



### UK FASHION INDUSTRY CONTEXT

discover fashion online

Prior to the Coronavirus pandemic:

- Highly crowded marketplace with the majority of low-mid level brands competing on the basis of low price / speed to market
- Rise of online shopping and 'pureplay' brands
- Store closures for established retailers
- Challenge of servicing diverse international retail markets
- Increasingly unpredictable consumers
- Fragmented and complex global supply chains
- Concerns regarding social and environmental impacts – pressure on retailers to become more transparent and sustainable

Logos for ASOS, PRETTYLITTLETHING, boohoo, and I SAW IT FIRST NTU.

### SUSTAINABLE FASHION: WHAT PROGRESS HAS BEEN MADE?

adidas aia7u OSOS H&M HUGO BOSS

ESPRIT FILIPA K FERRAGAMO GANNI

Gap Inc. H&M

ASSEMBLY

GFA Signatories

**GFA priority targets**

'...the fashion industry is still far from sustainable and circular .... The pace of the industry's sustainability performance has slowed, and sustainability solutions are not implemented fast enough to counterbalance the negative environmental and social impacts of the rapidly growing fashion industry' (Global Fashion Agenda, 2020 commitment)

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### COVID 19'S INFLUENCE ON THE FASHION INDUSTRY

- Estimated 27 to 30 % contraction in global fashion revenues (BOF 2020)
- Crisis management – immediate decisions needed about orders in process, stock in stores etc.
- 30% rise in online sales across all categories - this has continued post lockdown
- Fashion has been one of the poorest performing categories during lockdown - emphasising its 'non-essential' status
- Retailers who were able to respond quickly to fast moving categories (athleisure and loungewear) and able to deliver quickly online were the winners – Boohoo global sales increased by 45% to £368m in the quarter to May (Guardian 2020)

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### COVID 19'S INFLUENCE ON FASHION'S ENVIRONMENTAL IMPACT

Positive environmental impacts:

- Reduction of emissions from manufacturing
- Reduced consumption of new products
- Rise of second-hand clothing sales and purchase
- Rise in hand-making / crafts: knitting, sewing
- Mending and repair

= SUSTAINABLE CONSUMER BEHAVIOUR

Negative environmental impacts:

- Unsold inventory, cancelled orders (garments, fabric, yarns etc) – potential pre-consumer waste
- Excessive disposal of post-consumer waste
- More frequent laundering of clothing and PPE

Guardian, 2020

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### COVID 19'S INFLUENCE ON FASHION'S SOCIAL IMPACT

- 240,000 jobs are expected to be lost in the UK fashion industry over the next 18 months – about 27 % of its workforce (FT 2020)
- Affects all market levels of the industry: Harrods, Debenhams, M&S, Jigsaw, Mulberry, Burberry, Arcadia Group
- Impact on the supply chain of cancelled orders with some brands using 'force majeure' clauses to justify not paying for contracted production
- Millions of jobs lost globally in the supply chain due to factory closures exacerbating already high levels of poverty
- The wage gap in Bangladesh March – May 2020 is estimated to be 29.5% (\$502 million US)

Primark and Matalan among retailers allegedly cancelling £2.4bn orders in 'catastrophic' move for Bangladesh

Common law outlaws amount to a 'wholesale abandonment' of garment workers, says labour rights group

- Coronavirus - latest updates
- See all our coronavirus coverage

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### CAMPAIGNS / ACTIVISM

The pandemic has drawn attention to the disparities between the rich and poor ends of the supply chain

In recent weeks many of the brands in Europe and North America have issued Black Lives Matter support statements, leading to accusations of PR driven hypocrisy while black and brown workers in their supply chains are denied wages.

'In just four days, top fashion CEOs earn a garment worker's lifetime pay' (Oxfam 2018)

### CAMPAIGNS / ACTIVISM

re/make ABOUT JOIN THE MOVEMENT BRANDS WE LOVE STORIES FILMS DONATE

FASHION NOVA NOT PAID PAID GAP LEVI'S

sears U & FLUNG TJ-MAXX BESTSELLER H&M ASOS KIABI M&S

mothercare Arcodia URBN COSY adidas LPP NIKE PVH VF

Walmart FOREVER 21 JCPenney

PLACE PEACOCKE #PAY UP RALPH LAUREN TESCO target ZARA UNI QLO

### RSA CONSUMER SURVEY MAY 2020

- 50% want the fashion industry to do 'whatever it takes' to become more environmentally sustainable
- 51% want to see more responsibility taken by industry to improve pay, conditions and job security for workers in the supply chain
- 35% of women are planning to buy less clothing going forward

### HOW WILL THE FASHION INDUSTRY MOVE FORWARD?

A Business of Fashion report proposed that fashion brands and retailers need to respond to the following 5 key challenges to make their businesses sustainable:

- SURVIVAL STRATEGY
- DISCOUNT MINDSET
- DIGITAL ESCALATION
- DARWINIAN SHAKEOUT
- INNOVATION IMPERATIVE

### CONCLUSION: A CALL FOR URGENT CHANGE

- International Labour Organisation (ILO) 'Call to Action in the Global Garment Industry'
- Open letter to urge the speeding up of sustainability in the fashion industry - 15 leading apparel brands and environmental groups.
- In the UK, Govt policy and legislation on climate change, green business, transparency, ethical practice is required and needs to be enforced
- Govt Fixing fashion report 2019 failed to deliver any change- GOING FORWARD IT IS URGENT THAT GOVT TAKES A LEADING ROLE TO ACHIEVE MEANINGFUL AND SUSTAINABLE CHANGE

OPEN LETTER

The COVID-19 recovery: time to speed up sustainability of the fashion, apparel and textile sector