Chapter 12
Corporate Social Responsibility in the Fashion Industry: How Eco-Innovations Can Lead to a (More) Sustainable Business Model in the Fashion Industry

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12.1 Introduction

The clothing industry is one of the world's leading industries and one of the largest economic sectors. However, the clothing industry is also one of the most polluting and human-unfriendly businesses, with various negative social and ecological effects. These effects include child labor, poor working conditions, excessive water consumption, and accelerated accumulation of waste (Rossum 2012). The increased awareness of these major global issues has resulted in some parts of the fashion industry having a higher demand for environmentally friendly products, thereby forcing manufacturers to reconsider their production, portfolio and communication strategies in order to make their products greener (Launois 2008).

In Sect. 12.3, this study uncovers the most important insights into the challenges encountered by fashion companies that want to incorporate eco-innovation to market a justified, sustainable fashion brand. In Sect. 12.4, we examine the opportunities and risks and highlight the major changes that fashion companies should make to become more sustainable. To support the main objective, an interview questionnaire was designed to compare sustainability experts' perceptions with current fashion brand attitudes towards social responsibility. The semi-structured interviews were conducted over a 3-week period in August 2017 with ten participants. The results of the interviews with three experts from fashion companies and seven sustainability consultants are described in Sect. 12.5.

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The results indicate that even though the current fashion industry is taking steps to become more sustainable, this is a slow process. Preserving the fashion industry is a vicious cycle, as not every stakeholder cooperates with change. Among many others, the first challenge is for governments, businesses, and consumers to become more aware of the importance of sustainability to break the current pattern in which "fast fashion" dominates "slow fashion" and to speed up developments.

Section 12.6 includes recommendations to the fashion industry for eco-innovation in its processes and products. In conjunction with the literature research, it has been found that existing companies and new entrants must integrate eco-innovation into their business model in order to eliminate negative effects on social, ecological, and economic issues. Moreover, eco-innovation is an indispensable requirement, as the clothing industry is one of the world's leading industries and the second largest polluter in the world.

12.2   Corporate Social Responsibility

The idea of corporate social responsibility (CSR) suggests that a company has not only economic or legal obligations but also responsibilities that extend beyond these obligations (McGuire 1963). CSR requires companies to voluntarily consider its impact on other stakeholders other than just shareholders, such as society and the general public. Walton (1967) stresses that social responsibility requires companies to make investment decisions that might not be beneficial to short run profit maximization. These decisions exceed a firm's narrow compliance of the law, but they encompass the firm's effect on the whole social system (Davis and Blomstrom 1966).

CSR has its historical roots in the USA in the 1950s. This origin is due to two reasons. First, corporate goals in the US have traditionally been more focused on profit maximization than in Europe. Second, governmental regulations are higher in Europe than in the USA (Carroll and Buchholtz 2014; Matten and Moon 2008). In the 1950s, Bowen (1953), who is often named the "father of social responsibility," published "Social Responsibilities of the Businessman" and wrote about the responsibilities of managers with respect to society. This view was emphasized by other authors of this time, e.g., Peter Drucker (1956). In the 1960s, this view changed slightly. McGuire (1963) and Davis (1967) see the responsibility not with single managers but with the firm as an institution. Davis states in his "power-responsibility-equation" that an organization with higher levels of power and influence has a larger societal responsibility. During the 1970s, various authors worked on a conceptualization of CSR. One of the most popular frameworks was developed by Carroll (1979), who identifies the four major dimensions of CSR as economical, legal, ethical and philanthropic. In the 1980s, CSR was more integrated into the overall corporate strategy (Drucker 1984). In addition, other related concepts are being developed, such as the "Stakeholder Approach" (Freeman 1984) and the "World Conservation Strategy" of the International Union of Conversation of Nature and Natural Resources (1980). During the 1990s, CSR became a popular worldwide

concept. This popularity was largely driven by violations of human rights issues in production facilities in developing countries. These cases led to public protests and a debate about stronger regulations. After 2000, CSR further established itself as a corporate practice. Carroll and Shabana (2010) rightly stated, "CSR is evolving into a core business function which is central to the firm's overall strategy and vital to its success."

Therefore, CSR is part of a company's management concept and strategy (United Nations Industrial Development Organization 2017).

Hence, the concept of CSR consists of the following aspects (Dahlsrud 2006; Marsden 2001):

- **Economic**: CSR entails gaining profits but also performing socially and environmentally responsible acts.
- **Social and environmental**: CSR means that companies limit their negative impacts on society and the environment.
- **Ethical**: CSR dictates that companies have a social obligation towards society and need to comply with ethical values and standards.
- **Voluntariness**: CSR counts on companies' voluntary actions.
- **Stakeholder**: CSR considers stakeholder's interests in addition to shareholders' goals.
- **Strategy**: CSR is part of the strategy and management concept of a firm.

    Various CSR instruments have been developed, and worldwide commitment for CSR has increased. This commitment includes three areas.
- **International guidelines and principles**: The two most important international guidelines and principles include the "OECD Guidelines for Multinational Enterprise" (OECD 2011) and the "Tripartite declaration of principles concerning multinational enterprises and social policy" of the ILO (International Labour Organisation—ILO 2017). The OECD guidelines cover various areas, including human rights, employment, environment, bribery, consumer interests, science/technology, competition and taxation. The ILO focuses on employment and labor only but details areas, including forced labor, child labor, equality, security of employment and work safety.

    The previous work of the ILO influenced the OECD principles on employment. These guidelines were signed by all OECD countries, which are committed to promoting and recommending these to firms within their countries.
- **Code of conduct**: A code of conduct is an agreement on behavioral rules. The commitment to these rules is voluntary. The most prominent code of conduct concerning CSR is the UN Global Compact, which contains guidelines on human rights, labor, the environment and anti-corruption. Over 9000 companies and 4000 non-businesses have signed this code so far, including large multinational corporations such as BASF, Daimler, Nestle, Nike and Shell (United Nations Global Compact 2017).
- **Management systems**: A management system contains all organizational measures (policies, processes and procedures) used by an organization to achieve its objectives (Wieland and Grüninger 2000). Various management systems exist

that contain CSR-relevant topics. The most prominent systems are ISO26000, SA8000 and ILO-OSH 2001 (ISO 2017; SAI 2017; ILO 2009). These systems all provide standards on how businesses and organizations can operate in a socially responsible and ethical way. Firms that earn an accreditation prove an organization's compliance to these standards. All three options are possible ways of implementing CSR in a firm's organization.

12.3 Corporate Social Responsibility in the Fashion Industry

The fashion industry is one of the key industries worldwide due to its sheer size and global expansion. The global garment market is valued at $3.5 trillion USD, and it accounts for 2% of the world's gross domestic product. Women's clothing is valued at $621 billion USD and men's at $402 billion USD (Fashion United 2016). Worldwide, 40 million people work in the textile industry. The production of clothing is mostly done in developing Asian countries. In 2015, China (45%), Bangladesh (7%), Vietnam (6%), India (5%), and Cambodia (2%) accounted for 64% of the global clothing exports (World Trade Organization 2016, 108).

Due to multiple negative influences on the environment and society, CSR is an important topic in the fashion industry for a fairly long period of time. Two concerns are prominent in the public eye. The first issue is poor working conditions and low wages in the production countries, and the second is environmental damage due to chemical substances or pollution.

Both topics illustrate the discussion areas of labor conditions and the environment.

The majority of people in the fashion industry are employed in the countries of production. Low wages are the major reason for fashion companies to produce in countries such as Bangladesh; low transportation costs and the speed of communication foster that trend (Starmanns 2013). CSR violations in these countries include poor working conditions, underpayment, long working days, abuse, child labor and the lack of health/social insurance (Martens 2006).

The garment industry impacts the environment on multiple dimensions along its production chain. First, there are large amounts of pesticides or chemicals, and a large amount of water is consumed during cotton production. In addition, the worldwide transportation is responsible for CO_2 emissions that have grown in the recent decades (Hill et al. 2012). The treatment of textiles, such as dyeing, washing, printing, and finishing, results in the discharge of waste water that includes toxic substances (Choi et al. 2011). The increased scale of production worsens the problem. Since "fast fashion" offers fashionable clothing at a low price, demand has increased. Consumers buy more pieces but wear them for a shorter period of time (Remy et al. 2016). Moreover, unsold clothing supplies are another issue. Estimations show that approximately 4% of clothes are not sold due to wrong size, fit or color, which is a problem whose consequences have not yet been fully investigated (Wijnia 2016).

A pre-requisite for successful CSR activities is transparency. CSR guidelines or codes of conduct oblige companies to publish a certain amount of information. "Commercially sensitive information" is now being publicly shared. This information

can include the location of production sites, names of suppliers, levels of material waste or working conditions.

As the largest consumer of clothing, the European Union has taken a leading role regarding transparency in the fashion industry. With the "EU Report on the Flagship Initiative on Garment", voted on 3 May 2017, the European Parliament suggests that companies have an obligation to disclose their value chain. On a regular basis, firms will have to publish names, addresses, and contact details of all links within the chain. The Parliament further proposes a due diligence obligation (European Parliament 2017). Thus, clothing companies are required to identify, address, and correct the human rights violations in their supply chain.

Currently, there are no enforceable legal obligations for transparency. As a consequence, companies can select the information they want to publicly share. Thus, firms can stress their positive impact and disguise their negative impact, thereby pretending to be more socially and environmentally friendly than they are. This green washing is fairly common and reduces consumers' confidence in sustainable products (Delmas and Burbano 2011). Paradoxically, companies who do better in terms of transparency are more likely to be caught in a scandal since they are supervised (Reuters 2017).

12.4 Eco-Innovation to Create a (More) Sustainable Business Model in the Fashion Industry

Improving social and environmental conditions requires significant efforts from both the fashion industry and the consumer. The consumer, who is addressed as a conscious citizen, needs to adjust his or her buying behaviors. The fashion industry needs to "loosen" its existing models in term of pricing and propositions towards the customer (retail and end consumer) and consider all steps of the chain and their fair costs (production and trade) (Koppert and Brouw 2017).

12.4.1 Creating New Business Models: Change the Focus to Eco-Innovation to Create a (More) Sustainable Business Model in the Fashion Industry

CSR forces fashion companies to change their traditional business models. Currently, firms from the fashion industry are focusing mainly on the final phase of the value chain, the waste phase. Additive eco-innovations (such as waste disposal, waste recovery, and emissions control) are still dominant. In contrast to this, integrative eco-innovations (e.g., eco-friendly products, process integrated eco-innovation) are less common. For example, only one percent of clothing companies are using organic cotton (Kennedy 2015). However, circular systems would

enable firms to maximize the reusability of materials and minimize the value destruction on all steps. This process requires a change of the whole system, including design, production, consumption and reuse (Jonker 2014).

12.4.2 Integrated Eco-Innovation and Green Sourcing

Sourcing affects 40–45% of the cost base of most companies and is considered to be an important tool for change (Turner and Houston 2008). Companies can shape their procurement efforts in a sustainable way. By focusing on suppliers that respect the environment and society, they can follow so-called inclusive sourcing, such as sourcing from suppliers that ensure employment equality for men and women. This process forces companies to introduce supplier minimum standards and conduct supplier audits. Being more involved in the whole process improves the environmental and social impact (Clinton and Whisnant 2014). Moreover, cooperation with other organizations that can lead to alliances and networks in the value chain are an important first step towards circularity. Cooperation emphasizes trust between the actors in the value chain and transparency of the information being exchanged. Both trust and transparency are prerequisites for sustainable sourcing (Witjes 2016). Sourcing also is a good starting point for integrating green initiatives. So-called green sourcing can reduce a company's environmental burden while saving costs and providing better relationships with suppliers and communities. Green sourcing results in the influence of a particular choice, whether it is transportation, materials, energy sources, and/or packaging design (Turner and Houston 2008). Environmental innovators frequently see increased resource efficiency as a component in a comprehensive efficient company strategy. This strategy expresses itself in the fact that they give cost reductions and quality management as innovation goals significantly more frequently than other innovators (Cleff and Rennings 1999a, 2000). "Innovators in integrated environmental protection at the product level pursue the goal of maintaining or increasing their market shares more frequently. In contrast, it is compliance with existing legislation and anticipation of future laws which has especial importance for innovators in integrated environmental protection at the level of (production) processes. This can be explained by the fact that integrated environmental protection at the level of the process generally confers little or no additional benefit on the customer and therefore receives comparatively little reward from the market, while integrated environmental protection at the product level (...) brings added benefit to the customer, explaining the strategic interest" (Cleff and Rennings 1999b, 331).

12.4.3 Transparency Along the Value Chain

The results of different market studies in logistics and supply chain management agree that transparency in the chain is a top priority. Making supply chains transparent empowers fashion companies to identify, assess, reduce, and realize a solution to minimize effects on society and the environment. However, the willingness of chain partners and employees is a critical factor. All stakeholders in the supply chain need to cooperate to achieve full transparency. This only works in a culture of cooperation and not by exerting pressure or imposing sanctions. With regards to technology, systems for full transparency along the value chain already exist. Visibility software based on platforming technology can demonstrate all resources, capacities, stocks, and processes in the supply chain and simplify the information exchange between supply chain partners (Groenendijk 2016).

12.4.4 Eco-Innovation in Sustainable Materials

The transition from a linear supply to a closed loop system also affects the materials. In a closed loop model, materials are continually recycled in the production system. Efforts are made to reduce waste in the production process (Clinton and Whisnant 2014). For instance, old clothes can be recycled, and the old fibres can then be woven into new fabrics. Organizations increasingly highlight and apply this recycle and reuse concept (Rikkert 2013). However, major challenges exist with establishing such systems. Firstly, it is difficult to create take-back schemes on a global basis—and the fashion industry is a global industry. Infrastructure, logistics and regulations vary in different countries. Secondly, it can be expensive and inefficient to create a closed loop system for a single company, since consumers are usually not sorting textiles according to brands. So collected materials are usually a mix of garments from various producers and these contain fiber types or chemical components that are unknown to non-producers. Therefore, collective system with a central organization or with all participating brands' participation might be the only solution (Watson et al. 2018).

12.4.5 Commitment on All Levels of a Company

To be able to truly anchor all sustainable elements in a company, the entire firm must commit. Companies perform significantly better with employees who feel involved in the organization and who feel acknowledged as humans. It is not systems, protocols, or procedures that are the most crucial for success, but the commitment and qualities of the employees. For this reason, sustainability should be stored in employees' routines by clearly repeating and communicating it. Sharing CSR ambitions and

being transparent in expectations and goals ensures trust. This trust positively influences employees, which may result in a change of behaviors (Houtum 2015).

To conclude, eco-innovation to ensure the transition to a (more) sustainable business model affects the entire organization, including its value chain, processes, goals and structure, employees, cash flow, balance sheet, and its collaboration. According to Petersen et al. (2017), a number of critical factors are crucial at the beginning of the transition. The entire organization should undertake the transformation and commit. Every employee should invest in the growth of the CSR-focused organization (level, competencies, expertise). Finally, it is important to sustain resources specifically for the transformation. The transformation into a sustainable business model is attainable with full commitment, a business plan with realistic goals, a willingness to invest, and a phased approach.

12.5 Expert Interviews on CSR and Eco-Innovation in the Fashion Industry

12.5.1 Methodology

In this section, we investigate the risks and opportunities for fashion companies to transform into a circular economy and gradually become more transparent. The analysis is achieved by analyzing companies' motives for incorporating CSR into their strategy and how to integrate sustainability and eco-innovation into the business model. This extensive perspective requires an exploratory approach using a semi-structured questionnaire in which current changes within the fashion industry are analyzed. In addition, the analysis includes the changeover and urgency of fast fashion to slow fashion, which encompasses the conversion from non-sustainable to sustainable fashion.

The following questions have served to guide these analyses. (1) "What is the role of sustainability in the past, present, and future?" (2) "Why is sustainability important to the fashion industry?" (3) "What are the opportunities and risks in conducting business on a sustainable basis?" (4) "In what way can fashion companies integrate sustainability into their business model?" These questions support the main research question of, "What challenges face organizations wishing to launch a sustainable fashion brand?"

The research consisted of ten semi-structured interviews with both fashion industry experts and CSR/sustainability consultants. To allow for a comparison between these two groups, a distinction was made with regards to the interview questions.

The purpose of the interviews with three CSR/sustainability managers from fashion companies was to survey the extent to which (a part of) the fashion retail industry is active in CSR and which processes are already being applied. Communication from companies to consumers was taken into account, and the possible

problems they could face were considered. In contrast, the interviews with seven consultants went into detail and discussed the overall subject and importance of sustainability within the fashion industry.

Among the interviewees, three participants are employed by a fashion company with multiple (physical) stores, and seven are sustainability consultants (not working under their own fashion brand or owning a single brand with or without a physical store). The interviews were planned and scheduled within the 3 weeks from August 7, 2017, to August 23, 2017. All participants were approached by email, LinkedIn or by phone. Prior to the interview, all interviewees received an overview of the research topic and the purpose of the interview. The theme and focus points were extended in a questionnaire, which is included in Appendix.

12.5.2   Results

12.5.2.1   What Is the Role of Sustainability in the Past, Present, and Future?

The experts have indicated that the world has changed with respect to how sustainability is handled today compared to some years ago. They see the growing number of graduated young people as a major factor. "What strikes is that there are increasingly more young people who hold a diploma and are specialized in a particular subject." "Increased knowledge and expertise has led to a better ability to manage developments and being able to renew." Interviewees indicated that paying close attention to young professionals brings a fresh look to sustainability-related issues.

An additional effect is the increased use of technology. As stated by four experts, digitalization enables the media to transmit any form of message instantaneously to the entire world. Thus, there is more transparency in the value chain that shows how companies produce, where they produce and by what means they produce. In addition, disclosure has resulted in great movements within the clothing industry in which the consumer has become aware of a deterioration of the earth and the living and health conditions of poor people in textile-producing countries. Therefore, there is an increased need to implement CSR throughout the entire company. All experts confirmed that, from the company's point of view, there is a remarkable difference between CSR in the past and today. Of the ten experts, five indicated that CSR used to be a "nice accessory" to consider, but today, it is an indispensable opportunity to carry out eco-innovations and sustainable initiatives throughout the organization. Despite companies being aware of the urgency to change to a more sustainable production process, this proves to be difficult. All ten interviewees confirmed that one of the largest challenges is the fact that durable fashion is still in its infancy and is slowly developing. The progress is relatively new, and consumers are reluctant regarding this subject. Eight experts confirmed that companies that want to be sustainable and adapt their business model face a major task. "The

challenge is to create a straight alignment within the company, in which all depart-ments pursue the same sustainability goals. If each employee does not pursue the same goals, the entire (internal) organization can never change, and the business model thus cannot be sustained."

In line with the experts' view, it seems that CSR is not yet fully incorporated in the company's DNA at most major fashion chains. The main reason seems to be inconsistency with consumer behavior. Respondents emphasized that people are making different choices as a consumer rather than as a citizen. As a citizen, CSR and sustainability are considered to be important. However, as a consumer, sustain-ability seems to be less important compared to other purchase influencing factors such as product price. Moreover, the experts stated that consumers became slightly more critical in the past due to negative media attention. Negative media attention has made it possible for companies to slowly accelerate the transition to sustainability.

12.5.2.2 Why Is Sustainability Important to the Fashion Industry?

The following factors were stated by the interviewees to be the most important reasons why the fashion industry must develop sustainability.

1. *To prevent resource depletion*: three out of ten participants confirmed that sustainability is important to companies because there is a great demand from society. Therefore, they see sustainability primarily as self-interest, and not changing could adversely affect the company's continued sales. On the other hand, the remaining seven interviewees indicated that change within the fashion industry is necessary because resources get depleted, and the costs to produce clothing in a very price-competitive sales market increase.
2. *To remain competitive*: for the existence of a company, sustainability is important for survival. The experts emphasized that increasingly more new entrants into the textile market include sustainability in their missions, visions and business models. Therefore, traditional companies perceive a pressure that sustainability is important to be able to stay competitive.
3. *To reduce environmental damage*: regardless of the necessity of eco-innovation, eight experts expressed great concern about the ongoing negative impact of the current fashion industry on the world's environment. However, all interviewees agreed that it is important to respond quickly and launch the phasing out of harmful substances throughout production chains. "Large-scale pollution by the textile industry has always been a problem, but the recent use of persistent and harmful chemicals is a greater, often invisible, threat to the ecosystem and human health." Major brands have great economic influence and are therefore able to take the lead in this phasing-out.
4. *To improve working conditions*: five out of ten interviewees confirmed the increased awareness about pitiful working conditions in textile producing coun-tries. Therefore, more companies need to be transparent and make their processes

clearer. To this end, honesty plays a major role. As indicated by the experts, it is important not to change everything at once. "Small steps should be taken so that each one can be measured and evaluated afterwards." After all, the upcoming developments represent a gradual process.

12.5.2.3   What Are the Opportunities and Risks for Companies in Conducting Sustainable Business?

As a major opportunity, the experts stated that eco-innovation may lead to both positive effects on the profits and benefits for the employees. Sustainable solutions generate direct improvements on the health of employees affected by the environment in which they work. With regards to becoming a more sustainable fashion brand, the interviewees mentioned the following as the most important opportunities and risks.

Opportunities:
- Taking care of society and the environment reinforces the company's reputation, recognition, appreciation, and success.
- Sustainability results in cooperation (shared value), financial returns, innovation, and proud and committed employees.
- Maximizing the reusability of materials and commodities and minimizing value destruction leads to cost savings.
- Value chain transparency helps in identifying factories where labour rights are being violated.
- Strong supplier relationships ensure more consistency and improved traceability.

Risks:
- Companies who do better in terms of transparency are more likely to be caught in a scandal since they are supervised by media.
- Green washing can have negative effects on consumers' confidence in sustainable products.
- Producing sustainable products is more expensive than non-sustainable products.
- Rising wages and more restrictive safety rules in producing countries puts pressure on the shelf life of fast fashion and other discounters.

Seven out of ten interviewees unanimously agree on the mentioned catalogue of opportunities and risks. The remaining three interviewees have stated that it is a major challenge to balance opportunities against the risks; they fear the unknown or think that sustainable initiatives are too costly in the long run. However, increasingly more companies are seeing the importance and benefits of CSR. The experts stated that the main opportunity and motivation for companies to eco-innovate is that it reinforces reputation. A strong reputation attracts employees, customers, and investors, creating a positive image and strong competitiveness, ultimately leading to higher sales. Although disclosure seems difficult for many organizations, it has

positive results on the company's internal and external environment. In addition, to stimulate consumer confidence, storytelling also appeared to be a great opportunity of sustainable initiatives. Thus, the experts indicated that an important opportunity is that companies have a real, true reason to tell their story and that they can transfer the business initiatives through messages to consumers. Moreover, apart from the confidence that consumers will have in businesses, this communication increases environmental and social awareness. "Storytelling is therefore indispensable." Transferring messages that contain knowledge, emotions, and feelings makes consumers feel more bound to the brand and they increasingly want to know more.

In another vein, it is currently difficult to address the prices of non-sustainable products. "The margins are much smaller for sustainable fashion and there is currently a worsening price ratio," said one expert. All interviewees confirmed that consumers are to a great extent price-sensitive. Communication is highly difficult, but, according to the experts, transparency can help reduce this problem. Furthermore, as awareness grows and interest in sustainable initiatives from the fashion world increases, sustainable clothing will eventually become cheaper than it is at present. To ensure the competitiveness and profitability of a company, taking sustainable steps is crucial. According to some of the experts, it is important that companies influence sustainable buying behavior. "Companies offer clothing, so they have the most impact. The government should support this, for example in the form of grants and raising awareness."

Finally, all interviewees hardly agreed on the risks of sustainability. However, as claimed by four experts, being completely transparent and making all processes measurable is difficult. It may counteract the economic interests of a company. Developments are slow because there is little demand for sustainability. Furthermore, setting sustainable goals within a company is difficult since no one pursues the same sustainable vision.

12.5.2.4 In What Way Can Fashion Companies Integrate Sustainability into Their Business Model?

Even though all experts confirmed that it is a major challenge to change an existing business model into a more sustainable one, five experts expressed the following first steps that fashion companies should take to integrate sustainability into their business model.

1. Formulate a sustainable vision and a sustainable mission for the company.
2. Choose an appropriate mission-driven strategy.
3. Expand sustainability into activities that affect every part of the business.
4. Create shared value (e.g., save energy and reduce CO_2 emissions).
5. Make supply chains transparent (disclosure).
6. Implement a circular design process that focuses on how material usage can create value instead of saving costs (closing the loop—eliminate waste).

7. Shape partnerships (co-ordination and co-organization: sustainable enterprising is created between companies, rather than within companies).
8. Introduce supplier minimum standards and conduct audits (inclusive sourcing).
9. Be more involved in the process and support suppliers (increasing social impact).

From the point of view of the experts, the first five factors seem to be the most important. However, it was also alleged that the preservation of a traditional business model extended by only small aspects of sustainability is not sufficient to reach long-term sustainability goals.

The experts argued that companies must think in a whole new way and consider a new model as has already occurred in many other industries. Experts claim that starting from a whole new concept is the basis of a sustainable model as opposed to the model of existing companies. Therefore, the experts claimed that organizations should start from the ground up and integrate sustainability into their processes and strategies. However, this is not currently realized practice in today's fashion industry. Only two of the experts clearly state that they "(. . .) really try to stay out of that industry as much as possible. That means, not making use of existing streams, production and stores, because (they) do not believe one can find a solution within that current system."

12.6   Conclusion

This study has examined the most recent developments within the sustainable fashion industry. It has demonstrated the opportunities, risks, and ways in which companies can launch a sustainable fashion brand. Based on the results, the main research question, "What challenges face organizations wishing to launch a sustainable fashion brand?" can be answered.

Sustainability has a number of complex features that make it a challenge, including the following.

1. It is difficult for companies to be completely transparent and to radically change the traditional processes along the value chain.
2. Sustainability within a company is challenging since not all employees and stakeholders pursue the same sustainability vision and goals.
3. Developments are slow because there is currently insufficient demand for sustainable fashion.

It can be said that the developments in this industry are in a vicious cycle. To break out of the cycle, governments, companies, and consumers have to contribute. The government should provide a legal framework to enhance eco-innovation. Voluntary environmental policy measures may be sufficient for eco-pioneers since those firms are highly committed to sustainable production. However, the majority of firms in the fashion industry still act "passive", so strong regulation measures seem to be necessary (Cleff and Rennings 1999a, 201).

Companies have to create new and sustainable value chains and must make consumers more aware of the importance of sustainable products. "Environmental innovators clearly see increased resource efficiency frequently as a component in a comprehensive company efficiency strategy. This expresses itself in the fact that they give cost reductions and quality management as innovation goals significantly more frequently than other innovators" (Cleff and Rennings 1999b, 335). Last but not least, consumers have to recognize the importance of a sustainable product and adapt their buying behaviors to be in line with their responsibility as a citizen.

Companies can influence customers' behavior with the right marketing campaigns and storytelling that shows that sustainable fashion is equivalent to or better than traditional fashion. Currently, one of the few things consumers know is that sustainably produced fashion is more expensive. A price-sensitive consumer prefers to go for traditional and cheap fashion. This again highlights the importance of transferring sustainable information. As soon as awareness is increased and there is a higher demand for sustainable products from the fashion world, economies of scale will lead to cheaper sustainable fashion products.

In addition, eco-innovation will occur in the future, including the deployment of sustainable (raw) materials, systems requiring less water, production both locally and abroad using circular methods [such as recycling and re-use of materials (cradle-to-cradle)], and employing automation. The effects in the long term remain unknown. The pursuits of sustainable initiatives contribute to improving social and ecological aspects. Most initiatives are recent and difficult to currently measure. Will automation in production countries contribute to improvements for employees there? Will automation cause a higher unemployment rate, resulting in a worsening of gross national income? Will the ecological impact of the fashion industry diminish, or will we in fact disturb the earth even more with new systems, methods, and technologies? Only in the course of time will we recognize the consequences of our activities.

Appendix: Interview Questionnaire

The aim of the expert interviews is to gain valuable insights. The questions contribute to the validity of this research. All the questions asked related to the main question. Within these interviews the following structure has been used.

1. Acquaintance
2. Personal introduction
3. Introduction to thesis subject
4. Interview
5. Discussion
6. Completing

Interview Questionnaire: Fashion Companies

1. How does the company define 'Corporate Social Responsibility'?
2. What different domains/forms of CSR does the company know in general?
3. What form(s) of CSR does the company already apply?
4. What is / are the main reason(s) to apply CSR?
5. Is the company affiliated with organizations that support CSR? If so, which one (s)?
6. What does the connection with these organizations mean to the company?
7. To what extent is CSR policy included in the company's internal processes?
8. Are there measurable goals related to CSR in the company's KPIs? If so, which one?
9. Does the company communicate to customers about CSR? If so, in what way (s)?
10. Is the company familiar with (general) consumer opinion about the use of CSR by retail companies? If so, what is that general opinion according to your company?
11. Does the company experience difficulties communicating with its customers about CSR? If so, what are these difficulties?
12. Are there any plans made by the company to communicate differently/more about CSR in the future? If so, what do they want to change?

Interview Questionnaire: Sustainable Fashion Consultants

Personal

1. Could you please tell me about your background in sustainable fashion and why sustainability has become important to you?
2. What has been your greatest lesson as an expert in sustainability?
3. What do you see as the biggest changes in sustainable fashion from five years ago to today?

Sustainability and CSR

4. Sustainability is trending. It is a hot topic that consists of many definitions. In what way should you describe sustainability best with regards to businesses?
5. Why should fashion companies care about sustainability and what would they get out of it if they consider sustainability to be important?
6. What are the risks for companies to do business on a sustainable basis? (How do you experience this within your own company?)
7. What are the opportunities for companies to do business on a sustainable basis? (How do you experience this within your own company?)

8. What are the challenges to incorporating sustainability within the company? (How do you experience this within your own company?)

Transparency

9. As you may know, Fashion for Good has developed a sewing robot that makes it possible to produce clothes closer to the consumer. This technology makes the production of clothing cheaper, resulting in a reduction in transportation, supplies and CO_2 emissions. In what way do you think this will affect workers in production countries such as Bangladesh? Will there be a future for them after this development/automation?
10. In what way do companies/you control the working conditions in production countries today?
11. How do companies/you build sustainable relationships with producers and suppliers?
12. How do companies/you find the right factories that produce durably?
13. Integrating sustainability means adjusting the business model. What could companies do in terms of sourcing, environmental friendly raw materials, and working conditions? (How and in what way do/did you accomplish this within your own business?)
14. How important is sustainability for the marketing department? Has it become a way to (successfully) distinguish your company from the competition?
15. Why do companies 'act' sustainable only to get a better reputation?
16. Do you believe that these companies will eventually fall because they cannot meet the actual standards? Why?
17. Why do you think there is, in terms of sustainability, such a big 'gap' in what companies claim they do and what they actually do?
18. If you had to advise organizations with regard to launching a sustainable fashion brand, what would you recommend?

Circular Economy

19. In recent years, the concept of a 'circular economy' has risen exponentially. Do you think this is a term trend, or do you really think it is the future? Why?
20. At the end of last year, the Dutch government decided that the Netherlands should be a circular economy by 2050. This means producing with less raw materials and energy, reuse and recycling, and not affecting biodiversity. Do you think that this will continue to be intentional, or will it really work and what is needed?
21. A circular economy means that everyone must cooperate. How do you think we can ever achieve this?
22. Today, we live quite individually. Do you think organizations can also be sceptical? In other words, with regards to transparency, how will companies deal with sharing their own information? (How do you accomplish this?)

23. Who will and who will not survive?

Consumer (Behaviour)

24. Many consumers are willing to invest in fair and environmentally friendly clothes, but in reality, they do this only moderately. What are the obstacles?
25. Is there a way to offer the same prices as non-durable products? Why does this (or not) prove to be difficult?
26. In what way can the marketing department contribute to fulfilling the global intentions? In other words, what can marketers do to influence the behaviour? (Not only the buying behaviour, but the overall behaviour that sustainability is needed).
27. Do you think companies have the responsibility to encourage young people to buy durable clothing items? Why?
28. Do you believe in a future where clothes are leased? Why (not)?

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