5 credit for each item of Eileen Fisher clothing donated. For the clothes that are lightly worn, they resell them and have created 2 flagship stores that resell their "pre-loved" clothing (Fisher 2016).

To extend product lifecycle, they also have videos on their website showing how to keep clothes in good condition longer, such as how to sew on a button, mend a hem, wash clothes in cold water and simple basics to extend the lifetime of the garment. This is unusual when compared to Fast Fashion brands that promote high turnover as well as planned and perceived obsolescence (Leonard et al, 2007; Joy et al, 2015). Additionally, Eileen Fisher's recycled clothing program and its insistence on classic basics promotes the idea of long clothing lifecycles with quality garments that are not subject to fleeting trends. Although Eileen Fisher wants to create profit, they also understand the idea of selling fewer high quality items with longer life cycles. This compromise is in line with Seneca's ideology of "living for neighbor as you would yourself." It is the concept of holistic harmony between people, planet and profit.

# Origin

"Today 97% of garments sold in the US are made elsewhere; we produce 20% of ours in New York and Los Angeles" (Fisher, 2016).

Origin is important for Eileen Fisher. "Made in USA" is the first tab on the CSR section of its website.

According to *Fortune* magazine, "as of 2003, 35 percent of the company's clothing was manufactured in the United States while the rest was made in China in compliance with Social Accountability International's SA8000" (Fortune 2003). AH confirmed that in

June 2016, about 70% of Eileen Fisher's clothing is made in China and about 22% is U.S. made and the quote above gives statistics of the firm's New York and Los Angeles production.

When compared to the statistics in the documentary "The True Cost" that state 97% of US clothing is made overseas and only 3% is made in the United States, Eileen Fisher is doing an exemplary effort at improving the ratio (Morgan, 2015). AH pointed out though, that although many criticize clothing being manufactured in China, China has some of the highest quality workmanship in the garment industry and clothing made in other places is often of "inferior quality." It is more important for a business to ensure those factories in China have ethical practices.

Eileen Fisher's bags and belts are made in Manhattan, New York since 2009 and its jeans are made in Los Angeles. To provide a narrative to their CSR practices on their website, they have an interview of Bobby Ahn, the owner of the factory that makes Eileen Fisher's jeans, who tells the story of how his parent's sewing business in L.A. was 90% from Polo to sew chinos. When Polo took production offshore, they almost lost the factory. After remodeling the business to cover full packaging ready to go to retail, they were able to keep the factory working. They additionally changed their dye, formaldehyde and bleach practices to meet the Bluesign Restricted Substance List (BRSL) Eileen Fisher provided them showing that the supply chain will adapt if pressured by business.

Eileen Fisher presents information on sustainability via articles and videos on their website. Additionally, their garment's hangtags provide blurbs with ethical or sustainability information to educate their shoppers. However, as stated before, AH comments that most customer's questions and concerns are, "Is this made in the US?" as US customers worry about the decline of jobs in the United States due to offshore manufacturing. Eileen Fisher's customers' interest in origin is a good sign they may also be interested in the totality of the business's production practices and supply chain.

According to AH, almost all of the consumer awareness generated is anecdotal, where stories about consumers get back to corporate. AH says the firm has no way to measure PR success from CSR initiatives on consumers. She thinks about 90% of consumers care about the aesthetics only and don't ask about environmental concerns.

Although Eileen Fisher is a leader in the fashion industry to voluntarily improve their own sustainability standards, AH remarked that customers don't ask many questions about sustainability of their clothes and Eileen Fisher has no data on how labels affect consumer choices. Eileen Fisher has no systems in place to measure what factors, including labeling, are the reasons customers make purchases. AH said that she, as a C suite executive doesn't hear the average customer's questions but instead the questions the store managers cannot answer. There seems to be a need at Eileen Fisher to collect data on the effectiveness and interest of consumers to further align consumers and ideology.

## **Fashion Third Party Organization Evaluations**



Figure 19: B Corp Certified Logo Just recently in 2016, Eileen Fisher became a certified B Corp, which means it changed its legal status to become a business that is for the benefit of society. There are no tax advantages for a B Corp compared to other corporate structures. B Corps are defined as "forprofit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability,

and transparency" (B Lab 2016).

AH claims becoming a B Corp is not about marketing, as it is not even on Eileen Fisher's website yet, but it was a "self improvement tool" to "further what they knew about the company." She said it was also about formally joining the community of businesses with CSR built into their ideology such as Patagonia and Ben and Jerry's. AH believes B Corps will raise the bar in business and urges more companies to join.

As a B Corp, Eileen Fisher will have to renew its status every two years by reporting and auditing according to B Lab's guidelines.

There are other organizations that standardize the fashion industry such as the new Higg Index, which is an index to measure a clothing brand's sustainability practices. AH said they have done the Higg Index Brand Modules a few times but she questions how useful it will be in the long term. She said the Higg Index's benefits are that it encourages standardization in apparel, encourages more collaboration and is available to any brand. Unfortunately, the Higg Index is currently entirely self-reported, so the lack of verification could create abuses in the system. AH also implied the Higg Index is targeting a lowest common denominator for SSR and thinks although it allows brands to become more aware of their practices, it should raise the bar higher.



AH also mentioned another evaluation service called Positive Luxury, which gives fashion brands its stamp of approval for ethical and sustainable practices. Critics appreciate Positive Luxury for raising consumer awareness however many have reservations on the business's practices. Positive Luxury charges too much for its stamp

Figure 20: Positive Luxury Logo

of approval, around \$30,000 to \$50,000 per year, and does not provide any guidelines for its approval. AH remarked it was useful because of its Trust Index where a brand's trust ranking is populated by consumers and verified by Positive Luxury, to then be shared on Facebook, Twitter from the brand's website. When online consumers click on the butterfly logo it tallies how many people trust the brand. AH remarked that Eileen Fisher declined being a part of Positive Luxury because "you're in or you're out" and there is no distinction for brands who are undertaking better CSR and she worries there would be no incentive for brands to improve once they got in. AH also agreed Positive Luxury was too expensive.



Another measure for sustainability is the Cradle to Cradle third party logo that awards bronze, silver and gold standards for sustainability metrics. AH also expressed that although she believes these metrics

offer good intentions, many brand would settle for the lowest rating and stop just to have the benefits of a third-party logo. Eileen Fisher chose to not partake in Cradle-to-Cradle certification.

#### **SSR Progress**

In my opinion, Eileen Fisher is making every effort to commit to better SSR values by asking better questions of the massive and often opaque fashion industry and trying to understand material processes and labor practices better. They hire third party auditors to check the supply chain in every facet of their business and they are forthcoming admitting unawareness in certain areas and that not all practices are perfect on sustainability terms yet. By saying they are a socially responsible business they are, as Crane says, subject to more criticism, but are willing to make the effort and stand out because they believe in better practices (Crane 2014).

AH says that although consumers are interested in "saving the planet", she has observed the most powerful way to reach consumers is with <u>stories</u> of the people affected in making their clothes. The emotional connection created with these stories provides the narrative to change consumer choices and in turn the consumer dollar can reward or punish brands that act with or without ethics. Eileen Fisher takes time and effort to create visually appealing videos and articles on their website. AH says that often they provide more than the consumer is actually interesting in reading, but continue to make the effort online and with published papers.

AH said that CEO Eileen Fisher toured China and Los Angeles recently to ascertain the global water crisis, predicted to occur in 10 to 20 years from now. AH complains that "change is not happening fast enough and businesses should take

responsibility to not only be profitable, but to do the right thing." She mentioned Eileen Fisher is focused on a "healing perspective." She thinks primarily businesses should take on the responsibility themselves as consumers are not currently aware enough to create change. She also believes another option to "take care of externalities" would be for governments to offer tax incentives for businesses with CSR practices.

# Let's get down to Labels





Figure 22-29 Eileen Fisher Labels with explicit information of fiber source, production practice, origin, third-party certification or labor conditions.

As seen in figures 22-29 Eileen Fisher uses descriptive bullet points on clothing hang

tags to inform the consumer of the practices in producing the garment. The top half of the hangtag, titled "How It's Made," describes SSR qualities of the garment and the bottom section of the hangtag, titled "Why We Love It," talks of the feel and aesthetics of the garment. Both of these features are seen as important by studies from Hyllegard (2012) and Joy (2015) for consumers purchase prediction and positive brand perception (Hyllegard et al. 2012; Joy et al. 2015). This shows Eileen Fisher tries to provide bite-size information for the consumer to understand the brand's CSR values and why they should purchase their product. Although there are no quantitative metrics on the hangtags, they do show OEKO-TEX and bluesign third-party certification for some fibers to add to authenticity. As consumers we must assume the brand is being honest because there is no governing body for SSR hangtag auditing. This opens the possibility for greenwashing, although I feel Eileen Fisher is trying to be an example of better standards.



Figure 30: Old Eileen Fisher label found online, showing a punch card style system displaying the positive and unsatisfied qualities of the garment.

# **Criticisms and Risks**

AH explained they used to use a checkerboard hangtag label system, marking which standards the garment did and did not meet but discontinued it because it didn't "highlight clearly what the garment was about". Figure 30 shows another older hangtag version on a green tag that exhibits a punch card style system displaying the positive qualities of the garment. This version and the checkerboard version may have been stopped because by showing a garment does not meet some of the responsibility standards, it might hurt the product's perception although being more transparent on SSR rankings. The newest versions seem to only highlight the best aspect of the garment

rather than the totality.

For the recycling project *Green Eileen*, AH said they can't sell enough of the clothes they bring in and have to find ways to recycle the fabric, which they are attempting to do. One can assume brands would not want to take on this initiative unless they had a contemporary CSR strategy because it isn't profitable within itself, although does encourage consumers to return to stores and repurchase with their store credit in exchange for recycled clothes. The idea of credit for old clothes has also been used as a limited promotional offer by H&M since 2013 for *World Recycle Week*.

In conclusion, Eileen Fisher is a prominent force in the apparel industry taking on a SSR approach by changing the way they do business for themselves and their global stakeholders. Their commitment is public and all encompassing even to the extent they accept smaller margins on organic products and contribute funds to third party auditing to create garments that are more sustainable and ethical, bearing some financial responsibility for externalities. Eileen Fisher labels its garments with hangtags with explicit information relevant to the garment and some third party accreditation. As a large MNC they show they can make a profit while working towards SSR values. Although there is no data to show how Eileen Fisher affects consumer's awareness of SSR they provide a breadth of well-presented information to educate on SSR values.

# Definitions

"What we need is not a black and white definition of "lie," but a natural category, with some clear examples at the heart of our understanding, with less clear examples at the periphery, and with fuzzy boundaries between lies, incomplete truths, exaggerations, over-simplifications, kind distortions, jokes and plain old mistakes. "Lie" as natural category serves us well. "Lie" as a precise category does not."

> Excerpt from *Practical Wisdom* Barry Schwarz and Kenneth Sharpe

In *Practical Wisdom: The Right Way to Do the Right Thing*, Schwarz and Sharpe discuss an idea originally coined by Aristotle that is about redefining how things are done and how decisions are made. Instead of conforming to rigid rules, Aristotle believed the human mind had the capacity to understand the subtleties and changing circumstances that would lead a wise person to different decisions. In the subchapter "Organizing Experience" and the "Illusory Simplicity of "Similarity,"" the authors explain that a study asking participants to answer whether an item is a "Fruit" results with clear and quick answers on obvious choices like apples and pears, but when confronted with avocados and tomatoes, participant's response times slow down. As humans, we categorize and

define our worlds with simple groupings to make hurried decisions, but there are often areas that are "fuzzy" and require context to derive an answer. The authors' explanation above for the grey-scale of the word "Lie," shows we need to understand labels in context. As the famous HSBC advertisements from 2009 showed a photo of chocolate cake and broccoli labeled "good" or "bad" and then switched as "bad" or "good", marketing understands perception is everything, especially when metrics are missing. Schwarz and Sharpe declare that the most important tenet for practical wisdom is that we must remember what the real purpose is, the ultimate "WHY" of our actions, and let that context drive our "labels."

In terms of a \$6.99 T-shirt, which is "cheap" to a consumer, and may or may not make it "good," for the fashion brand that T-shirt, which costs \$1.00 to make, regardless of the externalities, is also currently regarded "good" business. This is what happens when the only metric for success is myopic. When the goal of the game is to hit Pokémon, then everyone is hitting Pokémon. When the goal of the game is to make as much money as possible, meaning spend the least and sell for the most, then that's how business is done. Napoleon Hill in *Think and Grow Rich* warns us of the subtleties of how to incentivize people. If you need nails to build a house, and pay the nail factory by weight, they will make big heavy nails. If you pay them by the number of nails, they will make oodles of thin nails. In garment shopping, where the cost on the label doesn't define the "true cost," a myopic monetary cost incentivizes consumers with incomplete metrics, disregarding holistic implications.

Fashion SSR claims and terms are often confused due to unclear definitions and rampant greenwashing. Now, standards are just starting to be developed to allow brands and manufacturers to have consistent and quantifiable metrics to define the SSR "grey-scale." These metrics are yet to be displayed on a mass scale to consumers, but some major players in fashion are weaving ideas together to develop SSR accountability.

#### The Higg Index: The SSR Label Solution?

The Sustainable Apparel Coalition (SAC), a 501c6 organization founded by Wal-Mart, America's biggest retailer and Patagonia, one of America's most SSR enlightened brands was founded in 2009 to "develop a universal approach to measuring sustainability performance" by allowing fashion brands and manufacturers to collaborate and develop a standardized SSR module (SAC, 2016).

The SAC describes the Higg Index as a "groundbreaking suite of <u>self-assessment</u> tools [that] empowers brands, retailers and facilities of all sizes, at every stage in their sustainability journey, to measure their environmental, social and labor impacts and identify areas for improvement" (SAC, 2016). Although SAC says the Higg Index is for every segment of the industry, DD of Modavanti rebuts it only works for MNCs. SAC instead highlights that in Europe, "SMEs are 80-90% of market sector" and apparently drive consumer demand.

All SAC members, fashion /footwear brands and manufacturers, commit to using the Higg Index and to collectively revising and improving it. Some of the 179 members you might recognize are Target, H&M, Aldo, Adidas, American Eagle, Ann Inc., Asics, Bayer, Belk, BCI (see page 37), Brooks, C&A, Columbia Sportswear, Disney, DuPont, Ecco, Eileen Fisher (see page 39), Esprit, FairTrade International, FairTradeUSA, GAP, Hanes, Kohl's, Levis, Macy's, Maiyet, M&S, Mara Hoffman, Nike, New Balance, Patagonia, Primark, Puma, Toms, Zady, Zappo's and Wal-Mart. These 179 brands account for \$500 billion dollars worth of annual apparel revenues. Erikk Karlson of Swedish Fast Fashion brand H&M explains the goal is to "align to a common evaluation" (SAC, 2016). H&M has been under public scrutiny by Fast Fashion protestors and in hoping to achieve better CSR has adopted the Higg Index into their evaluation process. Many other brands discuss the need of "consistent language" within SSR metrics, because terms such as "ecological", "sustainable," "ethical" and "ecofriendly" are often unclearly defined.

In July 2016, I interviewed SM, the director of Business Development at the SAC. He commented that one of the biggest benefits for members are reductions in redundant assessments of brands and factories, which previously had similar but not standardized and comparable metrics. Now, with the Higg Index, these members can share their yearly assessments online at Higg.org and contact each other in a member network similar to LinkedIn. This allows brands to connect with prospective manufacturers that are innovating and providing transparency in SSR processes. SM says, "this allows all members to spend more time improving systems for greater scalable impact." This is a major reason why Wal-Mart, an authority in efficiency and cost reduction, founded the SAC, with the additional goal to "eliminate unnecessary environmental harm."

To allow for compliance and hopefully aspiration there are "foundation-level measures (such as basic compliance) to medium-level to aspirational-level (such as advanced and far-reaching sustainability policies)" however, critics say the Higg Index needs to set higher standards to really drive change. SM believes this is a "misnomer" as brands can aim as high as they want on the index and "no brand, not even Patagonia, is yet at 100%."

SAC collaborates with the IDH, the sustainable trade initiative based in France and draws data and consultancy from "academic research groups, NGOs dedicated to labor, trade and environmental issues, affiliated trade organizations and sustainability service providers" (SAC, 2016). Additionally, and perhaps most importantly are the 6600 accounts of non-member manufacturers. Many manufacturers are involved in conferences to learn, discuss and innovate with SSR in mind. Dhawal Mane, from Pratibha Syntex, an Indian clothing manufacturer now involved in organic cotton, sustainability and fair trade manufacturing suggests the fashion industry should ask, "How can we decouple growth from the usage of natural resources?" (SAC, 2016). Demith Gooneratne, from Hirdaramani Group, a Sri Lankan manufacturer says, "with the Higg Index it has been easier to convey the message to senior management and show the results" and talks about competition between different departments perpetuating better SSR results with these new metrics and grades (SAC, 2016). Essentially, large SAC conventions bring a variety of industry perspectives, allowing all to learn new technologies and collaborate. Imagine for a second, the large global supply chain that may be geographically disconnected, and at different levels of technology, culture and knowledge. By having a new setting where manufacturers are learning "sustainability strategies that are already tried-and-tested by their peers" they can save "considerable time, money and resources" (SAC 2016). The Natural Resource Defense Council (NRDC) helps suppliers adopt new technology with its "Clean by Design" Project lead by industrial chemists.

Jason Kibbey, the CEO of SAC says, "This is about industry transformation so everyone can benefit from reduced risk as well as efficiency" (SAC 2016). His comment enlightens us this is not just about the planet or third-world workers. This is also about traditional CSR and protecting the business's reputational risk and safeguarding bottomdollar profits in a changing world.

#### What Does the Higg Index Module Look Like?

The current version, the Higg Index 2.0 Module, is essentially a mammoth spreadsheet that is shared on an online platform with verified users. Brands can choose the Apparel or Footwear Module diverging into the Environmental or Social Modules. The Environmental Module covers categories such as Supplier Tracking, Product Life Cycle, Materials Responsibility, Chemicals Responsibility, Water Use, Public Reporting, Transport, Efficiency and End Of Use to name a few. The Module allows brands to choose Yes, No or Unknown for specific categories with references to the specific metrics to analyze each standard.

An example of a question with a Yes/No/Unknown answer choice would be: "Brand has a program to track, measure, and document the environmental impacts from the production and finishing of Materials (beyond RSL). This must include a portfolio of all major materials used to build products and an evaluation of their environmental impacts. "

Certain SSR items are awarded extra points than others, such as the question below that contributes 15 points when answered with a Yes, whereas other SSR questions may give 1 or 2 points, or give a minor score for initiated programs which have not yet produced completed results. Most items are credited between 1 to 10 points. *"Brand requires suppliers to demonstrate adherence to the RSL through independent, certified 3rd-party lab testing and has a documented standard operating procedure that is communicated to the suppliers to manage and administrate the testing and verification/certification of compliance to the RSL."* 

Once all the environmental SSR aspects are completed the grades are totaled to give an aggregate out of 700, which is then converted to a score out of 100 for the overall brand score. One could assume a score out of 700 factors is rather thorough.

The Social Module allows the company to analyze social responsibility factors including Internal Workplace Standards, Employee Orientation and Development,

Community Impact, Transparency and Public Disclosure and Monitoring and Continuous Improvement of the Value Chain. This module tabulates social factors out of a possible total score of 372 of which 236 points are designated to the supply chain showing the importance of down-the-line manufacturing conditions. Interestingly, on all modules, points are only gained and not penalized.

When it comes down to the benefits and use of the Higg Index, there are some restrictions. A brand can't share its Higg score for marketing or promotional material without permission, except for communication between a brand and its manufacturer. SAC explains it is not a "compliance tool" but it helps brands ascertain their SSR performance. It is also not a one-time evaluation. The SAC requires that brands monitor their performance yearly, both with the brand module for the business itself and to ask manufacturers to complete the facility module. The Higg Index's major criticism is that it is a voluntary "self assessed tool that does not require validated answers" and some say, "you can't trust the data" (SAC, 2016). SM informed that the SAC has now implemented 100 trained third-party verifiers for the Higg Index in a pilot program that started last year and will be in full effect by Fall 2016.

## What about consumers?

Transparency, SSR standardization and collaboration are the main drivers for the Higg Index, trying to quantify benchmarks for the immense apparel and footwear supply chain. But how can consumers understand the SSR metrics of brands they choose to purchase? The Product Environmental Footprint (PEF) Pilot, to be released in Europe by Fall 2016, will be the first voluntary SSR labeling initiative of its kind. Voluntarily implemented by six members of the SAC including Adidas, Nike, Inditex (Zara), Stella McCartney, VANS and H&M, as a non-leather footwear SSR grade. The PEF is backed by the European Commission and will show a grade in the heel of the shoe for consumers



to see (See Figure 1). This grade will be a collective grade given from analysis of the product's environmental footprint including lifecycle assessment data, materials, durability, recyclability, end of use and compostability. Since the US congress is less SSR conscious than Europe, SM believes individual US states such as California or Oregon may pioneer SSR labeling using the Higg Index, as they have done with non-GMO in Oregon.

"According to a Eurobarometer poll, 47% of European citizens do not trust claims about the environmental performance of products" and "six out of ten think that current product labels do not provide enough information about their environmental impact" (SAC, 2016). This shows the need and potential brand advantage for a transparent, trusted and standardized metric on garment labels.

#### **A New Standard**

"When we are no longer able to change a situation – we are challenged to change ourselves." Viktor E. Frankl

Viktor Frankl, the Austrian psychiatrist and holocaust survivor who wrote *Man's Search for Meaning*, speaks about transcendence; transformation blossoming from within, when the outside situation cannot seem to be changed. As consumers, employees and voters, we may feel that our voice is a drop in the ocean. But as Edmund Burke says "The only thing necessary for the triumph of evil is for good men to do nothing." When we want to create change, how can it be done? As Frankl reminds us that large systems with misguided values can veer astray, so too can they be reformed, with the power of patience, intelligence and compounded group action, starting with the initial action of changing ourselves.

Tony Robbin's, the motivational speaker says, "You get what you tolerate." I no longer tolerate a garment with a hangtag only showing the monetary cost. I no longer tolerate supporting brands that pollute and oppress, whether intentionally or with willful blindness. All externalities should be accounted for, to show the true cost, to educate and inform the consumer on the garment's label. If not for a brand to have better SSR values, then to at least have transparency. With transparent data, at least there will be a mirror to reflect the realities of actions.

#### The Stakes of the Status Quo

Throughout this paper I have used academic evidence to prove the need for waste and energy reduction to stop climate change. Scientists predict a mere 2 degree Celsius increase in the planet's temperature will kill 30-50% of species. That is, half of life on earth may die within the next 50 years because of anthropogenic (man-made) pollution, from the industrial revolution accelerated by the last 100 years of mass consumerism and burning of fossil fuels. Ninety-seven percent of scientists, including those from the Union of Concerned Scientists, a scientific foundation formed by MIT, believe we are on target at this point for a 1 to 1.5 degree increase by 2030 with current emission rates (Fox, 2016; UCS, 2016). Additionally, most coastal cities in the US and throughout the world, including half of Florida, half of Manhattan, and large portions of Bangladesh, Vanuatu, Kiribati, the Maldives, the Philippines, Papua New Guinea and Egypt will be under water as sea levels rise (Cernansky 2010; UCS, 2016). Rising seas will displace tens of millions of people (Nature Conservancy, 2016). This threat to human life, resources, land, flora and fauna will be unprecedented and potentially create resource driven wars, famine and weather-related natural disasters changing the planet as we know it (Fox 2016; UCS 2016). It is careless, if not downright reckless to say that sustainability values are not imperative. They should be of the upmost importance for the stewardship of this planet for future generations and biodiversity.

## **One standardized SSR label**

I believe all stakeholders including consumers, corporations, the supply chain and governments should be involved in immediately changing consumption and production systems with transparency and metrics to praise and encourage SSR innovation and penalize careless or intentional negligence. In an effort to do this, I believe:

1) Standardized labeling with a system like the Higg Index should be introduced for all garments in the USA to show the environmental and social impact for the true cost of clothing. The Higg Index, or the system adopted will need to be upgraded and refined as practices and technology improve.

A counter argument to this claim of policy is that "the government should ban products that are "bad", and everything else is freedom of choice." Whilst there have been reforms in Europe to ban toxins such a Nonylphenol Ethoxylates (NPEs) and reduce carbon emissions by implementing solar energy, the US government is slow to legislate corporate practices in fear of stifling the economy or resisting lobbyists. In 2015, lobbyists from the manufacturing sector donated \$104 million to the US Government and it is well documented that yearly political contributions sway regulation implementation (Statista 2016). However, corporations that implement SSR innovation by considering efficiency and externalities will define which brands succeed in the next 20 years. This is both for the sustainability of the planet and the long term US economy.

I suggest the US government support SSR values by imposing mandatory SSR labels on garments. This does not mean the government needs to police or legislate SSR practices, but by requiring labels that display the externalities, which would be externally audited, the brands would naturally improve practices to keep a competitive edge for consumer loyalty.

If responsible brands adopt SSR practices, they will be rewarded with high SSR grades improving consumer patronage. Therefore, if a consumer were to really have "freedom of choice," then having transparency of information would provide true choice, instead of emotional manipulation from corporate ad budgets.

As mentioned by DD, "the current US government is increasingly interested in deregulating business, not regulating it," so the chance of enforcing new labels are slim. Steven Cohen, Executive Director at Columbia University's Earth Institute criticizes the government stating, "we now have a federal government so incompetent that it can't

manage the contractors setting up a website... and we have a planet that is trapped in an economic system based on the one-time use of fossil fuels and other material resources." Cohen, a lecturer in CSR explains, "the role that Theodore Roosevelt took to regulate industry needs to happen again with the current US administration" (Cohen 2014). A solution to a resistant or "incompetent" government would be to create "public-private partnerships and other creative forms of program management, such as traded "social bonds" to convince people that their money is not being wasted." (Cohen, 2016).

There are no recent garment regulations of note but the US government's lack of regulation is not entirely true, as for example, Obama's Clean Power Plan created by the EPA recently, has caused hot debate as Obama is trying to regulate the energy industry to help climate change. The plan requires a "32 percent overall reduction in greenhouse gas emitted by existing power plants from 2005 levels by 2030. The rule will probably lead to the closing of hundreds of coal-fired power plants. The second regulation would require power plants built in the future to produce about half the rate of the pollution now produced by current power plants" (Davenport, 2015). Obama instituted this as a standard for other world leaders to follow, especially China. The Clean Power Plan is being sued by several states that would lose jobs from coal plant closures showing that financial loss may often create opposition. A solution to naysayers is to create more jobs and income from the alternative energy industry. For the fashion industry, creating SSR garments that meet higher SSR levels through innovation could create US jobs.

Contrastingly, Coral Davenport writes on June 7th 2016 in the *New York Times* article, "Senate Approves Update of Toxic-Chemical Regulations" that during the recent proposal of amendment of the 1976 Toxic Substances Control Act, where thousands of chemicals are to be reviewed, "environmental advocates have criticized the legislation, saying that while it slightly strengthens the existing law, the bill's authors ceded too much to chemical companies." The Bill will review "64,000 chemicals" however at a ridiculously slow pace of "20 chemicals at a time, with a deadline of seven years per chemical" (Davenport 2016).

DD noted that labeling regulation is most likely to change on the state level than the federal level, as seen with advances in changes to the Clean Electricity and Coal Transition Plan, and GMO labeling passed through Oregon. Steven Cohen also agrees "I see far more evidence of this capacity in local government than I do at the federal level" (Cohen 2014). Progressive US states such as Oregon and California could be exemplars, as Europeans are, for adopting the Non-leather Footwear Higg Grade.

Another dispute about SSR labels is that "US consumers are too uneducated and unaware to understand SSR Labels." Whilst there were studies in the past (Bora, 2006; Feltham, 2006) that showed consumers were not aware of clothing and food labels, data shows that the more consumers are educated in SSR values, the higher awareness and involvement in those practices (Feltham 2006; Hyllegard et al. 2012; Joy et al. 2015). The Shen study in the *Marketing Management Journal* showed that consumers are more aware of certain aspects of SSR than others. Consumers ranked features from highest to lowest knowledge; Recycle and Vintage, followed by Fair Trade and Locally Made,

Organic, Vegan and lastly Artisan or Custom (2013). Whilst the Shen study was a small biased university sample, we can assume that marketing according to specific SSR merits will increase awareness in each category separately depending on the consumer's values.

There is also the obvious risk that unverified labels would create greenwashing. SSR modules such as the Higg Index are unverified at the moment however they are instituting 100 trained auditors to start verifying brand and supply chain metrics in late 2016. Most third-party logos such as USDA and bluesign use qualified auditors. Linda Greer, director of the NRDC's Health and Environment Program told *The Wall Street Journal*, "Companies' voluntary involvement in the index leaves an opportunity for "greenwashing," or boasting involvement without implementing changes. And the index lacks a "no cross" line whereby egregious choices—such as using a particularly dangerous chemical—would reduce a product's score to zero. There needs to be failing grades" (Binkley, 2015). Greer's comments show the need for third-party verification and harsher grade requirements for minimum standards.

Another risk in creating one general score, as seen on the Non-leather shoe grade, is that it doesn't reflect which areas a business does or does not excel in. For any SSR rating system, there will have to be a balance between the overall complexity and comprehensive detail of analysis, paired with ease of use for the consumer.

While the Higg Index, or any auditing system, costs money to implement, requiring data collection and new staff, there is the argument that small brands will be at a financial disadvantage for requiring as much reporting as MNCs. As with good accounting practices or legal compliance, new SSR compliance and measurement will simply become part of doing business.

2) All clothing labels should be standardized to show achieved or unachieved SSR <u>third party logos</u> to remind consumers of the garment's externalities. When parents or prospective colleges receive a student's report card, all of a student's grades are shown, not just their best subjects, but also the B- in Math and a maybe a C in attitude and effort. So too, consumers need to see the full report card of a garment. Consumers should be able to recognize from the label that a product is or is not made of an organic fiber, or pays its workers below or above a living wage. Consumer's values should be honored allowing them to have transparency of issues such as whether there are toxins in the fibers of clothing, fabrics made with viscose sourced from illegal deforestation or if the garment uses animal tissue. There needs to be a label with a metaphorical "10 second snapchat" of the company's supply chain, verified by a certified auditor. This will allow a consumer to ascertain whether the brand's values are inline with the consumer's values.

A counter argument to this could be that a system showing all attained or unattained third-party logos and metrics is too complex and may be expensive. Simone Cipriani, the founder of the International Trade Centre's Ethical Fashion Initiative describes the complexity of supply chains in *The Huffington Post* stating,

*"the supply chain remains traceable only up to this first tier of suppliers. The more layers of suppliers, the more powerful these intermediaries and the lower the prices"* 

they can get for their customers. The infamous case of Rana Plaza illustrates the complexity of supply chains in fashion. Wal-Mart commissioned their production to a tier 1 intermediary, Success Apparel, that in turn hired another company, Simco (tier 2). Simco, without informing Success Apparel, then hired yet another company, the Tuba Group (tier 3), which was unknown to the tier 1 company. Tuba Group also subcontracted part of the production to a company they owned: Tazreen (tier 4). Tazreen operated in Rana Plaza. The American buyer was unaware of what happened beyond tier one, but benefited from the possibility of minimizing labor costs. "(2015)

Whilst it would take an enormous amount of data and auditing power to monitor the garment industry, it would not be dissimilar to the brevity of data compiled for financial markets. Certain key performance indicators would summarize the data into a grade such as the Higg Index or eco-logo attainment to give visual indicators. According to the "World Trade Organization, world exports in clothing and textiles reached nearly \$800 billion in 2013. It is estimated that more than \$1 billion annually is spent on social compliance audits in China alone" showing that a mere 0.125% of revenues is used to audit, measure and solve this transparency issue. We can compare this in proportion to the 0.15% spent on financial institution audits (Smith, 2015). Moreover, Clare Connolly of Harvard University states, "apparel companies are recognizing that their business depends on their ability to operate sustainably, even if that requires up-front investments" (2015). Although Cipriani states the complexity and opacity of the garment supply chain, the reputational and financial risk due to a scandal would far exceed the costs for auditing.

Secondarily, another counter argument to showing a matrix of attained and unattained third party logos could be that consumers are unaware or not educated enough to understand eco-labels. However, as discussed earlier in this paper with the Hyllegard study, third party logos are one of the most effective ways to activate consumer's SSR purchase intentions. Additionally, a study by Testa, Iraldo, Vaccari and Ferrari in *Business Strategy and the Environment* titled, "Why Eco-labels can be Effective Marketing Tools: Evidence from a Study on Italian Consumers," "highlighted a significant role of eco-labels in increasing the consumer's perceived behavioral control, unlike loyalty in brand and in store, which do not exert a significant influence" (Testa et al. 2013). Eco-label loyalty can allow many brands (new and old) therefore, to experience a form of loyalty in consumers by meeting the eco-label's standards.

## **SSR Stores**

# 3) A parallel claim of policy, is that sustainability curated stores will make SSR fashion purchase decisions easier for the consumer.

As seen with the case studies of Whole Foods, Modavanti, Urban Renewal and Yoox.com, we can see that creating a store with SSR values in mind can reduce the consumer's requirement to read or understand labels. However, there are not yet standardized guidelines on what SSR values are and what eco-labels are valid or false.

There is a major risk here for SSR stores to greenwash, nevertheless at their own reputational and financial risk. However if specific standards such as the Higg Index, Cradle to Cradle or eco-labels are trustworthy, curating a store with only these products could allow brand advantage and competitive differentiation.

A counterargument to SSR stores is that "nobody cares about SSR values and SSR garments cost too much money." Studies have shown (Feltham 2006; Joy et al 2015;) that most consumers primarily care about price, style and fit. DD and AH both admit 90% or more of consumers only care about the garment's aesthetics. While this data may show that the majority of consumers do not have SSR purchase intentions, the benefit for SSR brands would be to mitigate reputational risk from environmental or supply chain problems, as well as adopting internal CSR strategy to "do good" which has shown to create brand loyalty.

Another counterargument could be that "it will be too restrictive for consumers to shop only in SSR curated stores." Whilst that may be true for some consumers, as SSR curated stores grow larger, with more diverse brands and styles, it could be as successful as Whole Foods, Whole Body or Wild Oats and target a certain SSR conscious consumer.

A final counterclaim to SSR stores would be to stop high-volume consumerism in general. As stated by Mr. Kibbey, director of the Sustainable Apparel Coalition (SAC) to the *Wall Street Journal*, "The greenest behavior, of course, would be to buy fewer clothes. Or buy better ones...A Rolex might be the world's most sustainable product because it will always be repaired and passed down" (Binkley 2015). Although I am not suggesting to stop shopping or only buy one quality heirloom, the argument of thoughtfully purchasing items for longevity and integrity would make a difference in the current Fast Fashion culture. Life is always a balance. This argument condenses down to a balance between classics and trends, quality and utility, and whether recycling can efficiently and aesthetically meet our needs. Enlightened markets should support creativity and innovation, whilst still caring for finite resources and the "collective good."

# **Study Conclusion**

In conclusion, studies show that garments labeled with SSR metrics may aid consumers (by 10 to 48% dependent on study treatments) and brands themselves to determine externalized costs of production and increase consumer brand loyalty or purchase behavior. <u>Standardized, explicit, and verified garment labeling with third-party</u> logos prove most effective to enable consumers to understand how to compare a garment's sustainable and ethical merits. However, final purchase behavior is not fully understood since all academic studies mentioned focused on theoretical purchase intention.

Case studies of real and online SSR labels for fashion garments from New York

companies Modavanti and Eileen Fisher in Summer 2016 help us understand current SSR label attempts. Case study interviewees reiterated the same findings as academic studies; that <u>consumers want SSR fashion to be on trend, well fitted, more accessible and at the same cost or a maximum of 5-20% more cost than non-SSR garments</u> (Hyllegard, 2012; Joy et al., 2015). Case study brands concluded this from garment sales "experiences" and had no definitive data on how consumers were affected by SSR labels.

Studies show the efficacy of SSR labels for consumer purchases are defined by layout, specific SSR phrases and third-party logos that increase the chance of SSR purchase intention.

If SSR garments were sold in sustainability curated stores, they would need to be as "cool" as Fast Fashion (Zara, H&M, TopShop), and have consistent fit standards since studies show the primary predictors of clothing purchases are style and fit (Joy et al. 2015, Feltham et al. 2006).

Additionally, <u>garments should be made with quality materials that are organic</u> where possible, consume less water, consume lower or renewable energy (hopefully to be carbon neutral or carbon positive), have low transport externalities and possibly reuse or recycle materials to minimize environmental effects. Moreover, fair-trade or ethical labor metrics could be standardized as practices progress.

To measure these metrics the Higg Index (or a similar module), verified by third party auditing, could define SSR standards and ratings for individual brands or the entire fashion sector. Verified SSR logos and metrics on labels could be used in combination with SSR consumer education to achieve optimal SSR purchase intentions.

The above approach would overcome resistance to SSR fashion consumer purchases identified as: 1) Consumers that are unaware of labels in purchasing decisions as seen with food labels and clothing label studies, 2) There are no enforced universal metrics or labels for SSR garment labeling, leading to 3) Greenwashing and consumer distrust happens when there are self-reported or inexplicit SSR claims by brands. As restated by the Laitala et al study, <u>SSR labels must be "comprehensible, recognizable and believable." (2013)</u>

I propose SSR garments are better for people and the planet and should be promoted with explicit SSR labeling. Although some may say this would only be viable for wealthy consumers, with mass production of organic cotton and renewable fibers, renewable energy, water efficient dying and low carbon energy alternatives, the price of these "non-conventional" practices would lower with mass-market adoption as explained by AH and DD.

It is essential to raise awareness and collect definitive SSR metrics for clothing to aid consumers, at least early adopters, to support businesses with SSR values to improve and innovate industry. These defined and hopefully standardized and audited metrics should be shown on garment labels or hangtags to guide consumer purchase decisions.

## **Further Research**

An area that may require further research would be third-party evaluation of claims, especially in long supply chains. Additionally, verifying the accuracy of third-party evaluation to ensure there is no corruption would ensure an ethical system. As more brands produce clothing with SSR values, further studies on SSR labels effecting consumer choices would provide more accurate data. Using comparisons of real fashion brands in real stores would lead to better understanding of consumer purchase decisions in regards to SSR values and awareness and how brands are effected by SSR consumer demands.

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