



REFORM AND PERFORM

Responding to consumer demands, the textile industry is laser-focused on sustainability and ethical fashion, while producing fabrics that have a performance edge – a “second skin” – for active, and fashionable end-users. For more on the industry, see pages 14 to 19.

THREADING THE SUSTAINABILITY NEEDLE

A report from the Textile Exchange and KPMG offers a road map for companies to follow.

BY ARTHUR ZACZKIEWICZ

Three years ago, all of the United Nations member states inked an agreement aimed at implementing the U.N.'s Sustainable Development Goals by 2030. The SDGs are comprehensive and impact all aspects of society – government, NGOs, nonprofits and businesses.

For the global fashion and textiles sector, which is one of the top water users, carbon-producing and pollution-causing industries, the SDGs offered a framework for transforming companies in a way that is not only ethical and sustainable, but drives business value, too.

It's been a long three years. While companies are making progress, industry analysts say there's much work to be done in creating circular economies. But there's help, and recent research shows that progress is made more so than some in the industry may think.

As part of the SDGs initiative, the U.N. Global Compact teamed with KPMG LLP to create a series of reports based on an SDGs matrix. The latest, "Threading the Needle: Weaving the Sustainable Development Goals Into the Textile, Retail and Apparel Industry," was commissioned by the nonprofit Textile Exchange and is a 73-page-thick toolkit done by KPMG for companies to "scale positive social, environmental and economic impact through the SDGs," authors of the report said.

Joanne Beatty, director of sustainability services at KPMG, said, "Four in 10 of the world's largest companies already reference the United Nations' SDGs in corporate reporting, suggesting that business interest in the SDGs has grown quickly since their launch in 2015. Companies in the apparel sector would seem to be strategically placed to drive social and environmental impact level by leveraging ubiquitous global supply chains, market penetration and long-standing customer relationships."

Members of the Textile Exchange include Inditex, Gap Inc., Kering SA, Lenzing AG, C&A, Patagonia, PVH Corp., Target Corp. and VF Corp. Some of the collaborative contributors of the report include the CEO Water Mandate, Pacific Institute, Fabrikology, the Sustainable Apparel Coalition and the U.N. Framework Convention on Climate Change, among others.

Tricia Carey, director of global business development at Lenzing and vice chair of the Textile Exchange, said Lenzing is committed "to fulfilling the Sustainable Development Goals, especially SDG 12, regarding sustainable consumption and production, as well as SDG 13 on climate protection." Carey said with the fragmented apparel supply chain, the report "provides the path for companies to start their journey toward a common goal of integrating the SDGs into their business."

In an opening statement to the report, the Textile Exchange said it "believes that the SDGs offer a unique opportunity to align existing sustainability initiatives through a common framework and accelerate the industry's efforts to address important challenges in the global textile value chain."

They noted that future sourcing models and processes will be redefined, "to a great extent, by how this sector addresses the themes underlying the SDGs as sourcing countries integrate the SDGs into their national plans and become a priority in those countries."

Caterina Conti, ambassador for Textile Exchange and project lead for "Threading



A woman applying wax patterns on textile fabrics in a batik factory.



A close-up of a weaving loom at a textile factory.

the Needle," told WWD that companies need to "understand that the value in the SDGs is not merely as a risk management or compliance tool, but more as a means to align business, government and NGO agendas and extract long-term business value for all members of the value chain."

"The SDGs are being incorporated into the policy agendas of all the top sourcing countries and will increasingly impact how we can continue to conduct business in those countries," Conti added.

Creating a stable and sustainable value chain includes ensuring that the lives of people serving the industry also improve. The Textile Exchange said since two-thirds of workers in the textile supply chain are women, "companies in the industry also have an unprecedented opportunity to continue to advance gender equality, improve economic livelihoods, and mitigate climate impacts."

The Textile Exchange said this most recent report spotlights how companies are integrating the SDGs into their businesses. And KPMG described the report as a road map for companies to implement the SDGs into their processes – across the supply chain.

Specifically, the report offers examples of "SDG-aligned shared value opportunities" that are relevant to apparel and textiles as well as making the business case (aka top- and bottom-line growth) for integrating and aligning with the SDGs.

For brands, that means being able to leverage "market penetration" as well as

environmental and social issues, and established effective standards to promote sustainable products."

Also noteworthy is the role of collaboration. Successful implementation of the SDGs doesn't happen in a vacuum. Authors of the report said their research found that partnerships, coalitions and collaborations "appear to have and will continue to play an important role in achieving development impact within the textile, retail and apparel industry. For companies grappling with the SDGs, it may be useful to leverage existing initiatives for collaborative action."

Digging deeper into the notion of "shared value opportunities" of implementing the SDGs, the KPMG researchers divided these into having either a low level of effort or a high one as well as being transactional and/or transformational. For example, deploying an innovative activity or management initiative would require a high level of effort compared to having an existing approach that is seen as a leading practice among peers.

Regarding tactics for implementation, the report has specific examples and recommendations. For fashion brands, the report urged companies to design apparel that is durable and fits into a circular economic model. "As buyers of raw materials, fashion brands can leverage their size and balance sheets to design more durable clothing that increase the frequency with which customers use an item and lower the number of items they keep in their closets, and offer personalization to extend the life of a product."

That means "upgradable clothing" that is made to have more than one functional purpose. Multipurpose designs could "increase the frequency with which customers use an item and lower the number of items" they own. In the report, KPMG analysts also created an SDG "engagement framework" that focused on "impact opportunity clusters." The aim was to spark ideas for companies looking to take their first steps toward integrating the SDGs. The case studies of the framework include the rollout of Gap Inc.'s Personal Advancement and Career Enhancement program, which was launched in 2007 and in partnership with CARE. The initiative was done "as a way to empower women staff and managers employed in Gap Inc. factories in Bangladesh, Cambodia, China, Indonesia and Myanmar, among others to gain the skills and confidence needed to advance at work and life." Since the launch, more than 91,000 people in a dozen countries have participated, and Gap is committed to reaching 1 million women and girls by the close of 2020.

Target Corp. is cutting water use in its own branded products as well as in stores. "Owned brand products form a significant part of retailers' product mix," authors of the report said. "Addressing the environmental impacts of these products can bring tremendous business and social value as efficiencies are created throughout the enterprise."

Target deployed WWF International's water risk assessment to "review water-use reduction efforts across the manufacturing supply chain, stores and distribution facilities," the report noted, also stating that the retailer is committed to sourcing "100 percent sustainable cotton for its owned brand and exclusive national brand products." The company is working with its suppliers to reduce water use in textile dyeing and finishing by 15 percent. ■



Patagonia sells refurbished garments online and in select stores.

POLICY PLAYS KEY ROLE IN TEXTILES, MANUFACTURING

The ceo of the Product Stewardship Institute discusses sustainability challenges.

BY TRACEY GREENSTEIN

In a fast-fashion world, it's not easy being green. And as consumer-led demand for sustainable products and practices continues to flourish, brands and retailers are adopting greener methods to appease shoppers and influence change, often partnering with nonprofits, NGOs, think tanks and their ilk to engage and stay competitive.

And organizations such as the Product Stewardship Institute, a nonprofit based in Boston, center its focus on reducing unfavorable environmental, health and safety impacts that derive from consumer products throughout the entire life cycle, zeroing in on minimizing waste management. Through its "stewardship approach," the firm works to improve products' designs and stimulates dialogue among key leaders and stakeholders to help influence policy change industry-wide. PSI works with 47 state environmental agency members, local government members coast-to-coast and partners in corporate, business, academic, non-U.S. government, as well as various organizational partners.

Here, Scott Cassel, chief executive officer and founder at the Product Stewardship Institute, discusses how policy aids in mitigating the effects of waste in the textile industry.

WWD: The textile industry is the second largest polluter in the world after gasoline. In what ways has the industry succeeded in living up to producer responsibility? In what ways has it failed?

Scott Cassel: Many brands have undertaken voluntary measures to improve their sustainability upstream, and a select number of leaders (such as Patagonia, H&M and Eileen Fisher) address issues such as repair, reuse or recycling. Sadly, compared to the millions of tons of textiles produced each year, these voluntary programs collect a tiny

fraction of used material, while the vast majority is disposed in the garbage. The cost and competitive nature of the "fast fashion" movement has far outpaced the sustainability leadership demonstrated by a small handful. In fact, "fast fashion" is one of the most visible examples of the failure of textile manufacturers to take responsibility for the products they sell into the market.

WWD: What role(s) can policy play in revitalizing the manufacturing sector and the textiles industry as a whole?

S.C.: The options are endless, but textile manufacturers will need to bring the materials they use to make garments back into productive use after consumers no longer want their products. They need to track the source of cotton or chemicals through to the end of life for those materials. Currently, 85 percent of textiles no longer wanted each year (13.6 million tons) are thrown in the garbage, although there are reuse markets for people in financial need and recycling markets such as rags and insulation, which create thousands of jobs. This resource waste is a symptom of deep gaps in social cooperation and communication. Extended producer responsibility (EPR) policies that require all textile manufacturers to finance and manage the post-consumer textiles they sell into the market can efficiently reuse and recycle a high percentage of scrap textiles. EPR policies create an organized structure for cooperation and communication that is based on financial incentives and social responsibility. These systems create a level playing field among producers so that all compete equally within a context of sustainability.

To develop effective policy, there needs to be a facilitator that can develop a consensus on the extent of the problem, the goals sought by those with an interest in the outcome, the barriers to achieving those goals, and the solutions

to overcoming those barriers. The policy developed should account for as many stakeholder interests as possible so that the policy will result in an effective, efficient and sustainable solution. By now, there are many models developed for effective EPR policies, so there is a road map for success that just needs to be followed.

WWD: Would you say that brands and retailers have been willing participants in take-back pilot programs and recycling?

S.C.: Brands and retailers desperately want to be perceived as caring for the environment. Some make clothing for use in the wide open wilderness. Others are part of the fast fashion movement but feel responsible for excess consumerism. While these companies want to be willing participants in taking back their products, they either don't know how to do so, have not done so at a scale that has made any real difference, or are focused on other priorities. There is definitely fear of the unknown, but remember, brands and retailers are experts on distribution and reverse distribution. They use "outlets"



Scott Cassel, chief executive officer and founder of the Product Stewardship Institute.

to extract value from unsold clothing. They will need to move forward with the next step and set up systems for taking back their own clothing. There are many organizations, including ours, that can guide the industry through best practices and use a clear process for developing effective policies, programs and communication channels.

WWD: What are the biggest challenges the textile industry faces in implementing policy for sustainability?

S.C.: The consumption of "fast fashion" is projected to jump 63 percent by 2030. In New York State alone, residents dispose of 1.4 billion pounds of clothing and textiles each year, worth over \$130 million. Reusing and recycling these products would create up to 1,000 new jobs.

Overcoming consumer perception of "secondhand" as inferior is another critical issue to address. There are 3.8 billion pounds of used textiles that enter the North American market each year, and only 1-2 percent of these clothes are high-end brands for resale. Although existing markets exist for 95 percent of used textiles, most is disposed. Another challenge is that secondary textile materials compete globally with low-cost new products produced in China and India.

Another major challenge is that, even though retail locations are often the most convenient place for consumer return of used products, clothing brands have not yet embraced this approach. In addition, citizens don't always know what or where to donate. To educate consumers, one company suggested that all clothing labels include a unified message: "wear-donate-recycle." To develop standard messaging, the Product Stewardship Institute (PSI), New York Product Stewardship Council (NYPSC), New York State Association for Reduction, Reuse and Recycling (NYSAR3), and New York State Pollution Prevention Institute (NYSPP2I) developed unified Standards for Coalition Participation among nonprofit and for-profit textiles collectors.

Finally, since waste is created at all stages of the textile manufacturing process, even starting with pattern-making, it is critical to bring designers and recyclers together to explore ways to reduce waste at the source, increase product durability, and increase the value of post-consumer textiles.

The 2017 New York Textiles Summit convened by PSI, NYPSC, NYSAR3, and NYSPP2I at the Fashion Institute of Technology in New York City discussed many of these key challenges for the textile industry to overcome. The event brought together more than 200 textile designers, brand owners, used clothing collectors, recyclers and government officials to discuss how to bring used textiles back into the circular economy.

WWD: Larger legacy brands have experienced difficulty in pivoting toward a more sustainable business model. How can well-established legacy brands adopt and implement product stewardship policies?

S.C.: Most larger brands take longer to make changes than smaller brands. Small companies are nimble and can pivot more quickly. But one small move by a large company can have a huge positive impact regarding product stewardship. Companies that pay attention to trends in sustainability will have the greatest likelihood of maintaining market share. There is a worldwide move toward greater resource sustainability. The more we rely on others for materials, the less independent we are. The U.S. is a huge international market for goods. As a result, we have a great advantage in having used materials that can more easily be turned back into new products than starting from scratch. A sustainability leader would seize upon this growing opportunity. ■

TECHNICAL AND 'SECOND SKIN' MATERIALS LEAD TEXTILE TRENDS

Athleisure is taking hold as a "relevant sector in the fashion industry."

BY TRACEY GREENSTEIN

Performance and technical "second skin" fabrics are leading upcoming textile trends, replete with a sharpened

focus on meeting consumers' heightened expectations for sustainable, utilitarian apparel. And as performance apparel swiftly evolves into a viable fashion category, designers are challenged with the task of creating high fashion looks with no-frills function.

The performance apparel market saw an uptick of 5 percent from 2017, reaching \$26.3 billion in 2018, with outdoor specialty apparel up 2 percent this year, totaling \$2.5 billion. Brands in the category with sales up double digits in the last 12 months include Patagonia, Arcteryx, Obermeyer, Canada Goose, Kuhl and Descente, all according to a report by NPD.

Greg Thomsen, Adidas Outdoor U.S. managing director, told WWD, "Over the past five years, we have seen a strong interest from many in the fashion market to focus their attention to adopting the outdoor look into their design lines and to marketing the overall lifestyle to their consumers." He continued, "The outdoor lifestyles look and image is being adopted overwhelmingly by a new generation of environmentally minded, adventure travel orientated, back to nature driven, great outdoors enthusiasts," and simultaneously, "the authentic outdoor sports brands are adding a touch of fashion to their high performance products also, in order to expand their consumers from the mountains to the streets."

And textile trends at this week's Première Vision show in Paris will likely follow suit. At the show, Eurojersey, an Italian producer of warp-knit fabrics, said it will introduce its latest campaign "Free the Form," which promotes its fall 2019 "Sensitive Fabrics" ready-to-wear collection. The line is "focused on style and technical performance," according to the firm. Its Sensitive Fabrics "lend themselves to so many interpretations in the apparel market that their worth is boundless, from casual sporty outfits to more formal looks, for a wardrobe played out in multifunctional garments," the company said. Materials in the collection are breathable, wrinkle-free and designed with "sculptural, contoured and fluid shapes" in mind, boasting chlorine resistance, moisture wicking, sun block, quick drying, sustainability and easy care, among other qualities. The line also touts a very soft hand and extra fine, thin fabrics that are 50 percent thinner than traditional warp-knit fabrics.

Guglielmo Olearo, international exhibitions director at Première Vision, told WWD, "We're going to pay more attention to athleisure, because it's now a relevant sector [in] the fashion industry, across ath-leisure and performance." Olearo also noted the rising consumer demand for sustainable apparel, adding that "[Sustainability] is not just a matter of save the world or save the planet, or

saving electricity or water, but it's also to show the world and the fashion industry how sustainability can be beautiful and creative as well."

More than 65 percent of emerging market consumers actively seek sustainable fashion, compared to 32 percent or less in established markets, according to a McKinsey and Co. report. Albeit, many budding brands and retailers integrate natural, ethically sourced materials and streamline production and supply chains to cater to shoppers' increased standards – but the transition isn't limited to brands newly arriving at the fashion scene.

Heritage yarn and fabric manufacturer Botto Giuseppe, founded in 1876, recently broadened its sustainability model for upcoming collections by enriching its existing products with a mulesing-free wool from New Zealand. Branded as "Aroha," its mulesing-free wool has been integrated into products such as "Slowool," a superfine wool and "Fairwool," a superfine wool and cashmere. The firm's yarns are manufactured in Friuli, Italy, a factory operated by hydroelectric dam-generated energy and solar energy from photovoltaic panels on its roof.

Silvio Botto Poala, chief executive officer at Botto Giuseppe, said, "Preserving our planet and protecting its inhabitants have been popular topics for several years, and we believe, now more than ever, that it is our duty to also apply these ideas to the fashion segment to transform it into a sector operating on sound principles of eco-sustainability and ethical fashion." He noted that stringent policy plays a role sustainable apparel's growth in Italy: "In fact, thanks to strict environment and work rules, Italy already enjoys a considerable advantage vis-à-vis other developing manufacturing countries, with lower production costs and where workers' working conditions are very poor and environment protection is simply neglected. The sustainable fashion sector we aim for strives to generate a balanced relationship both with the environment and its inhabitants in a fully, thoroughly transparent system."

On the sustainable performance fiber front, Asahi Kasei's "Bemberg" – also known as cupro, a biodegradable regenerated cellulose fiber derived from cotton linter – is popular among athleisure brands for its smooth and frictionless soft hand, as well as chemical-free technical properties such as breathability, moisture absorption and climate control. And the firm's Roica – a sustainable premium stretch fiber – is popular among performance and outdoor wear brands: Its clients include Asics, Descente and Nike.

As one might expect, sustainability is touted tenaciously across wool and fur. And to help raise awareness about wool as a natural technical fiber, The Woolmark Co. recently launched its "Live and Breathe" campaign, which aims to reignite younger generations' desire for merino wool, due



A look from Woolmark's "Live and Breathe" campaign.



Botto Giuseppe's "natural born cashmere."

Eurojersey's "sensitive fabrics."

to its innately sustainable characteristics, including moisture management, odor control and breathability. Its campaign was directed specifically toward the athletic and outdoor clothing markets, eager to reclaim the material's reputation as the "original" performance fiber, the firm said.

But fur's "sustainability" remains in a state of flux, as both young and established brands are increasingly opting for synthetic alternatives. Granted, fur is a natural, sustainable and renewable material: It is wholly biodegradable and boasts a long lifespan, according to organizations that promote real fur. And while faux fur is undoubtedly a growing category, synthetics can actually cause more harm to the environment through taxing manufacturing processes that occur during the development of chemical-based faux furs. Céline Semaan, an MIT Media Lab Director's Fellow and the founder of Slow Factory, a sustainable apparel and accessories company, told WWD, "The U.S. Sustainable Apparel Coalition ranked acrylic [as] 39 out of 48 on its list of fabrics with the worst effect on the environment.

So when buying fake fur, you may be saving an animal's life, but not for long, as the toxic aftermath of synthetic fur ends up causing more harm to our planet than buying, say, a vintage fur coat."

And sustainability remains at the core of consumers' desire for utilitarian functional apparel as well. Marisa Nicholson, Outdoor Retailer vice president and show director, told WWD, "We are seeing [the Outdoor category] permeate other apparel categories, such as fashion and surf. Trail running shoes and hiking boots are featured on runways, and surf brands are applying their technical expertise to gear that is great for multiple activities. The crossover demand will only help spur the further growth of outdoor." Nicholson continued, "Sustainability remains a key focus for outdoor apparel. It's part of the ethos of our industry and is driven by the conscious consumer. Brands continue to take action – they are going beyond nonprofit partnerships and evaluating the whole product lifecycle, considering the source, production, and future of the [apparel and] gear they create." ■