Written evidence submitted by Eco-Age

Introduction

Eco-Age is a sustainability consultancy and communications agency at the forefront of working towards a more socially just and environmentally responsible fashion movement. Our global work and results over the last ten years have made Eco-Age a critical partner to business and an agency of sustainability strategists combining science and data with vision and innovation. We offer a bespoke service that combines meaningful changes to business operations and with engaging communication for customers and stakeholders. Eco-Age works with global brands and organisations, following a set of social, environmental and governance principles[1] to guide more responsible business practices.

Eco-Age welcomes the reopening of this investigation following our initial written[2] and oral[3] evidence submissions in 2018, and the invitation to submit further evidence for this inquiry now. It is hoped that reopening this inquiry will now result in tangible action from the government, as advised in the recommendations laid out in the February 2019 Fixing Fashion report. Action is even more critical now, at a time when the global COVID-19 pandemic has led to significant social and economic impacts across the fashion supply chain, including a failure of brands to pay for orders, loss of livelihoods across the fashion supply chain, and in some cases neglect or abuse of human rights.[4] In addition, we are increasingly experiencing environmental catastrophes such as prolonged forest fires, illustrating the need for us to work together as an industry to reduce our environmental impact and work to meet the Sustainable Development Goals.[5]

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[1] Eco-Age (2020), *The Eco-Age Principles* [https://eco-age.com/eco-age-principles. Accessed: 13/11/2020]

[2] Eco-Age (2018) *Written Evidence Submitted by Eco-Age*. [http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environmental-audit-committee/sustainability-of-the-fashion-industry/written/92267.html. Accessed 8/11/2020]

[3] Livia Firth (2020) *Oral evidence: Sustainability of the fashion industry, HC 1148.* [http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environmental-audit-committee/sustainability-of-the-fashion-industry/oral/92506.html. Accessed 8/11/2020]

[4] Multiple organisations and reports have documented the impacts of the pandemic including #Payup & #Payyourworkers: Clean Clothes Campaign (CCC); International Labour Organisation (2020) *The Effects of COVID-19 on Trade and Global Supply Chains*. Switzerland: International Labour Organisation; Workers' Rights Consortium (2020) *Who Will Bail Out the Workers Who Make Our Clothes*? New York: Workers' Rights Consortium; Anner, M Ph.D. (2020) *Abandoned? The Impact of Covid-19 on Workers and Businesses at The Bottom of Global Garment Supply Chains.* Pennsylvania, Penn State Centre for Global Workers' Rights

[5] The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. Learn more and take action. [https://www.un.org/sustainabledevelopment/sustainable-development-goals/. Accessed 8/11/2020]

In 2018, Eco-Age submitted evidence[6] identifying a range of social and environmental issues and impacts caused by the fashion industry, supported by industry and consumer research.

The most pressing issues were identified as:

- Over production and consumption
- Unrealistic pricing throughout the supply chain
- Outsourcing
- Lack of traceability
- Lack of living wages

The document then introduced a range of potential solutions, which could contribute to a more sustainable and equitable industry, relating to:

- Legislation for living wages
- Education
- Government regulation
- Brand engagement
- Consumer engagement

For the revisited 2020 inquiry, Eco-Age will address a range of questions laid out by the EAC touching on economic, social and environmental issues and impacts across the fashion supply chain.

Evidence

Progress since 2018

Since the release of the Fixing Fashion report, there has been, in some areas, a collaborative approach to try to address and raise visibility of some of the key social and environmental issues facing the fashion industry. This includes the launch of both the Fashion Pact[7] and the UN Alliance for Sustainable Fashion[8] in 2019, two multi-stakeholder initiatives aimed at

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[6] Eco-Age (2018) *Written Evidence Submitted by Eco-Age*. [http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environmental-audit-committee/sustainability-of-the-fashion-industry/written/92267.html. Accessed 8/11/2020]

[7] The Fashion Pact is a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) including their suppliers and distributors, all committed to a common core of key environmental goals in three areas: stopping global warming; restoring biodiversity; protecting the oceans. Launched as a mission given to Kering Chairman and CEO, François-Henri Pinault by French President, Emmanuel Macron, the Fashion Pact was presented to Heads of State at the G7 Summit in Biarritz in August 2019. The signatories of the Fashion Pact are 56 companies, representing around 250 brands.

[8] The United Nations Alliance for Sustainable Fashion is an initiative of United Nations agencies and

achieving cross-industry impact. Additionally, grassroots organisations such as Extinction Rebellion[9], and youth activists such as Greta Thunberg have been able to galvanise a new generation to take action and demand greater responsibility and accountability from the business sector.

From academia, the Earth Logic Fashion Action Research Plan[10] was launched as a "visionary and radical invitation to fashion researchers, practitioners, business leaders and decision makers to call out as fiction the idea that sustainability can be achieved within economic growth logic; and instead to 'stay with the trouble' of envisioning fashion connected with nature, people and long term healthy futures." This Plan challenges the industry to completely rethink the way the whole economy of fashion functions – something that would require complete collaboration and systems change.

We are beginning to see more action from business in response to global risks facing the industry. According to the World Economic Forum, the future key risks for businesses are related to climate change and its consequences (such as natural disasters and extreme weather events).[11] We know that environmental risks are interconnected to social and economic ones, meaning that failing to adapt to climate change will lead to significant social and economic impacts. However, whilst sustainability has now been recognised as both the biggest challenge and the biggest opportunity facing the industry, it is understood that the majority of the industry is still not engaged, with some progress believed to have slowed down.[12] [13]

A key area of progress since 2018 has been the increased availability of certified and 'preferred' materials. Since 2018 we have seen a notable rise in the use and understanding (both within the industry and by consumers) of 'preferred fibres', taking into account both environmental impacts and animal welfare concerns across the textile value chain. Textile Exchange[14] reported a significant growth from 2018-2019 in farms certified to Responsible

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allied organizations designed to contribute to the Sustainable Development Goals through coordinated action in the fashion sector. [https://unfashionalliance.org/. Accessed 10/11/2020]

[9] Extinction Rebellion is a global movement that uses non-violent civil disobedience in an attempt to halt mass extinction, minimise the risk of social collapse, and persuade governments to act justly on the Climate and Ecological Emergency [https://rebellion.global/about-us/. Accessed 10/11/2020]

[10] Fletcher, K. and Tham, M. (2019). *Earth Logic Fashion Action Research Plan.* London: The J J Charitable Trust

[11] World Economic Forum (2019). *The Global Risks Report*, *14th Edition.* Geneva: World Economic Forum

[12] Business of Fashion and McKinsey & Co. (2020). *The State of Fashion: 2020.* London: Business of Fashion and McKinsey & Co.

[13] Global Fashion Agenda, Boston Consulting Group, Inc. and Sustainable Apparel Coalition. (2019) *Pulse of the Fashion Industry 2019 Update.* Copenhagen: Global Fashion Agenda, Boston Consulting Group, Inc. and Sustainable Apparel Coalition

[14] Textile Exchange. (2020) *Preferred Fibre Material Market.* Textile Exchange.

Wool Standard, Responsible Down Standard, and Downpass, and a 251% and 261% respective increase of sites certified to the Global Recycled Standard and Recycled Claim Standard. CanopyStyle audited facilities for responsibly produced manmade cellulosic fibres grew from 54% of global capacity in 2018, to around 70% in 2019, and organic certifications have also been seen to increase. In addition, the number of wastewater test reports published on ZDHC Gateway – Wastewater Module increased from 100 to 4,000 in 2019[15], illustrating that engagement with certification standards has grown across the supply chain, from farm level through to production and brands. In addition, the European Commission's new chemical strategy[16] geared towards stricter legislation around the production, use and disposal of around 100,000 chemicals is hoped to reduce the impacts of the wider fashion and textiles industry, helping to collectively move the EU towards being a "sustainable climate neutral and circular economy by 2050"[17] despite Brexit.

Textile and garment production volumes continue to increase however[18], so the increased availability and use of 'preferred fibres' does not necessarily equate to a higher percentage of materials on the global market being certified or 'reduced impact'. This supports the argument that using these materials alone (whether organic, recycled, or 'responsibly sourced') is not the solution to the impacts caused by the industry.

What we desperately need is to reduce production and consumption. In order to achieve this, we need to strengthen regulation and incentivisation to encourage more responsible practices from brands, and to rethink the relationship between 'consumers' buying disposable 'consumables', instead returning to a value system of citizens who value the craft and resources that go into making the products they purchase and care for.

As a first step, we have seen a growing demand from consumers for increased disclosure from brands, including improved transparency when it comes to the treatment of animals throughout the supply chain. 2020 saw the release of the first animal welfare in fashion report[19] from Four Paws in consultation with Good on You, a global rating platform that uses a stringent system to assess brands using publicly available information, rating them according to their sustainability efforts for People, Planet, and Animals.

[15] Zero Discharge of Hazardous Chemicals (2019), *Impact Report 2019* [https://www.roadmaptozero.com/impact-report. Accessed: 02/11/2020]

[16] European Commission (2020), *Chemicals Strategy for Sustainability Towards a Toxic-Free Environment.* Brussels: European Commission

[17] John Mowbray (2020), *EU Outlines Chemical Detox Plan* [https://www.ecotextile.com/2020101626860/dyes-chemicals-news/eu-outlines-chemical-detox-plan.html. Accessed 30/10/2020]

[18] Textile Exchange. (2020) *Preferred Fibre Material Market.* Textile Exchange.

[19] Four Paws (2020) *Animal Welfare in Fashion Report.* Glebe: Four Paws

There are suggestions that at least some consumers have also become more selective about the products they buy, with an increase in demand for more responsible products. Search engine Lyst[20] reported a 37% increase of searches for sustainability-related keywords since the beginning of 2020, including organic cotton (+23% from Nov 2019), recycled plastic (+35% from Jan 2020), vegan leather (+69% y-o-y), upcycled fashion (+42% in 3 months preceding report publication), and second-hand and pre-owned (+45% from Nov 2019). In the UK specifically, 'sustainable fashion searches' have risen by 17%, with searches for 'organic' trending and increasing by 19% month-on-month, whilst second-hand and vegan also appear to be popular search terms.

It is worth noting that an area of contention is how we assess and attribute true material impacts, beyond certifications considerations which do not quantify environmental, social and economic impacts. There is currently ongoing challenging[21] of PEF methodology, Lifecycle Assessments (LCAs) and the Higg Index on the basis that considering their current scope and base data, they do not adequately look at the full life cycle of fibres and therefore cannot accurately compare the environmental impacts of different fibre groups against each other. The challenges include not using up to date or fully representative data, not accounting for use phase impacts (such as laundering and microfibre release and accumulation in the environment), and not considering the end of life behaviours of fibres, particularly whether or not they will biodegrade. For this reason, attempts to adopt global labelling systems to communicate product impacts (such as the food traffic light system) should be approached with caution.[22]

However, despite this apparent increase in engagement around sustainability for fashion, it is estimated that following its current trajectory, "the fashion industry will miss the 1.5-degree pathway by 50%."[23] This is significantly linked to the fact that production and consumption continue to rise, whilst there are insufficient incentives and measures in place to ensure that social and environmental impacts are properly managed by brands and producers.

A global pandemic

The COVID-19 pandemic has caused significant social and economic impacts across global supply chains, notably affecting the most vulnerable people in the industry, particularly

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[20] Lyst (2020) *The 2020 Conscious Fashion Report* [https://www.lyst.com/data/2020-conscious-fashion-report/. Accessed: 07/11/2020]

[21] Veronica Bates Kassatly (2020) *The Use and Misuse of LCAs.*[https://www.veronicabateskassatly.com/read/lca-misuse. Accessed 11/11/2020]

[22] The European Commission has launched a legislative proposal on 'substantiating green claims' using EU Product and Organisation Environmental Footprint methods.

[23] McKinsey 7 Co. and Global Fashion Agenda (2020) *Fashion on Climate Report*. Copenhagen: Global Fashion Agenda. And McKinsey & Co.

women in developing countries.[24] Global garment workers and suppliers have been affected by brands and retailers pushing the risks and costs down the supply chain, with reduced or cancelling orders that were placed before the pandemic, and in some cases refusal of brands to pay for orders that had been shipped already[25], some citing force majeure as a justification for reneging on contracts, when in fact this was not necessarily legally allowable – but many producers do not have the resources to even challenge such happenings. One estimate suggests that global fashion brands refused to pay for more than $16 billion worth of products, resulting in thousands of workers losing wages or employment, and in some cases forcing manufacturing businesses to close.[26]

As a result of the pandemic, the luxury market was expected to decline by 25-30% in the first quarter of 2020,[27] but documented practices by the fast fashion sector suggest that unscrupulous efforts are being taken to reduce risks to high-volume low cost brands,[28] whilst luxury brands are in a stronger position to reassess business models and adapt services.

As the global fashion supply chain currently places all risk with the producers – requiring them to pay for fabrics and labour without receiving payment until after the brands receive the goods, this means that already at-risk groups in the fashion supply chain, from migrant workers to SMEs, are left with little power to remain afloat, with businesses not guaranteeing fair wages to their workers. It has been suggested that the global trade impacts caused by the pandemic could lead to long-term reconfiguration of global supply chains (not necessarily specific to fashion), including re-shoring, near-shoring, supplier diversification and increased automation.[29] Any changes to the global fashion supply chain

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[24] Multiple organisations and reports have documented the impacts of the pandemic including #Payup & #Payyourworkers: Clean Clothes Campaign (CCC); International Labour Organisation (2020) *The Effects of COVID-19 on Trade and Global Supply Chains*. Switzerland: International Labour Organisation; Workers' Rights Consortium (2020) *Who Will Bail Out the Workers Who Make Our Clothes*? New York: Workers' Rights Consortium; Anner, M Ph.D. (2020) *Abandoned? The Impact of Covid-19 on Workers and Businesses at The Bottom of Global Garment Supply Chains.* Pennsylvania, Penn State Centre for Global Workers' Rights

[25] The Workers' Rights Consortium has published a tracker to monitor which brands have committed to pay in full for orders completed and in production, and which brands have made no commitment to do so – a list which at the time of submitting includes well-known British businesses. [https://www.workersrights.org/issues/covid-19/tracker/. Accessed: 5/11/2020]

[26] #Payup & #Payyourworkers: Clean Clothes Campaign (CCC)

[27] Bain & Company (2020) *Luxury Covid-19: Changed for (the) Good?* [https://www.bain.com/insights/luxury-after-coronavirus/. Accessed: 5/11/2020]

[28] The Sunday Times (2020) *Boohoo: fashion giant faces 'slavery' investigation.* [https://www.thetimes.co.uk/article/boohoo-fashion-giant-faces-slavery-investigation-57s3hxcth. Accessed 5/11/2020]

[29] International Labour Organisation (2020) *The Effects of COVID-19 on Trade and Global Supply Chains*. Switzerland: International Labour Organisation

must include greater protections for manufacturers and their workers, both within the UK and abroad.

Human rights and a living wage

Eco-Age's founder Livia Firth is a founding member of The Circle NGO, a network of women united to push for global change. Within this group The Lawyers' Circle focuses on promoting and protecting the rights of disempowered and marginalised women and advocating for the fundamental right to a living wage. The Lawyers' Circle published its first report *Fashion Focus: The Fundamental Right to a Living Wage*[30] in 2017 to set out the legal argument that a living wage is an internationally recognised fundamental human right, and followed with *Fashion Focus: Towards a Legal Framework for a Living Wage*[31] in 2020, presenting an in-depth legal analysis of EU precedents that could be used to support living wage legislation, and through this presenting an initial proposal for a living wage regulatory structure. These progressive proposals would result in much needed legal regulation that would enforce transparency across garment supply chains, addressing the challenges of devaluing the labour force through cheap labour at home and abroad, and the impact this has on internal labour standards and the domestic market.[32]

Eco-Age therefore refers the committee to the evidence submitted by The Circle in response to this revisited investigation, which addresses how employment law and payment of the minimum wage could be more effectively enforced within the UK fashion industry.

In relation to measures that could be put in place to ensure that materials or products made with forced or prison camp labour are removed from the supply chain, Eco-Age refers the committee to the The Bureau of International Labor Affairs in the USA which maintains a list of goods and their source countries which it has reason to believe are produced by child or forced labour in violation of international standards, as required under the Trafficking Victims Protection Reauthorization Act (TVPRA) of 2005 and subsequent reauthorizations.[33]

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[30] The Circle (2017). *Fashion Focus: The Fundamental Right to a Living Wage*. [https://thecircle.ngo/wp-content/uploads/2015/11/Fashion-Focus-The-Fundamental-Right-to-a-Living-Wage-1.pdf/. Accessed 6/11/2020]

[31] The Circle (2019). *Fashion Focus: Towards a Legal Framework for a Living Wage*. [https://thecircle.ngo/wp-content/uploads/2020/05/Towards_a_Legal_Framework_for_a_Living_Wage.pdf. Accessed 6/11/2020]

[32] Labour Behind the Label (2020). *Boohoo & COVID-19.* Bristol: Labour Behind the Label

[33] report *To make determinations about the List, ILAB relies on a wide variety of publicly available primary and secondary sources. Primary sources included surveys carried out by foreign governments in conjunction with the International Labor Organization (ILO); site visits and data gathered by ILAB staff and other U.S. Government personnel; and quantitative and qualitative studies carried out by a variety of governmental and non-governmental entities, including academic institutions. ILAB now updates and publishes the List every other year, pursuant to changes in the law.*

Whilst difficult to ensure 100% veracity, a resource like this can help guide brands, producers, and even consumers about the potential modern slavery risks in the supply chain.[34] The UK government could maintain an active role in publicising this information, and requiring brands and manufacturers to review it as part of their Modern Slavery Act compliance procedure, requiring sufficient (and potentially guided by legislative requirements) due diligence to be carried out wherever risks of forced or prison camp labour exist.

Post-pandemic: reducing and reutilising waste

The pandemic appears to have created a shift in consumer sentiment, which could have a knock-on effect in areas including fashion waste, from volumes created to the responsibility that brands and producers take to manage waste in their supply chains, as well as how consumers deal with post-use waste. A March 2020 survey[35] launched in response to the pandemic showed that consumer expectations of brands are dominated by social and environmental responsibilities, whilst support is being given to smaller and lesser-known brands, and 'newness' has shifted to the least important decision-making factor when purchasing – in fact respondents claimed that the COVID-19 crisis has made them open to purchasing more durable fashion items, as well as repairing and keeping them for longer. Resale has also seen a significant growth, with peer-to-peer resale platform Depop reported a 90% increase in traffic in April 2020[36], whilst the same month saw a 18.1% slump in retail sales.[37]

This presents the opportunity for the government to play a role in properly incentivising and penalising business for their role in tackling waste.

In the Autumn of 2019, Eco-Age launched a two-year project in Yerevan, focused on the sustainable development of Armenia's fashion and textile industry. Over the next two years, Eco-Age will help upgrading technical and business skills in Armenia and help expand the country's industry presence both locally and internationally, based on sustainable

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[https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/2020_TVPRA_List_Online_Final.pdf. Accessed 10/11/2020]

[34] The Department's Sweat & Toil mobile application contains more than 1,000 pages of research from all three reports. Sweat & Toil enables users to easily sort data by region, country, assessment level, good, and type of exploitation.

[35] In March 2020, a McKinsey survey *COVID-19 Apparel & Fashion Industry Survey* included 1,000 consumers per country in France, Germany, Spain and the UK. Participants were asked about overall shopping sentiment and purchasing behaviours regarding apparel and fashion over the past and the next four weeks.

[36] The Guardian (2020) *Shopping Habits of Generation Z Could Spell End of Fast Fashion*. [https://www.theguardian.com/fashion/2020/may/25/shopping-habits-of-generation-z-could-spell-end-of-fast-fashion. Accessed 8/11/2020]

[37] Office for National Statistics (2020) *Retail sales, Great Britain: April 2020*. [https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/april2020. Accessed 8/11/2020]

production models and values, including addressing the topic of fashion and textiles waste and collection, and the supply and use of recycled materials.

To support development in this area for all countries, there is a case study to consider from Turkey, where policy makers and the country's leading NGO are working together to reduce textile and other waste through the Zero Waste Campaign,[38] seeing used clothes destined for landfill collected as part of a nationwide campaign through public-private sector partnerships.[39] This work requires participation from the public, charity and private sectors:

- **Public sector participation:** The Turkish Government has drafted a bill outlining that firms will be required to receive a zero-waste certificate that evaluates how they comply with new policies. It is also now mandatory for municipalities to set up waste collection facilities to assist industries' broader ambitions.

- **Charity sector participation:** The Turkish Red Crescent will work to overhaul the recycling practices of textiles and will have a direct line to the government throughout this mission.

- **Private sector participation:** At present, over 18,750 companies have participated in Turkey's Zero Waste Campaign which has, over two years, helped recycle more than 120 tonnes of paper and 49 tonnes of plastic waste.

The UK government could take influence from this scheme, working with retailers to develop a network of accessible drop-off and collection points for used clothing and textiles, whilst engaging consumers in order to ensure they understand the importance of recycling and how to do it.

It should be noted that through this project, the responsibility does not sit solely on the shoulders of the manufacturers. However, as well as reviewing this type of cross-sector project, the UK government could introduce legislative changes to assign responsibility to producers (of both textiles and garments) to sort their textile waste by fibre and colour to make processing and recycling more feasible (though it should be noted that recycling infrastructure still has a long way to go before large-scale textile recycling is truly feasible – for this reason we should be focusing on a reduction model alongside seeking solutions for recycling and circular textile systems). Responsibility could be shared between the producers and the brand customers to whom the waste relates. The government could also offer and elimination of VAT taxes on relevant recycling equipment to be procured from abroad (those may include special equipment which examines the composition and the quality of materials or dyes used in fabric, threads, etc., and equipment used in recycling

[38]Zero Waste [http://zerowaste.gov.tr/. Accessed 11/11/2020]

[39] Apparel Insider (2019). *Turkey Sets Ambitious Textile Recycling Targets.* [https://apparelinsider.com/turkey-sets-ambitious-textile-recycling-targets/. Accessed 8/11/2020]

processes such as for shredding, cutting, combing, etc.). The profit tax exemption for a certain period (e.g. up to 3 years) could also be considered.

In France, the Extended Producer Responsibility system doubled the proportion of used textiles collected for reuse and recycling between 2009 and 2017, with any business introducing textile products to the French market responsible for contributing to the recycling and treatment of the textile waste right through to end of life.[40] With other countries also considering similar schemes, it is time that the UK adopts an EPR scheme as well. In light of the employment challenges caused by the pandemic, and the prospect of potentially re-localising supply chains, the government has the opportunity to support development of British recycling infrastructure which would lead to employment opportunities, as well as incentivising brands to produce higher quality products and to offer tax relief for those offering repair and warranty schemes to customers. Brands could be taxed in line with end-of-life impacts of products, for example:

- Whether or not a material or product can biodegrade
- Microplastic release risk
- Recycling opportunities, considering current infrastructure restrictions
- Whether recycling the material would downgrade the material quality or reduce the material life – bearing in mind that recyclability does not mean circularity.

Looking to the future

Taking into consideration the changing landscape of the fashion market in light of the COVID-19 pandemic, and in particular the adapting priorities and demands of citizens, we submit that the government has a unique opportunity to formally support and advocate for a more socially and environmentally sustainable fashion industry, and to take tangible action that did not happen following the initial 2018 inquiry. This should happen through legislative measures, but also through looking at and collaborating with global partners so we may be able to 'level the playing field' and have a more tangible and long-lasting impact across global supply chains.

November 2020

[40] WRAP (2018) *UK Textiles Extended Producer Responsibility.* Banbury: WRAP