

A walk down 'Green' Fashion Avenue

Gearing towards sustainable
fashion and responsible consumption





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Does the world really need sustainable fashion? This is a question asked again and again. We walked down Green Fashion Avenue to answer this query, looking at different perspectives, challenges, and opportunities along the way.

Like many other industries, fashion has been leaving its environmental and economic impact on our planet and resources. In response to this, the United Nations created 17 Sustainable Development Goals¹ (SDGs) as a universal call-to-action to protect the planet, and for people to live in peace and prosperity. But what does sustainability actually mean for the fashion industry in particular?

What does sustainability mean for fashion?

The fashion ecosystem is an open space that needs to be clearly dissected before conducting a comprehensive sustainability review since sustainability can be defined in various ways. The fashion ecosystem can be described as a matrix with one axis covering the end-to-end value chain from sourcing, design, production, advertisement, up to fulfillment, and the other axis holding commercial channels and fashion product categories like apparel, accessories, etc., with all its styles and materials. Understanding these two perspectives is essential as sustainability in fashion is not as straightforward to elaborate on as it might seem.

To put it straight, sustainable fashion refers to clothing that is designed, manufactured, distributed, and used in ways that are environmentally friendly². This starts with the choice of sustainable material, i.e., material that is organic and re-usable, preferably vegan over leather, and produced by avoiding the use of water and toxic chemicals. Essentially, the final fashion product needs to fulfill certain criteria in order to be called sustainable, encompassing a timeless style and being of high quality that will last longer than what we typically call “fast fashion.”

There are also other elements related to social and human aspects to protect the rights of workers and ensure their security and fair compensation to achieve what is referred to as “ethical fashion.” This is very

closely connected to sustainable fashion as caring for the environment goes hand in hand with positive social practices.

Why does it really matter?

If the fashion industry was sustainable, it would be able to operate in ways that can continue working for years and decades to come, and transpire with minimal internal and external risks, and much less public scrutiny. Unfortunately, this is not the case today as fashion is considered one of the most polluting industries ever. It is especially not true of today's dominant fast fashion, which refers to cheaper clothing generally designed for quick consumption. This tends to lead shoppers to view clothing as being disposable, wearing items just a few times before throwing them out or moving on to newer, trendier, and lower priced items. This fast fashion cycle is far from being sustainable because it depletes the earth's natural resources at exponential rates, exploits workers around the world, and results in an overwhelming amount of waste.

In contrast to traditional fashion houses that only have a few seasonal collections per year, fast fashion brands may churn out as many as one or more new collections per week in an effort to drive continuous consumption.

To dive deeper into what sustainable fashion and responsible consumption actually mean, and examine why they should matter to us, we need to look at them from three different angles:

1. Do we really care about sustainability?

So once again we must ask ourselves: Does the world really need sustainable fashion? The answer is absolutely yes! Not only does sustainable fashion create less waste, save on water consumption, and preserve animal lives, it also reduces CO₂ emissions and ensures fair wages and proper working conditions³.

The first challenge is defining what sustainability and responsible consumption actually mean within the fashion ecosystem. For example, sustainability can cover the production process of a textile, the textile itself as raw material, the way

consumers buy it, or all three combined. Fashion has evolved drastically from one generation to another. Today, fashion revolves around fast changing trends leading to fast fashion, i.e., trendy new products that disrupt traditional seasons. No matter how we define sustainability, by simply looking at such trends, we find a major conflict of interest, not to mention the speed of production with the need for high margins versus the aim to become "sustainable." This is driving companies to search for a balance between both. Despite the fact that fast fashion utilizes non-sustainable material-like plastic (estimations say that approximately 60% of fashion apparel is made of plastic or non-natural fibers and 40% of the clothes sold have never been worn and are just filling up wardrobes), some companies are at least trying to change their packaging material by heading towards more reusable options.

Moreover, in the last two years (and boosted by COVID-19), we have witnessed a rise of more and more sustainable fashion brands, many of which have been very successful. As a result, traditional fashion companies are now starting to prioritize sustainability; however this raises the question of whether sustainability is just a new business model rather than a true purpose that should be followed by disrupting the traditional fashion ecosystem. The success of new global players like Pangaia or the Middle East-based The Giving Movement shows that despite being a new business model and a new opportunity, sustainability is also really desired by consumers. The sustainability factor in those examples is not just the branding, but the usage of as many sustainable steps of the value chain as possible, starting with material over production processes and working up to a good cause they are supporting. For example, The Giving Movement donates AED 15 for each product sold for a good cause.

2. What can we do to be sustainable?

- As consumers

The pandemic has changed consumer behavior and consumption trends in many ways, one of which is relying more and

more on natural material, local products, and supporting local productions. It is true that sustainability is often looked at from a supplier's perspective, i.e., fashion houses, brands, etc. However, consumers are equally responsible to be part of these sustainability efforts since they are the consumption drivers. Consumers, for example, need to ask themselves: Do I really need to buy another new item, especially when it comes to fast fashion? Trends are out there, and trends will always be followed, but consumers should also be able to stand against "harmful" trends. And this automatically poses two other questions: Do consumers actually know what "sustainable" and "responsible" mean looking at the entire fashion ecosystem? And why do they still continue to buy and therefore support fast fashion?

To address this reality, two key interventions must be made. First of all through education; this is one of the main drivers of sustainability, and accordingly, the first step to be taken in creating more awareness about what sustainability really means, how consumers represent a core element of it, and thus how they can support it. Another major driver for sustainability (or the lack of it, especially with Gen X) is through influencers. Until today, their main focus has been on revenue generation; however, couldn't they also become effective advocates of sustainability? In the world we live in today, they really have the power to make an impact that matters. Taking the example of Pangaia... initially they were a successful brand starting purely with e-commerce; however, they managed to become well known and massively boosted their revenue. This success came with the recognized help of certain influencers, which demonstrates the potential impact of taking the right lead on responsible consumption.

- As brands, retailers, and regulators

As stated at the beginning, consumers are just one side of the coin, with the other side being brands, producers, and retailers. It is obvious that sustainability is more than just a business model; everyone needs to do their part in saving

the world we live in. However, just defining Corporate Social Responsibility (CSR) targets and compensation is not enough, especially taking into consideration that in the end, it is the P&L that counts. Global standards and regulations and standards for sustainability are required across the entire fashion ecosystem, including material, production, chemical usage, fulfilment, etc. Countries are imposing rules and regulations for sustainability and tackling fast fashion, however, there are still many loopholes, and these regulations vary significantly between one region and another. A minimum set of requirements for the fashion ecosystem is a must, not just driven by the governments, but also by having private entities creating a fair game with the same conditions for all players. ➔

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3. What are some new possibilities for sustainability and responsible consumption?

- Education

The fundamental challenge as stated above remains: How do consumers see, define, and act sustainably? Rome wasn't built in a day, and that being said, learning about sustainability within the general population won't happen overnight either. Certainly, outlining sustainability facts on labels and in campaigns is helpful, but it goes much deeper than that. Education starts with our children; they often come home from school and teach parents about what waste means and how we can all take better care of the environment. It is thus our job to be role models and execute what this means in real life by displaying and teaching sustainable behavior. It will require long-term effort that needs to be driven by consumers at home with the target that future generations will truly live and breathe sustainability into all aspects of their lives.

- Afterlife

As all of these needed standards and regulations seem to be very ambitious and long-term, the question now is: What can we do in the short term? The afterlife of fashion could be a step that turns the problem into an opportunity. Collectively, we can save more than 20 billion tons of clothing from being destroyed or polluting our environment (Fact: approx. 1 garbage truck of clothes is dumped in a landfill every second). The market for unsold deadstock and vintage wear is still relatively small, especially in our region, whilst it has become a proper business model in other parts of the world. Vestiaire Collective recently announced its growth plans in China, Galeries Lafayette has an entire department just for second-hand items, and in the Middle East, The Luxury Closet is expanding. The problems need to be solved at the root cause, however, tackling the current issues contributes to the overall progress and also opens up a promising new market in the Middle East and globally.

- Technology and the metaverse

Another essential and important factor which is becoming a major disruptor for many industries is technology, especially digital and the new and omnipresent metaverse. Looking at new technologies, such as automation, analytics, IoT, artificial intelligence, and machine learning, many organizations could potentially optimize and digitize their processes to become more sustainable. An example of this is a markdown optimization solution, which supports retailers to plan the assortment and prices across regions, stores, and products based on sales date, customer behavior, and external factors. It is a solution that entirely digitizes the fashion design process by connecting directly to the sales channels in 3D, VR/AR without producing even one piece of the product.

Additionally, today we are witnessing the rise of an entire new world - the metaverse. This dimension of the metaverse and Non-fungible Tokens (NFTs) is still very nascent, and no one really knows how it can be used; yet one thing is clear: it could be the next big thing and also a major driver for sustainable fashion. The first metaverse fashion events are already taking place, and fashion brands are creating their first NFTs, or at least starting to work on them. The roadmap and tools might not be clear yet, and the current generation might struggle with their imagination, but it has huge potential to becoming the next big thing.

With the rise of the metaverse, the fashion world will also see a complete shift in digital marketing and commerce, where lines will blur between the physical and digital world, and a solid understanding of the right mix of channels for each customer profile will be key to providing an elevated customer experience. The increased use of digital technologies will also help to increase transparency on a company's level of sustainability. Blockchain - as an example - will provide more traceability, which means that all supply chain partners joining the blockchain will have visibility of each other's operations, including information about how responsibly products and materials are sourced, shipped, processed, and distributed. The use of robotics can also reduce waste by efficiently sorting materials

that can be recycled and re-used, even quicker and more efficiently than humans, and thus reduce the input power and costs associated with such processes.

At the end of the Avenue... what is the answer?

In the next few years, we will undoubtedly witness a rising demand for sustainable fashion, especially among younger generations who are already sustainability-oriented and environmentally conscious. The emotional connection that young consumers will establish with their sustainable brands will inevitably bring forth a new definition of both brand loyalty and brand purpose. This will in turn push fashion companies to create new circular business models such as in areas like resale, rental, repair, and refurbishment, leading to a new circular consumer experience.

One thing is clear: sustainability is “en vogue” and on the rise, consumption is becoming more and more responsible, but... coming back to the initial question: Does the world really need sustainable fashion? The answer is unequivocally yes! However, it will take some time, and most importantly, we are all in this together and responsible for making it happen.

Deloitte’s contribution to the Middle East Fashion Week

In the last week of March 2022, the Middle East Fashion Council co-hosted the first Middle East Fashion Week (MEFW) in partnership with The Sustainable City, bringing together thought leaders and change makers as they discussed key issues around fashion. The event was held in Dubai, the region’s fashion capital, and attracted a stellar line-up of both regional and international designers. The five-day event was held across different locations, with the three days of fashion shows and showrooms held at The Agenda in Dubai Media City. Key objective of the Middle East Fashion Council is to start a movement towards sustainable fashion, one that brings together the brightest minds to engage the industry in addressing the pressing issues of climate change.

With key issues raised, such as water wastage, fast fashion, and pollution, the forum addressed, among other topics, the impact of climate change on fashion and highlighted the main issues and also commonalities in solutions for both the construction and fashion industries. Deloitte was present at the event and contributed to the agenda by moderating two panel discussions with experts and thought leaders. The first panel on “Partnerships for Sustainable Fashion” was moderated by Dr. Ahmed Hezzah, Director of Digital Customer at Deloitte Middle East. Speakers included Stefano Galassi, Senior Advisor at Luxury Open Innovation, Ben McLean, Head of E-Commerce at DHL UAE, and Payal Kshatriya Cerri, Co-Founder of the Middle East Fashion Council. Joerg Meiser, Monitor Deloitte’s Director for Consumer & Retail, moderated the second panel on “Responsible Consumption” with panelists Layal Akouri, CEO of The Giving Movement, and Amanda Rushforth, environmental advocate and Board Director of Azraq.

The vision is for this to be a bi-annual event to boost the industry in the region not just by showcasing the vast array of talent, but more importantly to facilitate new business opportunities. ●

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Endnotes

1. Source: <https://sdgs.un.org/goals>
2. Source: <https://greendreamer.com/journal/what-is-sustainable-fashion>
3. Source: <https://thevou.com/fashion/sustainable-fashion/#what-is-sustainable-fashion>

MEFW website: <http://middleeastfashionweek.org/>

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