# Fast Fashion: Evaluating Sustainability in the Supply Chain

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## Introduction

The fashion industry is one of the largest global supply chains in the world. In recent decades, consumers have shown increasing interest in reducing their global impact (Seuring 2008). In response, clothing companies are moving toward sustainable supply chain management (SSCM). However, little research documents how reported practices in fashion companies' corporate sustainable reports (CSRs) align with current academic knowledge of SSCM and industry best practices. This study addresses this demand by synthesizing current academic research about sustainable global supply chains and applying that knowledge to understand the sustainability of five large global fashion companies.

### Research Questions

- What is the current academic knowledge on SSCM, and how can this be applied to the fashion industry to identify best practices?
- How do the supply chain practices reported in CSRs of five fashion companies (H&M, Gap, Fast Retailing [FR], Inditex, and PVH) align with current academic knowledge of sustainable supply chains and best practices?

## Methods

### Best Practices of SSCM for the Fashion Industry:

- **Database – SCOPUS**
- **Keywords** – “sustainable supply chain”, “sustainability reporting”, and “fast fashion” in various combinations.
- **Relevant articles** pertaining to the scope of the study were narrowed down from titles to abstracts to full texts. All articles were in English and published after 2000.

### Model Analysis:

CSR of H&M and Gap (Fig. 1) were analyzed based on the model (Fig. 2) developed by Turker and Altuntas (2014) on the following metrics: (1) Avoiding risks, (2) Supply chain performance, (3) Criteria for suppliers, (4) Communication with suppliers, and (5) Improvement of suppliers.

![Figure 1. Model developed by Turker and Altuntas (2014) to analyze SSCM in companies.](image)

![Figure 2. CSRs analyzed from left to right: H&M, Gap, FR, Inditex, and PVH](image)

## Results

### Best Practices of SSCM for the Fashion Industry:

I identified 30 peer-reviewed papers on SSCM to develop a series of best practices for SSCM in the fashion industry.

- Collaboration and partnerships
- Using CSRs within day-to-day company operations
- Employee trainings
- Transparency and traceability
- Sustainable materials

### Avoiding Risks:

Gap’s CSR has a risk section on internal audit systems, sustainability, and environmental training. H&M’s CSR focuses risk management on human rights and economic stability, as opposed to environmental concepts. FR’s risk management strategy is meager, but includes elements of environmental and social sustainability. Inditex’s strategy is the most developed with initiatives from renewable resources to child labor to trade union agreements. PVH plans to remove hazardous chemicals from their supply chain by 2020 and pay fair living wages to employees.

### Supply Chain Performance:

Gap tracks and rates suppliers on red-yellow-green system and EPA’s EnergyStar platform to measure and track greenhouse gases. H&M utilizes the Sustainable Impact Partnership Program (SIPP) to track suppliers and to give Sustainability Index Scores. FR rates suppliers on a scale from A-E based on unannounced audits. Inditex has a company-wide online management system. PVH rates compliance via a supplier scorecard and their Better Work Academy.

### Criteria for Suppliers:

Details on how Gap and PVH selects their suppliers is unclear. All new H&M suppliers are required to complete a training program before beginning work. If the supplier is found to be compliant, a screening process begins and are audited yearly for compliance. FR and Inditex have pre-contract monitoring and assessments before signing new partner factories.

### Communication with Suppliers:

Gap uses a Supplier Leadership Program, conducts interviews with factory workers, and completes employee satisfaction surveys. H&M distributes H&M contact information to factory employees and has local sustainability teams. FR regularly trains suppliers on company CSR practices and expectations, and has an anonymous reporting hotline. Inditex also trains partners on CSR polices and publishes lists of suppliers on their website. PVH has a Tell PVH hotline.

### Improvement of Suppliers:

Both Gap and H&M focus improvement of suppliers on educational programs for workers (P.A.C.E at Gap, UNICEF partnership at H&M). FR created supplier on-site CSR representatives to disseminate knowledge to workers. Inditex has a continuous improvement philosophy rooted in employee training and audits. PVH does community work via Save the Children.

## Conclusions and Recommendations

- Evidence of the 5 metrics of SSCM found throughout all CSRs
- Beginning to see elements of best practices in companies’ CSRs but small-scale.
- Areas for growth in supplier relationships, specifically in rewards; Gap and PVH particularly lack clarity on how they select their suppliers.
- Recommendations for further research in analyses of additional CSRs, how sustainability goals are met and tracked, and CSR development.

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## References