



DEEP DIVE Ethical Fashion

Ethical fashion defined

The fashion and apparel sector is comprised of companies and platforms that produce and sell clothing, footwear, jewelry, and accessories, as well as suppliers and partners working all along the supply chain of those industries.

Global fashion and apparel today represents \$3 trillion of economic activity. It is 2% of global GDP, 4% in the U.S. If ranked alongside individual countries' GDPs, the global fashion and apparel industry would be the world's seventh-largest economy.¹ A key supplier of jobs and economic development, fashion and apparel employs 60-70 million people globally, particularly in emerging economies.

The fashion and apparel sector is also one of the leading causes of pollution and environmental degradation worldwide, as well as poor working and living conditions:

- 8,000 harmful chemicals are used to turn raw materials into textiles²
- The 40 billion pounds of cotton produced each year are responsible for 11% and 24% of global pesticide and insecticide sales, respectively³
- 20,000 liters of water is used to produce the fabric for one t-shirt and a pair of jeans⁴
- Water-intensive production methods divert needed resources from local communities and account for 20% of global wastewater⁵
- The most popular fabric used for fashion, polyester, does not biodegrade; it also sheds microfibers, increasing levels of plastic in the world's oceans and threatening marine life;⁶ 1/3 of fish globally have ingested microplastics and other synthetic materials⁷
- Fashion & apparel accounts for 10% of the world's carbon footprint and will drain a quarter of the world's carbon budget by 2050⁸
- Each year, more than 120 million trees are cut down to make clothing, contributing to widespread deforestation⁹
- 15 million tons of textile waste are generated each year in the U.S.¹⁰
- The average American throws away nearly 70 pounds of clothing per year; globally 26



billion pounds of clothing end up in landfills annually¹¹

- Women — who make up 80% of the global garment workforce¹² — are disproportionately exposed to unsafe working conditions (lack of fire safety, verbal abuse)
- According to UNICEF and the International Labor Organization, an estimated 170 million children are currently working in the clothing industry all over the world¹³
- As one example, Bangladeshi women garment workers on average work 60 hours/week, earning the equivalent of \$0.95/hour¹⁴

Seeking to address the social and environmental problems created by the fashion and apparel sector's global footprint, the ethical and sustainable fashion movement focuses on energy usage, carbon emissions from production, water usage, solid waste associated with packaging, and the carbon footprint of shipping; job quality, working conditions and safety; preservation of cultural heritage; and corporate governance including oversight, accountability, and transparency.

The ethical and sustainable fashion movement

In the post-World War II consumer boom, advances in mass production technology filled homes and closets of 1950s America with an unprecedented amount of new goods. U.S. policies made domestic manufacturing more expensive, and international trade agreements

made outsourcing easier. As a result, the developing world was often exploited to meet ever-growing demand for cheap goods in the U.S.¹⁵

Starting in the 1960s, popular movements brought awareness to human impacts on the environment and exploitative conditions faced by farmers and factory workers around the world, culminating in the first Earth Day in 1970. These efforts eventually focused on the fashion and apparel industry.

In the 1980s, Patagonia (the outdoor apparel company founded in 1973) and Esprit (a fashion line founded in 1968) commissioned lifecycle assessments into the impacts of fibers used in their apparel. This catalyzed the practice of educating consumers about fashion and apparel supply chains and sustainability.

In 1991, Patagonia and Esprit co-founded the first organic cotton conference. Both companies became known for putting sustainability at the forefront of their products. Esprit's 1992 Ecollection featured organic cotton, recycled and naturally processed wool, low impact dyes, and natural colors. Patagonia began producing their polyester fleece from recycled plastic bottles and pushed consumer awareness through "don't buy this jacket," an ad campaign that targeted over-consumption. These efforts foreshadowed the backlash against "fast fashion," a contemporary retail strategy that encourages seasonal production and consumption to mirror the latest fleeting



fashion trend, straining global resources and resulting in unprecedented waste.

The 1990s also saw Nike as the target of mass protests and boycotts because of low wages and poor working conditions at their overseas factories. Growing public outcry from similar events at other major U.S. companies led President Clinton in August 1996 to convene the Apparel Industry Partnership, consisting of brands, NGOs, and trade unions, to develop industry standards to hold companies accountable for conditions in the factories where their goods were produced.¹⁶ Now known as the Fair Labor Association (FLA), the organization is currently comprised of 33 major companies (including Adidas, Hugo Boss, New Balance, Nike, Patagonia, PVH, and Patagonia) whose compliance programs are voluntarily accredited by the FLA, ensuring the “presence of systems and procedures required for successfully upholding fair labor standards’ throughout brands’ supply chains,”¹⁷ per FLA’s Code of Conduct.¹⁸

The early 2000s saw the first encounters or intersections of ethical and sustainable fashion with luxury and celebrity culture, with the introduction of New York Fashion Week’s Green Shows, as well as the birth of Livia Firth’s Green Carpet Challenge, utilizing the platform of award shows’ red carpets to bring ethical and sustainability issues into the mainstream.

Unfortunately, issues of poor working conditions persisted including negligence such

as non-existent or unenforced building and fire safety standards, best exemplified by two tragic events in Bangladesh: the 2012 garment factory fire at Tazreen Fashion which killed 112 women (while all 11 management employees were able to escape), and in 2013, the Rana Plaza building collapse which killed more than 1,100 garment workers. Created as a response to Rana Plaza, Fashion Revolution Week garners industry-wide participation in a campaign entitled “Who made my clothes?” to shine a spotlight on industry workers and their working conditions.¹⁹

Today, more than a dozen coalitions of business leaders, academics, and governments advance sustainability and ethical concerns within the global fashion and apparel industry. (See Appendix A.) The work of these organizations is complemented by regularly published research and reporting. (See Appendix B.)

These efforts have contributed to progress, particularly related to improving environmental sustainability. Companies are experimenting with a variety of options to address consumer demand for greater sustainability, such as developing new technology. Dupont has made a biodegradable polyester.²⁰ Modern Meadow has a leather made from yeast.²¹ Thread International supplies fabric made from discarded plastic bottles.²²

Big global companies have also been moving to more sustainable inputs. As one example, H&M (the Swedish fast fashion retailer) and Inditex (the parent company of Zara, the Spanish fast



fashion retailer) were among top five users of organic cotton²³ by volume in 2016.

Reducing waste and encouraging recycling are also part of the solution. Nike's Flyknit technology²⁴ produces 60% less waste than traditional cut-and-sew methods. Patagonia, Eileen Fisher, and Renewal Workshop all have programs in which they fix and resell used articles of clothing.²⁵ Companies like Ralph Lauren have recently hired Chief Sustainability Officers to link sustainability to business strategy.²⁶ Moreover, at the 45th G7 summit in Biarritz, France, Kering — along with 32 major fashion companies — presented sustainability commitments to French President Emmanuel Macron. The companies have committed to reduce carbon emissions by 2050, seek out sustainable sourcing of major raw materials and use 100% renewable energy for key manufacturing processes throughout their supply chain. They have also agreed to eliminate single-use plastic by 2030, invest in eliminating microfiber pollution and support moves to control the release of plastic pallets in their fibers and packaging.²⁷

While corporate innovation has led to improvements on the environmental side of the equation, less progress has been made regarding the social conditions of the global apparel workforce. Georg Kell, former Executive Director of the United Nations' corporate sustainability initiative, the UN Global Compact, has described that while leading brands have committed to safer factories, tracking

performance, and value chain transparency, studies (such as one by Oxfam Australia²⁸) illustrate how entrenched inequities are, and that little has changed regarding minimum wages to enable decent living conditions.²⁹

Relevant trends in fashion and apparel

Current changes in retail shopping will affect fashion and apparel. These changes include acquisitions of niche brands by industry leaders, personalization and customization of products, showroom-style storefronts to aid the online shopping experience, the rise of the private label, and online marketplaces functioning like brick and mortar malls by consolidating leading brands.³⁰

Equity analysts note good prospects for the U.S. fashion and apparel sector overall. The U.S. textile-apparel industry, currently ranked in the top 39% of all industries by Zacks Investment Research has "promising prospects for investors in 2019."³¹ U.S. macro-economic conditions combined with company strategies of keeping pace with evolving consumer trends, international expansion, and brand enhancement efforts have resulted in "solid earnings trends" for many companies in the industry.³²

Women's Wear Daily noted strong stock price growth in recent years across a number of major U.S. companies, including Estée Lauder, PVH, Gap, Abercrombie, Guess, and Michael



Kors, even compared to the historically bull market overall.³³ As of June 27, 2019 each of these stocks were rated “buy” or “hold” as summarized from analyst guidance by Yahoo Finance.

Two trends currently shaping fashion and apparel overall put ethical and sustainable brands in a position to deliver superior financial and social returns for impact investors:

Consumer Experience: The choice and convenience of online commerce makes it all the more important that retailers differentiate themselves through unique concepts and memorable customer experiences. The fashion and apparel sector is already savvy to this, led by Rent the Runway, which brings the sharing economy to your closet; Birchbox, Trunk Club, and Stitchfix, which feature customized expert wardrobe curation on a subscription basis; and Bonobos’ showrooms which serve as personalized fitting rooms for the online store. Online marketplaces that gather together ethical and sustainable fashion brands provide convenience, create community, and help educate consumers on how to align their shopping with their values.

Story Behind the Purchase: Consumers are increasingly basing their purchasing decisions on the authentic story of a brand and its products. Ethical and sustainable fashion companies can bring consumers

the uniqueness of artisan production and stories of the origin of their clothes. Blockchain-enabled industry tools³⁴ that track goods through the production cycle, and consumer-facing tools such as those outlined in Mashable’s “5 tools to check if your clothing is ethically made”³⁵ make it possible for brands to back up their ethical and sustainable stories with facts. Brands that superficially appropriate culture or demonstrate cultural insensitivities are exposed to large consumer backlashes — such as when Gucci faced severe criticism for an oversized sweater collar that resembled blackface makeup.³⁶ Fashion has always been a vehicle for the wearer’s own creative expression. Social media is also opening up new avenues for visual storytelling and amplifying both the reach and speed at which information flows. Increasingly, fashion also reflects the customer’s ethical and sustainable lifestyle.

Challenges to scaling ethical and sustainable fashion

While there are compelling reasons for the fashion and apparel sector to adopt more ethical and sustainable practices — and there has been significant progress — there are still barriers that must be addressed:

Nascent Consumer Demand: Unlike organic and locally sourced food, which by 2015 had grown and democratized to almost \$40 billion in U.S. sales,³⁷ consumer demand for



ethically and sustainably produced fashion is still in early stages. Some estimates put the demand at \$5 billion, up from around \$1 billion just a decade ago. 65-70% of consumers under age 35 around the world report that they will choose brands or retailers based on their ethical practices.³⁸ There are indications that ethical fashion will become bigger than organic food,³⁹ but that time is still some way off. However, some studies are showing that consumers are willing to pay a premium for handcrafted, ethically produced or sustainable fashion.

Voluntary Accountability: Even members of the Sustainable Apparel Coalition⁴⁰ are slow to adopt impact measurement practices. Among fashion and apparel companies currently assessing their social and environmental impacts, there is little evidence that the information is being used to improve business practices. Since this company impact data is not publicly available, there is no real accountability.

On-line Shopping and the Environment: As consumer demand grows, the ethical sustainable fashion sector will need to address the inherent tension in shopping online for sustainably-produced products. Direct to consumer delivery creates significant negative environmental impacts due to packaging, air freight, and fossil fuel consumption.

Lack of data: It is complex to gather data

on the full environmental and social impact of the fashion and apparel sector from throughout the ecosystem of farmers, finishing mills, cut-and-sew factories and others.⁴¹ Sector organizations report radically different information based on their sources and collection methods. As a result, there remains a significant lack of reliable data which restricts the promulgation of ethical and sustainable fashion sector regulations and norms.

Impact investing in ethical and sustainable fashion

Impact investors who care about the environment, quality manufacturing jobs and fair trade; who are applying a gender lens focusing on benefits specific to women and girls; or who are employing the newly-introduced creativity lens⁴² spotlighting impact potential in creative places and businesses, can all agree on investing in ethical and sustainable fashion.

Upstart Co-Lab's recent landscape analysis of 100 impact investment funds active in the creative economy revealed that 27% invested in ethical and sustainable fashion. These funds represent an estimated \$7.6 billion in total AUM. A few notable examples include Alante Capital, a NY-based venture capital fund focused exclusively on sustainability in the textile & apparel industry; Fashion Capital Partners, a Parisian fashion-tech investment firm; Textile Innovation Fund, a Netherlands-based firm



focused on textiles; and Closed Loop Ventures, a venture fund promoting the circular economy whose portfolio companies include numerous fashion and apparel companies.

Ashoka and C&A Foundation recently announced a new seed fund for sustainable fashion.⁴³ Venture capital funds Patamar Capital and Kinara Indonesia are “finding value in companies that fight fast fashion, protect worker rights and pay workers well, are focused on environmental sustainability, use local talent and ensure the sustainability of culture, promote recycling, energy efficiency and waste elimination, and use innovative technology that help stakeholders be more efficient.”⁴⁴ Vinted, the international marketplace for second-hand fashion, recently announced a raise of €50 million as reported on ImpactAlpha.⁴⁵

Upstart’s analysis of more than 120 companies and funds raising impact capital with a focus on the creative economy includes 22 funds and companies with a focus on ethical and sustainable fashion, collectively raising more than \$208 million through 2019. This pipeline includes: Accompany, a multi-channel retail lifestyle brand marrying design and social impact; Himalayan Wild Fibers, producer of natural raw materials for textile supply chains that serve the high-end apparel industry; Ziel, featuring custom activewear collections designed and delivered on-demand reducing waste and excess inventory; and Etkie, a retailer of ethically handcrafted jewelry by

Native American artisans in the southwest.

The presence of 96 B Corporations in the U.S. in Apparel, Footwear, and Accessories suggests there may be more investment opportunities in the future for investors seeking to be socially responsible and have impact.

These B Corporations include the athleisure brand Athleta, shoe brand Allbirds, and popular clothing companies like Eileen Fisher and Patagonia. (See Appendix C for other examples of emerging ethical and sustainable fashion brands.)

Building the field are business accelerators preparing ethical and sustainable fashion entrepreneurs to attract impact capital. Fashion for Good’s Plug and Play Accelerator is a 12-week program for startups driving innovation in sustainability, circularity, and transparency. The Apparel Impact Institute — a collaboration of industry stakeholders co-founded by the Sustainable Apparel Coalition — selects, funds, and scales high impact projects. Angel networks focused on investing in ethical and sustainable fashion, such as the NEXUS Lab on Ethical Fashion for Next Gen impact investors, are also developing. Some investors, like the Cordes Foundation, are even making ethical fashion a pillar of their impact strategy.⁴⁶ (See Appendix D for more Funds, Accelerators and Angel Networks.)

The world’s largest annual conference for impact investors and social entrepreneurs, SOCAP,⁴⁷ consistently includes ethical and



sustainable fashion as part of its program. Past sessions have included: “The 2.5 trillion challenge hanging in our closets: Can the fashion industry become a source for good?” and “Ethical Fashion Meets Global Markets.” SOCAP18 featured the fashion ecosystem as a “massive investment opportunity” for a restorative and regenerative economy as part of a discussion on the Circular Economy.

Measuring the Impact of ethical and sustainable fashion

Coalitions of like-minded actors are helping to develop and implement measures for ethical and sustainable fashion in the U.S. and around the world. As part of these efforts, they are developing specialized metrics that touch on each stage in the fashion value chain, offering investors the opportunity to align with impact areas including climate change, water use, deforestation, soil degradation, animal welfare, consumer waste, corruption and more. These assessment systems are constantly evolving to reflect advancements within the fashion industry, as well as within environmental, social and governance (ESG) and sustainability reporting overall. (See Appendix E.)

Investors focused on ethical and sustainable fashion can use general impact assessment tools including IRIS,⁴⁸ B Analytics⁴⁹ and the GIIRS⁵⁰ portfolio ratings system. These tools focus on environmental impacts, fair trade and worker considerations, impacts on the local community, and governance and

accountability. Given that the majority of workers in the fashion and apparel industry are women, gender lens considerations are highly applicable as well.

Conclusion

Seasoned impact investors are already putting impact capital to work in ethical and sustainable fashion. The sector is widely recognized as an emerging frontier with massive impact and profit potential. Those who care about shaping a creative economy that is inclusive, equitable, and sustainable will find numerous opportunities to deploy their values-aligned capital in fashion across industry category (eg. apparel, footwear, accessories) and impact area (eg. environment, gender, human rights).

Ethical and sustainable consumer brands are creating the “storefront” into which the ethical and sustainable supply chain of farmers and other fashion and apparel producers sells. These companies play a crucial role in front-line consumer education, helping their customers understand and value the differentiation that comes from a production process that treats workers, the community and the environment well. Fashion and apparel items that are sustainably and ethically produced make it possible for customers to align their values with their wallets — and do it in style.



Appendix A: Ethical Fashion Organizations

Copenhagen Fashion Summit	<i>The world's largest event on sustainability in fashion for industry decision-makers</i>
Ecoluxe London	<i>A biannual exhibition during London Fashion Week showcasing sustainable and ethical designers</i>
The Ethical Fashion Initiative	<i>Program of the International Trade Centre, a joint agency of the United Nations Conference on Trade and Development (UNCTAD) and World Trade Organization (WTO) that works with artisans living in urban and rural poverty to connect with the global fashion chain</i>
Fair Fashion Center	<i>Organization seeking to prove the business case for sustainability in the fashion industry through its comprehensive fair fashion guide and analytical tool</i>
Fashion Revolution	<i>A global grassroots movement working to radically change the way clothes are sourced, produced and consumed</i>
Fashion Takes Action	<i>Canada's fashion industry organization focused on sustainability</i>
Greenpeace	<i>Transnational organization orchestrating research and activist campaigns, including Detox My Fashion</i>
Global Fashion Agenda	<i>Global leadership forum on fashion sustainability founded in 2016 anchored by founding strategic partners Kering, H&M, Target, BESTSELLER, Li & Fung and the Sustainable Apparel Coalition</i>
International Labour Organization & The Better Work Program	<i>UN agency that brings together governments, employers and workers to set labor standards, develop policies and devise programs promoting decent work for all people with substantial focus on workers in textiles, clothing, leather, and footwear sectors</i>
Labour Behind the Label	<i>Campaign that works to improve conditions and empower workers in the global garment industry</i>
Love Your Clothes	<i>UK-based campaign that supplies consumer information for each stage of customer and product lifecycle</i>
Clean by Design	<i>National Resources Defense Council's initiative to encourage textile manufacturers to reduce pollution</i>
Nest	<i>Nonprofit building a new handworker economy to increase global workforce inclusivity, improve women's wellbeing beyond factories, and preserve important cultural traditions around the world</i>



Appendix A continued

Remake	<i>Nonprofit sales and media platform igniting conscious consumer movement; Provides original documentary footage; shares facts and stories around fast fashion; sells curated collections focused on women and the planet</i>
Responsibility in Fashion	<i>Industry group working to end the industry's reliance on toxic chemicals, hazardous pesticides and inhumane practices</i>
Sustainable Apparel Coalition	<i>Global alliance of retailers, brands, suppliers, advocacy groups, labor unions and academics coming together specifically to develop an industry-wide index to measure the environmental and social impacts of the apparel industry. It counts more than 175 members in its ranks, or 40% of the global apparel industry</i>
Textile Exchange	<i>Global membership organization of textile suppliers, service providers, manufacturers, brands and retailers and farmers founded in 2002 driving industry transformation in preferred fibers, standards, and supply networks</i>
UN Alliance for Sustainable Fashion	<i>Initiative of UN agencies and allied organizations to drive coordinated action in the sector to make fashion a driver of implementation of the Sustainable Development Goals</i>
World Resources Institute	<i>Global research organization working on critical goals to secure a sustainable future regarding climate, energy, food, forests, water, cities, and transportation, with fast fashion and the global apparel industry as an emerging research focus</i>



Appendix B: Reports and Articles on the Impact of the Fashion Industry

Accenture in collaboration with the H&M Foundation, KTH Royal Institute of Technology, and the Global Change Award, **The Future of Sustainable Fashion**, 10 April 2017

Annual report concurrent with the award addressing the question: “What can we learn about the future of sustainable fashion by looking at disruptive ideas from 130 different countries?”

www.accenture.com/t20170410T044051Z__w_/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Consulting/Accenture-HM-Global-Change-Award-Report.pdf

Andrew Morgan, dir. **The True Cost**, Life is My Movie Entertainment and Bullfrog Films, May 29, 2015.

Groundbreaking documentary film about the clothes we wear, the people who make them, and the impact the environmental and social costs of the fashion & apparel industry

www.truecostmovie.com

Boston Consulting Group and Global Fashion Agenda, **The Pulse of the Fashion Industry**, 2018

Argues that improving social and environmental performance of the fashion industry would add €160 billion to the global economy by 2030

www.globalfashionagenda.com/pulse/

Deborah Drew and Genevieve Yehounme, **The Apparel Industry’s Environmental Impact in 6 Graphics**, World Resources Institute, 5 July 2017

Data visualizations illustrating why the apparel industry must embrace a new approach to sustainably meet demand in tomorrow’s markets

www.wri.org/blog/2017/07/apparel-industrys-environmental-impact-6-graphics

Gladys Lopez-Acevedo, Raymond Robertson, **Stitches to Riches? Apparel Employment, Trade, and Economic Development in South Asia**, World Bank, 2016

Report investigating South Asia’s potential for expanding and improving jobs in the labor-intensive apparel sector with specific policy recommendations

www.worldbank.org/en/region/sar/publication/stitches-to-riches-apparel-employment-trade-and-economic-development-in-south-asia

McKinsey & Company, **The State of Fashion**, 2018

Annual report on the fashion industry at large; cites “sustainability credibility” as a top industry trend with 42% of the top 100 large fashion brands already disclosing supplier information

www.mckinsey.com/industries/retail/our-insights/renewed-optimism-for-the-fashion-industry

Nature Climate Change, **The Price of Fast Fashion**, Editorial, Vol 8, January 2018

Editorial alerting consumers to the growing environmental footprint of fast fashion

www.nature.com/articles/s41558-017-0058-9



Appendix B continued

Sandra Roos, **Environmental assessment of Swedish fashion consumption**, Mistra Future Fashion, June 2015

PhD student at Chalmers Institute of Technology, Sweden; performed one of the most comprehensive life cycle analyses ever completed through evaluation and comparison of five different items: t-shirt, pair of jeans, a dress, a jacket, and a hospital uniform.

www.mistrafuturefashion.com/wp-content/uploads/2015/06/Environmental-assessment-of-Swedish-fashion-consumption-LCA.pdf

See also: Nathan Hurst, Smithsonian.com, 4 April 2017, "What's the environmental footprint of a t-shirt?"
www.smithsonianmag.com/innovation/whats-environmental-footprint-t-shirt-180962885/

Sarah Berner, David Dietz, **Fashion is Old Fashioned: Disruption, sustainability and investment opportunity in the fashion and apparel industry**, Gratitude Railroad and NEXUS Ethical Fashion Lab, January 2018

White paper geared towards investment audience describing the current state of the global fashion industry and highlighting key trends and companies that are pushing the industry towards a greater focus on sustainability

www.nexusglobal.org/wp-content/uploads/2018/01/Investing-in-Sustainable-Fashion_high-res.pdf

Sereen Sumner, **Fashion Industry's Carbon Footprint Wearing on Our Environment**, Climate Action Business Association, February 2018

Overview of environmental impacts of fashion and examples of eco-friendly brands

www.cabaus.org/2018/02/22/fashion-industrys-carbon-footprint-wearing-environment/

Vanessa Friedman, **Fashion's Latest Trend: Eco Bragging Rights**, The New York Times, 10 October 2019
Coverage from 2019 fashion month in New York, London, Milan and Paris arguing that "sustainability was the hottest look of the day"

www.nytimes.com/2019/10/10/style/fashion-lvmh-kering-sustainability-competition.html



Appendix C: Ethical Fashion Investment Funds, Accelerators, Investor Networks

Alante Capital	<i>VC fund backing companies that radically improve social and environmental sustainability in the textile and apparel industry</i>
Apparel Impact Institute	<i>A collaboration of industry stakeholders to select, fund and scale high-impact projects that improve the sustainability outcomes of the apparel and footwear industry; co-founded by the Sustainable Apparel Coalition</i>
Closed Loop Ventures	<i>VC investing in sustainable consumer goods companies, advanced recycling technologies, and services related to the circular economy</i>
Fashion Tech Lab	<i>Connects women-led, fashion-focused technology companies with fashion retailers</i>
Fashion Capital Partners	<i>Paris-based investment fund dedicated to fashion-tech</i>
Factory45	<i>Online accelerator program taking sustainable fashion companies from idea to launch</i>
Heva Fund	<i>Impact fund that invests in the transformative social and economic potential of the creative economy in East Africa with a focus on fashion</i>
Nexus Fashion Lab	<i>Forum for NEXUS members to learn more about ethical fashion</i>
Plug and Play - Fashion for Good	<i>Accelerator based in Amsterdam focused on social and environmental impact within the fashion industry</i>
Textile Innovation Fund	<i>Netherlands-based venture fund that focuses on innovative companies in the textile sector, including fiber technology, digital applications, and supply chain</i>

Appendix D: Representative Ethical Fashion Companies

A Peace Treaty	Brand	<i>NYC-based designer Dana Arbib, champion of slow fashion and collaboration with artisan groups</i>
Accompany	Platform	<i>Platform for artisan-made and fair-trade apparel, accessories and home goods. (B Corp)</i>
Ecoalf	Brand	<i>Transforms waste into fashion products; made from entirely recycled materials; 10% of sales goes to its clean oceans foundation</i>
Etkie	Brand	<i>Jewelry and accessories company celebrating traditional Native American craftsmanship. Working with women living on reservation communities in New Mexico, their collections are sold in over one hundred high-end boutiques across the globe</i>
Everlane	Brand	<i>Focused on a concept of “radical transparency” they brand works with the entire supply chain to source ethical and sustainable made garments for both men and women</i>
Evrnu	Supplier	<i>Textile R&D company that transforms post-consumer cotton waste into a high-quality cellulosic fiber, connecting textile waste stream to the supply chain</i>
Indigenous	Brand	<i>Artisan-made, luxury, eco-friendly fashion; a B Corp financed by RSF Social Finance, Root Capital, among others</i>
Intimately.co	Brand	<i>Startup designing lingerie for women with disabilities; part of growing ‘adaptive apparel’ movement⁵¹</i>
Izzy Lane	Brand	<i>British luxury brand focused on animal welfare, hand printed patterns and natural dyes</i>
Mara Hoffman	Brand	<i>Designer focused on sustainable materials, processes and production to improve and extend each garment’s life</i>
Maison du Mode	Platform	<i>Luxury ethical fashion retailer founded in 2012</i>
Melissa Joy Manning	Brand	<i>Earrings, rings, necklaces, and bracelets handcrafted by ethical artisans in CA and NY</i>
Naadam Cashmere	Brand	<i>Sources and produces luxury knitwear while preserving nomadic lifestyle in Mongolia</i>
Novica	Platform	<i>Online platform that connects artisans to a global marketplace of socially conscious customers in association with National Geographic</i>
Positive Luxury	Platform	<i>Curated platform for luxury brands that demonstrate social and environmental impact; developer of Butterfly Mark certification</i>



Appendix D continued

Reformation	Brand	<i>Sustainably and ethically produced womenswear</i>
Renewal Workshop	Supplier	<i>Manufacturer using discarded apparel and textiles to produce new articles at scale and generate data for brand partners</i>
thredUP	Platform	<i>Large online consignment and thrift store</i>
Veja	Brand	<i>Paris based brand of ecological and fair-trade footwear and accessories that works with producer cooperatives and social associations</i>

This is an illustrative — not exhaustive — sample of emerging brands, platforms and suppliers.⁵²



Appendix E: Ethical Fashion Measures and Standards

Fashion Revolution (www.fashionrevolution.org) produces a transparency index of the top 100 global fashion companies.

Good on You (www.goodonyou.eco) is an online resource and mobile app that provides ethical brand ratings for 2,000 fashion brands using a methodology⁵³ that rates brands on how they treat their workers, the environment and animals.

Nest (www.buildanest.org) has developed a set of standards⁵⁴ as well as a brand seal to ensure ethical compliance for workers in homes or small workshops including fashion, apparel and accessories. These tools are designed to further industry-wide transparency in a system of decentralized supply chains to make sure workers are treated fairly and that their cultural heritage is fully valued.

The **New Standard Institute** (www.newstandardinstitute.org) is a global community driving the fashion industry to achieve science-based environmental & social targets around climate change, production, consumption and waste, ocean pollution, and labor and gender issues. NSI's Information Platform is a web-based destination open to all that will serve as a global resource for the industry and its stakeholders which will include credible facts, research and reports, innovative companies advancing environmental and labor solutions, organizations in the space and industry conferences and events advancing sustainability. NSI was born out of the platform Zady, whose New Standard manifesto set out to revolutionize the fashion industry through consumer education behind common textiles and materials including cotton, linen, wool, alpaca, cashmere and polyester.

The **Sustainability Accounting Standards Board** (www.SASB.org) is an independent nonprofit that provides sustainability accounting standards for use by publicly-listed corporations in the U.S. in disclosing material sustainability information for the benefit of investors and the public. SASB identifies sustainability disclosure topics for the Apparel, Accessories & Footwear industry:⁵⁵ Management of chemicals in products, labor conditions in the supply chain, raw material sourcing & innovation, environmental impacts in the supply chain.

The **Sustainable Apparel Coalition** (www.apparelcoalition.org) Higg Index is a suite of tools that enables brands, retailers, and facilities to accurately measure and score sustainability performance. Scores are intended to incentivize businesses to take action protecting the well-being of factory workers, local communities, and the environment along each step of their value chain. The Higgs Index consists of product tools⁵⁶ to assess a product's sustainability; facility tools⁵⁷ to assess environmental and social conditions in manufacturing facilities; and a brand tool⁵⁸ to assess sustainability of product lifecycles, environmental performance, and impacts like greenhouse gas emissions, energy use, water use, water pollution, deforestation, hazardous chemicals, and animal welfare.



Acknowledgements

Thank you to the following individuals for their contributions to this study:

Dhanya Balasubramanian, *@pap.reeka*

Maxine Bedat, *The New Standards Institute*

Kevin Eckerle, *NYU Stern Center for Sustainable Business*

Cara Smyth, *Fair Fashion Center*

Eric Stephenson, *Align Impact*

Steph Stephenson, *Cordes Foundation*

Chris van Bergen, *Nest*

Rebecca van Bergen, *Nest*

Upstart Co-Lab Advisory Board

Cathy Clark, *Director of CASE i3, Fuqua School of Business, Duke University*

Jed Emerson, *Chief Impact Strategist, ImpactAssets*

Jonathan Law, *Partner, McKinsey & Company*

Will Rosenzweig, *Co-founder and Managing Partner, Physic Ventures*

Surita Sandosham, *Executive Director, Heartland Alliance International*

Andrew Stern, *Founder and Executive Director, Global Development Incubator*

Dennis Whittle, *CEO, Feedback Labs*

Upstart Co-Lab Team

Laura Callanan, *Founding Partner*

Ron Anahaw, *Program Assistant*

Nam Phuong Doan, *Program Administrator*

Sarah Lang, *Associate*

Ward Wolff, *Senior Associate*

This study was authored by Ward Wolff and Laura Callanan.



Endnotes

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