

TRANSPARENCY IN THE FAST-FASHION INDUSTRY

How can fast-fashion companies improve their transparency on their sustainability performance?



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Word count: 18.675

Date of completion: 20/05/2020

Executive Summary

The fast-fashion industry consistently produces fashionable apparel that are sold at relatively low prices. In this dissertation, the social and environmental issues caused by the fast-fashion industry are explored. Moreover, three fast-fashion companies that use the fast-fashion business model are studied on their level of transparency on their environmental performance. The fast-fashion business model is focused on quickly producing and selling fashionable clothes at low prices. The objective of this research is to recommend fast-fashion companies how they can improve their transparency in regards to sustainability performance. It is not possible to research every company, therefore, this research has selected three companies. The companies researched on their level of transparency are H&M, Zara and Forever 21. This dissertation aims to answer the following central research question: *How can fast-fashion companies improve their transparency on their sustainability performance?*

To answer this research question secondary research was conducted. Desk research was needed to search for models that can help to measure transparency. Upon selecting measurement models, the main research method was selected which was benchmarking fast-fashion companies on their transparency performance. The benchmark was created with the themes Policy and Commitment, Environment, Monitoring & Reporting, Governance and Regulatory Information on Chemical Substances as central themes for measuring transparency. Results from the benchmark showed that the majority of the companies perform well in Policy and Commitment and Monitoring & Reporting. Most companies disclose information on their suppliers, environmental policies and initiatives. Moreover, the benchmark results showed that most companies scored the lowest on Environment, Governance and Regulatory Information on Chemical Substances. Companies fail to disclose sufficient information on the impact its practices have on the environment, how to contact them on sustainability related issues and which measures are taken to reduce chemical substance usage.

Based upon this information, it appeared that finding information was easier for some companies than others. Most companies seem to have established environmental policies and standards. However, research showed that the companies fail to provide insight into their implementation plans. Besides, it seems that although the companies are making efforts to improve their environmental performance, they fail to share any progress of their initiatives. Moreover, research indicates that companies would benefit from disclosing more data on the environmental impact of their practices and revealing the responsible parties within the companies. Overall, research has shown that companies could further improve their level of transparency concerning sustainability performance on all of the established themes.

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1. Introduction

1.1 Background

The fast-fashion industry has been steadily growing in recent years. Swinney and Cachon (2011) explain that fast-fashion retailing consists of two components: short production and distribution lead times and highly fashionable product design (Cachon & Swinney, 2011). In order to achieve short lead times, companies use a combination of measures. They can localise their production, employ practical information systems and make use of expedited freight services. Without these advances in supply-chain management, fast-fashion would not be possible. Bhardwaj and Fairhurst (2011) explain that in today's fashion market competition is enormous which means that companies need to constantly add new products (Bhardwaj & Fairhurst, 2010). So, while fashion houses distribute their latest collection seasonally, fast-fashion manufactures apparel continuously throughout the year. Moreover, fast-fashion retailer's designs are often inspired by high-fashion designers which allow mainstream customers to buy the latest trends at reasonable prices. The combination of constant distribution of trendy clothes at affordable prices is what makes fast-fashion popular amongst consumers.

The constant selling of apparel in the fast-fashion industry is very attractive to manufacturers, distributors and retailers. Fast-fashion ensures a recurring stream of customers and, therefore, a constant stream of revenue for the entire supply-chain. However, there is a need to incorporate the speed to market-approach in order to gain a competitive advantage. Fast-fashion customers expect stores to follow the latest fashion trends and offer them rapidly at reasonable prices. To achieve this, production has moved from developed countries to undeveloped countries over the years. Kozlowski, Bardecki and Searchy (2012) state that the costs of labour are low and rules and regulations are not as protected in undeveloped countries (Kozlowski, Bardecki, & Searchy, 2012). Therefore, undeveloped countries are attractive to companies. Overall, customers expect stores to be extremely responsive to the fast-changing market, keep their prices low, and have recurrent collection changes.

These ever-changing characteristics of the fast-fashion industry pressures companies and manufacturers to meet consumers' needs. As a result, companies heavily rely on faster production and more efficient chains of logistics to be able to compete in the market. Now, fashion brands are separated from the place of production since it is more profitable to them. Hale (2002) states that companies financially benefit from the open market because they are free to seek out cheaper production, materials, low wages and there is a lack of trade union rights (Hale, 2002). Thus, a need for globalisation of the market has arisen. The fast-fashion industry is a complex one and lately, the negative effects it causes has raised global attention.

1.2 Problem Statement

Recently, the fast-fashion industry has been under public scrutiny due to the negative social and environmental effects it has on the world. There has been a growing desire from customers for companies to be more transparent about their practices. According to Amed, Balchandani, Berg, Hedrich and Rölken (2018), customers are becoming more aware and want more transparency from companies about their practices (Amed, et al., 2018). This movement has caused various challenges to companies, manufacturers and retailers. They are forced to keep their prices low otherwise they will not have any competitive advantage in an extremely competitive market.

Since raising prices is not an option, companies often outsource their production to undeveloped countries which helps them to lower their labour costs and secure cheaper production. According to Muthu (2019), the conditions in which apparel is made are extremely poor (Muthu, 2019). Due to a lack of rules and regulations, or rules that are not being administered, employees are exploited and mistreated. The most prominent social issues associated with the fast-fashion industry include low wages, child labour, and a poor work environment (SYS, n.d.). Undeveloped countries are attractive to manufacturers because they can pay low wages due to a lack of rules and regulations. The International Labour Organization (n.d.), as cited in Moulds (n.d.), state that over 260 million children are employed of which 170 million children are engaged in child labour (Moulds, n.d.). In these underdeveloped countries, it is common for children to work in fast-fashion companies due to the high demands of the market. Furthermore, the working conditions at these factories are upsetting. Workers are deprived of restrooms and proper drinking water. Besides, for manufacturers to reach tight delivery schedules, the working hours are dire, ranging from working 36 to 48 hours continuously. As a result, health issues such as kidney problems, fatigue, back pains, and other injuries occur quite often. Moreover, women are often chosen to work in the factories which not only exposes them to long working hours, low wages, a poor working environment, but also to sexual harassment and physical torture.

From an environmental perspective, the fast-fashion industry can be extremely harmful. Within its supply-chain, apparel has a short lifecycle. According to Mukherjee (2015), the five major issues caused by the fast-fashion industry are resource consumption, greenhouse gas emission, land-use, toxic production processes and pollution in landfills (Mukherjee , 2015). Resource consumption has its focus on water and fossil fuels which are being exploited by the industry. These resources are overused throughout the entire supply-chain. According to the UN (n.d.), as cited in Masunaga (2019), the apparel industry makes up for 10% of greenhouse gas emissions and consumes even more energy than shipping and aviation combined (Masunaga, 2019). Moreover, the land-use for production

purposes leads to land degradation due to the chemical pollution of lands and the contamination of groundwater. Also, the pollution of the world's waters and earth can result in a loss of biodiversity. Furthermore, during the production process, toxic chemicals and acidic chemicals can be released in the air. Besides, most apparel eventually ends up in landfill as waste. Overall, the apparel industry negatively affects the entire environment. It can be said that sustainable fashion has been a response to the environmental and social damage the fast-fashion industry has caused.

Today, people are becoming more aware of the negative effects that their purchases have on the environment and on society. According to Hwang and Griffiths (2017), environmental values and social causes are important factors in customers purchase decisions (Hwang & Griffiths, 2017). As a result, international demand for transparency on companies' practices has developed. Now, multi-media are seeking more information and demand more transparency. The New York Times (2019), has reported that companies are able to exploit workers in undeveloped countries due to a lack of transparency (The New York Times, 2019). Moreover, governments worldwide have created regulations in areas such as chemical substances usages, wages and environmental protection. By doing so, governments aim to shine some light on companies' practices and hold them accountable. The rising demand for transparency does not only come from governments or the media but also from consumers. Luxiders (n.d.) state that consumers demand greater transparency from fashion companies (Luxiders, n.d.). Due to the risen awareness and the availability of information, customers desire more honest and open information. Overall, there is a trend of customers, governments and multi-media expecting greater transparency from companies.

1.3 Research Questions

The main research question goes as follows: "How can fast-fashion companies improve their transparency on their sustainability performance?". The following sub-questions have been created to answer the central research question:

Sub-question 1: What is transparency and how can companies measure it?

- This sub-question is answered in Chapter 2 – Theoretical Framework. This sub-question is needed to identify a theoretical model. Through the Theoretical Model data that helps to answer the sub-questions and central research question is collected.

Sub-question 2: What can fast-fashion companies learn from other players in the industry?

- This sub-question is answered in Chapter 4 – Results. This sub-question examines other companies' best practices concerning transparency in the lowest scored themes. These themes, as mentioned in Chapter 1.4, have been established in the Theoretical Framework.

Sub-question 3: What are fast-fashion companies currently undertaking in regards to transparency?

- This sub-question is answered in Chapter 5 – Analysis. This sub-question aims to indicate the chosen companies' current performance concerning transparency and is supported by the benchmark results of Chapter 4.

Sub-question 4: In which different aspects of their business practices can fast-fashion companies improve their transparency?

- This sub-question is answered in Chapter 5 – Analysis. This sub-question is focused on the companies' weakest scored themes and is, therefore, answered through the outcomes of the benchmark.

1.4 Research Design

The undermining philosophy of this research is to discover how fast-fashion companies can improve their level of transparency on their sustainability performance. First, a scan of the literature including reports and journals was conducted to identify models for measuring transparency. Three models have been identified to conduct effective research. These are Rank a Brand, Good on You and Fashion Revolution. A combination of these three models resulted in the establishment of five themes used in the Operationalisation Table. The five themes are Policy and Commitment, Environment, Monitoring & Reporting, Governance and Regulatory Information on Chemical Substances. The Operationalisation Table includes this study's chosen research method: benchmarking. Thus, for the benchmark the five themes were established through these three models. The benchmark aims to assess fast-fashion companies' level of transparency. The selected transparency measurement methods used are the Life Cycle Assessment Model, the Triple Bottom Line Model and the Fashion Transparency Index by Fashion Revolution.

1.5 Scope of the Research

It is not feasible to answer the research question for every company and, therefore, this research focusses on three companies. The companies are selected based on two characteristics: they have a lot of opportunities to improve their transparency and are large in nature. Moreover, since sustainability is a broad topic, this research has decided to narrow it down to environmental performance. Environmental performance has been chosen because it is an interesting matter in a society that is becoming more aware of the environmental impact of the fast-fashion industry.

The selected fashion companies have a lot of opportunities to improve their transparency on their sustainability performance. Fashion Revolution (2019) explains in their Transparency Fashion Index that these companies have low ratings in some of their assessment areas (Fashion Revolution, 2019).

So, the chosen fashion brands can work towards becoming more transparent within these areas that. Moreover, the Index showed significant improvement in the average score compared to previous Indexes. This shows that it is possible for the fashion brands to improve its level of transparency on its sustainability performance. The quality of this research has been influenced due to the short time-period in which the research was conducted. Moreover, in some cases there was a lack of access to certain documents and reports which also influenced the outcome of this research.

The chosen companies are multinationals and huge players in the fast-fashion industry which is why they are considered large in nature. The first chosen company, H&M, is a Swedish apparel retailer and is currently one of the largest fast-fashion retailer in the world. H&M's parent company is H&M Group which holds eight brands. The second company, Zara, is a Spanish retailer which falls under Inditex. The last company, Forever 21, is an American brand which was saved from bankruptcy by Authentic Brands, Simon Property and Brookfield Property in February 2020. This company particularly is interesting to explore since they most certainly need to improve their practices in the future to not end up having to file for bankruptcy again. For these reasons, these three brands have been selected for this research.

1.6 Structure of the Research

This dissertation is composed of seven chapters. These are the following: Introduction, Theoretical Framework, Methodology, Results, Analysis, Conclusion and Recommendations. The Introduction introduces the topic and shares some background information followed by a problem statement and the chosen research questions. The Theoretical Framework provides an explanation to relevant concepts and searches for transparency measurement models. Through a benchmark, improvement points that are suitable for improving H&M's, Zara's and Forever 21's transparency on their sustainability performance are chosen. The Methodology present justifications on why certain tools were or were not used. In the Result section, all results are discussed which then is followed by an Analysis. The following chapter, the Conclusion, provides a conclusion on the research questions based on the outcome of the Results and the Analysis. The last chapter, provides a recommendation to companies in the fast-fashion industry.

2. Theoretical Framework

In this chapter, the first sub-question “What is transparency and how can companies measure it?” is answered. The chapter starts by defining the two main concepts of the central research question. These main concepts are Transparency and Sustainability Performance. The first concept, Transparency, is defined by looking at two different transparency concepts. This concept also provides insights into the Life Cycle Assessment Model which is used in the benchmark. The second concept, Sustainability Performance, is explained and several transparency measurement methods are given. Next, a correlation is made between transparency and sustainability performance and how important they are from a customer’s perspective. Finally, the chapter concludes with an Operationalisation Table in which the benchmark model is created.

2.1 Transparency Defined

Currently, a lot of companies aim to become more transparent when it comes to their sustainability performance. In times where social and environmental performance is generating more and more attention from customers, it is crucial for companies to consider their level of transparency. When discussing transparency, however, it is important to understand in which context transparency is explained. Therefore, this research considers the following two concepts of transparency: product transparency and brand transparency. Merely using product transparency is simply not enough because, nowadays, customers desire more information. Therefore, it is essential to include brand transparency in addition to product transparency.

2.1.1 Product Transparency

Product transparency primarily touches on how, where and by whom the product was produced. According to Roth et al. (2008), product transparency can be understood by the disclosure of detailed information on production methods and processes, the environmental impact within the supply-chain, and the product’s origin (Roth, Tsay, Pullman, & Gray, 2008). Over the years, the transparency of production systems has drastically declined over the years. A reason for this is the distance between production and consumption ever since companies have moved their production to undeveloped countries. However, Moser, Schaefer and Meise (2012) state that due to increased attention for sustainability, consumers are demanding more information on companies’ practices (Moser, Meise, & Schaefer, 2012). As seen in image 1, the product’s life cycle areas in which customers want more information on include, raw material extraction, manufacturing, distribution, customer usage, and waste disposal. In accordance with these areas, a life cycle assessment can be made. The lifecycle assessment can help companies become more sustainable. EcoChain (n.d) explains that The International Organisation for Standardisation has created the standards for the life cycle assessment

(EcoChain, n.d.). Down below, a general description is given for the 4 life cycle categories that are involved in the life cycle assessment:

1. **Goal and Scope:** in this phase, a company must define exactly what they want to analyse and how deep the analysis will be made.
2. **Inventory Analysis:** this phase measures the environmental inputs and outputs of products, such as resources, waste management and emission of pollutants. Image 1 illustrates the categories a company can analyse.
3. **Impact Assessment:** after the first two phases, an evaluation is made to classify the environmental impact. Then, one must filter and evaluate which topics are important to the company. After, one can translate these topics into environmental themes.
4. **Interpretation:** in this phase, the company can check whether or not their conclusions are well supported by the used procedures and data. This is an important phase and needs to be followed before a company shared information with the public.



Image 1: Life Cycle Assessment Flow Model (Philips, n.d.)

2.1.2 Brand Transparency

In addition to companies disclosing information about their products, they are also expected to be transparent about their values. So, while product transparency focuses more on the how and the where brand transparency focuses on the why. Why do companies want to become (more) sustainable? What is their objective? What are their norms and what are their values? In today's climate, customers want more details on the origins of the company and on their long-term plans for the future. As explained by Harvey (2018), customers now have an abundance of options and are,

therefore, in need of useful insights when choosing whom to buy from (Harvey, 2018). Therefore, companies that do not provide sufficient information on what they are doing in terms of social and environmental performance and on their future plans are expected to be less trusted by customers.

Moreover, customers' decisions are driven by their emotions. According to Harvard Professor Gerald Zaltman (2003), as cited in Chierotti (2018), the majority of people make decisions based on emotion rather than logic (Chierotti, 2018). So, if companies want customers to buy their products they have to interact with their customers. It is essential that customers become engaged and impassioned by the company's actions. In addition, because customers make decisions based on their emotion, their purchase decision is often driven by their feelings towards a brand. As conducted in a worldwide study by Havas (2016), as cited in Green (2016), the majority of participants agreed that they would rather buy from companies that share their values (Green, 2016). Besides, they expressed that it is important for companies to do so in order to be more profitable and build long-term relations with customers.

2.1.3 The Importance of Transparency from a Customer's Perspective

When it comes to marketing, transparency is the key to building successful customer relationships. Companies that are more transparent towards information on their sustainability performance are more appreciated by consumers. Fraj and Martinez (2006) claim that there is an interest in purchasing environmental-friendly clothing but that customers lack motivation due to an absence of information (Fraj & Martinez, 2006). So, it can be said that customers need more information about companies' practices in terms of product and brand transparency. Moreover, customers are willing to switch to brands that are more transparent. According to a survey conducted by the world's most comprehensive data repository corporation, Label Insights (2016), as cited in Cision (2017), over 40% of participants claim that they would switch to a more transparent brand, 56% agree that more product information stimulates trust in a brand, and around 73% of participants revealed that they would spend more money on products that guarantee total transparency (Cision, 2017). Thus, making it clear that customers value transparent communication.

Customers look for transparency in various stages of their purchase decision process. This could be before they buy the actual item, when they are either online-shopping or in-store shopping and also after they have bought the item. According to Havas' study, customers expect to find most information either on the packaging as well as finding it thoroughly explained on their websites (Green, 2016). Creating honest content about products' supply-chain and brand story as well as any other information that makes the brand unique is valued by customers. This kind of information should be

easy to find and accessible. Therefore, companies need to avoid using jargon or intricate texts. Moreover, companies can showcase their transparency on social media using imagery and video messages. Another useful tool is the sharing information through press releases to inform customers about any company updates or new releases (Cision, 2017). Through these channels, companies can let the customer know what they are doing, how they are doing it, why they are doing it and what they want to do in the future. As a result, customer interaction and retention is encouraged while also increasing companies' proceeds. Therefore, building trust through transparency on sustainability performance is the most successful way for companies to build long-term relations with customers.

Overall, transparency implies honest and open information that companies communicate with their customers. Transparent companies are favoured by customers because they take accountability for the impact their practices have on the community and environment.

2.2 Sustainability Performance

Sustainability performance entails the extent to which companies integrate sustainable practices in their business activities. Sustainability incorporates economic, environmental and social responsibilities. Sustainability involves certain actions and procedures that avoid the depletion of natural resources to maintain an ecological balance. According to the Brundtland Report (1987), written by the World Commission on Environment and Development, "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987). While sustainability focuses on long-term benefits, sustainable development expands on this discipline by adding a supplementary dimension. So, sustainable development refers to the processes to achieve sustainability. The following sub-chapters provide key issues in sustainability performance. First, a description of sustainability is given through the Triple Bottom Line Model. Next, sustainability in fast-fashion is discussed followed by environmental and issues caused by the practices of fast-fashion companies. After, the standards and regulations to which fast-fashion companies must comply with are presented.

2.2.1 Triple Bottom Line Model

The three pillars of sustainability, better known as The Triple Bottom Line Model, is a concept developed by the pioneer of the global sustainability movement, business author John Elkington in 1994. Elkington's model is widely used when discussing sustainability in business. Elkington has created the term "Triple P" or "The Three P's" which stands for people, planet and profit. Elkington (1997) explains in his book, as cited in Gimenez, Sierra and Rodon (2012), that companies should not

only measure financial impact but also include the measurement of social and environmental performance (Gimenez, Sierra, & Rodon, 2012). The model explains that the three P's can be used for corporate operation, strategy and culture. Put differently, the three P's are social, environmental and economic aspects that all have to be evaluated by companies in order to improve their performance. According to Cruz and Wakolbinger (2008), economic sustainability involves the manufacturing and production costs and is often more understood among people (Cruz & Wakolbinger, 2008). Environmental and social sustainability, however, are usually not as understood as economic sustainability. Environmental sustainability concerns companies' use of resources and energy and how big their impact is on the environment. As Pullman, Maloni and Carter (2009) explain, environmental sustainability can be measured by looking at pollution, waste management, energy deficiency, and the usage of harmful materials (Pullman, Maloni, & Carter, 2009). Out of the three, social sustainability is the least understood and least defined. Social sustainability entails the welfare of internal and external communities by providing equality, diversity and safeguarding an appropriate work environment.

By measuring and improving their performance on all three sustainability pillars, companies improve their social reputation. In addition, the Triple Bottom Line Model suggests that companies can reach financial gains in the long run. So, both profitable revenues and an improved social status are encouraged when companies take responsibility for people and for the planet. Therefore, it is favourable for companies to incorporate sustainability in their business practices and to openly communicate this with the public.

2.2.2 Sustainability in Fast-Fashion

The textile industry has caused many environmental-related issues due to their intense use of hazardous chemicals and the over-usage of natural resources. Lakhali et al. (2008) state that these types of production processes have an enormous impact on the environment (Lakhali et al., 2008). Due to a rise in customer awareness concerning sustainability, companies are starting to become more sustainable. Companies that want to become more sustainable can do so in the following two areas: environmental or social. Shen (2014) describes these two areas as Environmentally Responsible Business and Socially Responsible Business (Shen, 2014). Companies that focus on Environmentally Responsible Business want to improve their environmental performance. Socially Responsible Business refers to companies aiming to improve their practices on the social level. Caniato et al. (2012) explain that there are several ways to improve a company's environmental sustainability performance such as using organic fibres, incorporating water-saving techniques, reusing or recycling materials and

creating a green process design (Caniato et al., 2012). On the social level, companies aim to improve the life of internal and external stakeholders through initiatives such as providing fair wages, not allowing child labour per government requirements and by ensuring appropriate working hours. Overall, the social level aims to improve working conditions, while the environmental level aims to lower a company's ecological footprint. The fashion industry has many descriptions for ethically-produced clothing such as fair fashion, sustainable fashion, green fashion and eco apparel. Joergens (2006) defines sustainable clothing as clothing made with the intention to maximise benefits to society while minimalizing the environmental impact (Joergens, 2006). This definition supports both the environmental and social level of sustainability.

2.2.3 Standards and Regulations

The Fast-Fashion Industry has to comply with the set standards of the textile industry since it is a part of this industry. According to The International Organization for Standardization (n.d), standards are set in documents and provide guidelines, specifications or characteristics that can be used by companies to ensure appropriate processes, products and services (International Organization for Standardization, n.d.). Many companies within the textile industry have implemented the standard of the International Organization for Standardization to improve quality, realise lower costs and to increase customer gratification. Some of the most important standards are OEKO-TEX Sustainable Textile Production, OEKO-TEX Standard 100, ISO 14001, the International Labour Organization Decent Work Framework and the Global Organic Textile Standard. Underneath a brief explanation of these standards is given.

- **OEKO-TEX Sustainable Textile Production:**
This certification relates to the optimisation of the manufacturing process for socially and ecologically responsible production. According to OEKO-TEX (n.d.), the Sustainable Textile Production is a certification system designed for manufacturers, retailers and brands from the textile and leather industry (OEKO-TEX, n.d.). In the textile industry, all companies can be certified such as knitwear companies or fibre manufacturers.
- **OEKO-TEX Standard 100:**
The OEKO-TEX Standard 100 is test and certification system for textile and uses the label "Made in Green". This certification system is designed to help customers make sustainable purchasing decisions. Furthermore, OEKO-TEXT (n.d.) explains that the standard is focused on the reduction of the usage of harmful chemicals (OEKO-TEX, n.d.). In addition, the guidelines for the use of harmful substances have interfaces with the ecological dimension of sustainability as well.
- **ISO 14001:**

The ISO 14001 is a standard created by the International Organization for Standardization. According to the International Organization for Standardization (n.d.), the ISO 14001 provide a list of criterion and guidance for environmental management systems to become certified (International Organization for Standardization, n.d.). This standard applies to environmental management systems such as the management of waste, energy and resources with an eye on reducing environmental impact.

- International Labour Organization Decent Work Framework:

According to the International Labour Organization (n.d.), decent work means ensuring fair wages, a safe work environment, freedom of expression, equal work opportunities and social protection among other indicators (International Labour Organization, n.d.). Overall, this framework is created to help indicate if a company provides a decent work environment.

- Global Organic Textile Standard:

The Global Organic Textile Standard is an international quality mark which sets requirements for the production of fibres as well as the processing of these fibres into garments. According to its website (n.d.), the Global Organic Textile Standard has created a logo and labelling system which is globally visible on large-scale retailers, natural textile shops and brand dealers (Global Organic Textile Standard , n.d.). The Global Organic Textile Standard aims to ensure the organic status of textiles during the harvesting of materials and manufacturing process. The label is a useful indicator for customers since it ensures an environmentally and socially responsible way of manufacturing.

Furthermore, regulations have been implemented by countries to regulate the use of chemical substances and to ensure the safety of products. However, these regulations do not specifically target the use of substances in textiles but nonetheless, they are also used in the textile industry. Besides, manufacturers and fashion brands can also create standards to restrict the usage of hazardous substances which companies have to comply with to conduct business. The three most commonly known are the EU'S REACH, the TSCA and the MEP Order 7. Underneath a brief description of these standards is given.

- EU REACH:

In the European Union, the regulatory requirement for the use of chemicals is written down in the REACH regulation which was established in 2007. According to the European Chemicals Agency (n.d.), REACH entails the registration, evaluation, authorisation and restriction of chemicals (European Chemicals Agency, n.d.). The regulation was created to improve the protection of the well-being of people and the environment. This regulation influences the

majority of companies, manufactures and importers operating in the European Union area. The European Chemicals Agency evaluate registrations of companies, manufacturers and importers and decides if the substances pose a threat to the environment or to people's health. Moreover, the CBI (n.d.) explains that products need to comply with buyer-specific restricted substances lists in order for fashion brands or retailers to conduct business with manufacturers (CBI, n.d.). In general, these restricted substances lists are stricter than the EU REACH.

- The TSCA:

The Toxic Substances Control Act, TSCA for short, is a regulation established in the United States of America. The regulation was established by the United States Environmental Protection Agency, in short the EPA, and contains a list of prohibited chemical substances. The EPA (n.d.) state that the TSCA has the authority to demand records and establish requirements of chemicals substances (EPA, n.d.). In addition, the TSCA includes notions on the production, importation and disposal of certain chemical substances.

- The MEP Order 7:

The MEP Order 7 was implemented in 2010 by the Chinese Ministry of Environmental Protection. This regulation has many similarities to the EU REACH which is why it is commonly known as China REACH. As explained by the EUSME Centre (n.d.), the China REACH demands manufacturers and importers to present notifications and acquire authorisations before importing chemicals or before producing (EUSME, n.d.). Ultimately, this regulation aims to control the potential threat of chemical substances on the environment and on people's health.

2.3 Benchmarking Fast-Fashion Companies

While acknowledging both the environmental and social perspective, for the purpose of narrowing down, this dissertation from now on focuses on the environmental aspect of sustainability performance rather than the social aspect. Therefore, the benchmark solely focuses on the environmental aspect. However, it is important to realise that companies need to keep the three-pillar structure in mind. They are intertwined and should, therefore, not be seen as separate entities.

Seeing as this dissertation has chosen benchmarking as the preferred research method, it must be specified which benchmarking type is selected. The benchmarking type selected for this study is Competitive Benchmarking. According to the Benchmarking Handbook, written by Andersen and Pettersen (1995), Competitive Benchmarking is a useful tool to compare a product, method, service

or process (Andersen & Pettersen, 1995). Therefore, this benchmarking type is considered suited for this research. The three chosen companies that are benchmarked are H&M, Zara and Forever 21. In order to benchmark these companies, three companies have been identified that are used in the creation of the benchmark. The selected companies are Fashion Revolution, Good on You and Rank a Brand. These companies have been selected because they all focus on analysing fashion companies' transparency on their sustainability performance. Therefore, these companies are well suited for the creation of the benchmark.

The first company, Fashion Revolution, is an NGO that campaigns for reform of the fast-fashion industry and mention that there is a need for greater transparency in the fashion industry. Fashion Revolution (n.d.) state that they advocate for policy change, industry change and cultural change (Fashion Revolution, n.d.). Yearly, they publish a Fashion Transparency Index report. The Fashion Transparency Index is a renowned study designed by Fashion Revolution to conduct how much brands know about their supply-chain and how much information they share with the public. They do this because the fast-fashion industry is very complex and problematic. Most brands do not even know under which conditions the clothes they sell are made. This makes it very hard to measure the environmental impact the production process has and understand the working conditions. Therefore, transparency is needed to improve the fast-fashion Industry. By being transparent, companies are being open and honest to the public and take accountability for their practises. Fashion Revolution (2016) established different areas in which companies can be ranked: Policy and Commitment, Tracking and Traceability, Audits and Remediation and Engagement and Collaboration (Fashion Revolution, 2016). These were considered in the creation of the benchmark.

The second company, Good on You is an organisation that is focused on ethical brand ratings. Good on You (n.d.) explain that consumers can use their company in their search for sustainable brands (Good on You, n.d.). The last company used for the benchmark, Rank a Brand (n.d.), agrees with this statement and adds that information should be accessible to the public (Rank a Brand, n.d.). Therefore, both companies have created methods to asses a brand's transparency. With these methods, they rate brands on their best practices and place them in different categories. These categories give advice to customers and aim to influence their purchase decisions. As stated in Good on You (n.d.), people, plant and animals need to be considered in the performance of a brand in order to be profitable (Good on You, n.d.). Within these categories, topics such as energy-use, carbon-emission, resource-use, waste-management and chemical-use are considered. A combination of these three organisations' methods are considered in the scoring model and the benchmark. Based on the

findings, the most useful topics are chosen for the benchmark assessment variables. Image 2 displays in green the chosen variables and in blue the used sources for the benchmark. This structure is used in the execution of the benchmark in Chapter 4.

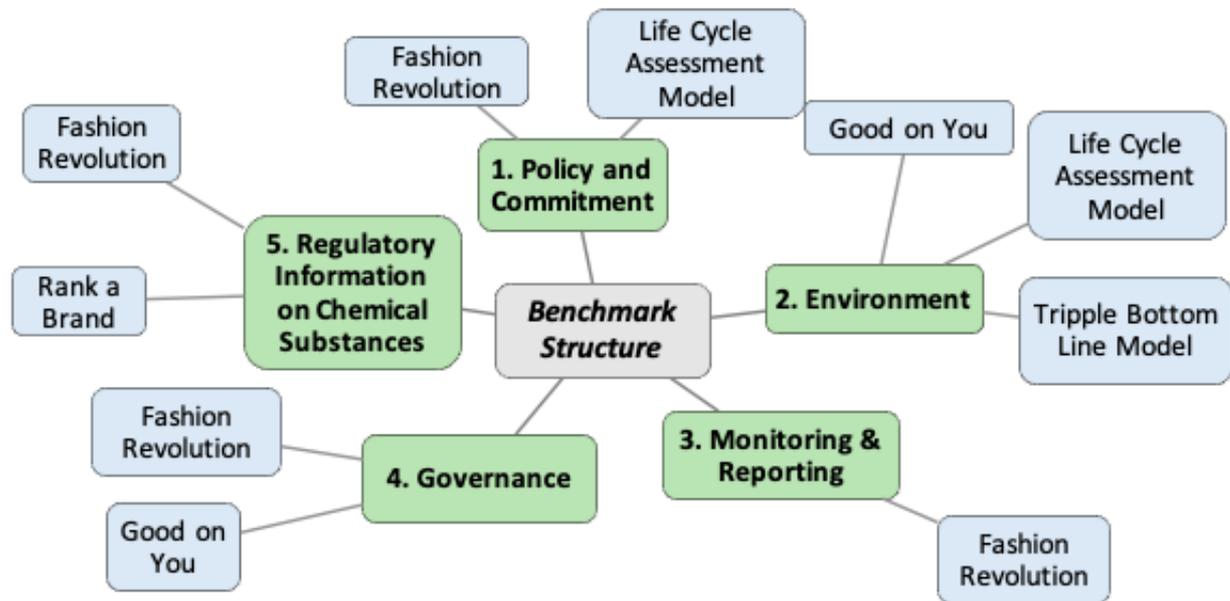


Image 2: Foundation of Designed Variables

For each variable, a combination of sources was used. Table 1 displays the measurement principles of each source for the established variables. These measurement methods were used in the creation of the Operationalisation Table.

VARIABLE	SOURCE
Policy and Commitment	<ul style="list-style-type: none"> The Life Cycle Assessment Model can be incorporated in environmental policies and remediation plans seeing as its focus is on assessing impact and sharing it with the public. Within this theme, Fashion Revolution focuses on companies’ social and environmental policies, goals and implementation plans. Moreover, they find it important to assess whether or not companies are reporting annual progress.
Environment	<ul style="list-style-type: none"> Good on You consider carbon emission rates, waste management and resource usage in its assessment of brands. Moreover, they take it into account when companies show industry leadership on environmental and social issues.

	<ul style="list-style-type: none"> ▪ The Life Cycle Assessment Model focuses on the environmental impact of companies’ practices. Therefore, it is a useful model to incorporate in companies’ business models. Moreover, the Life Cycle Assessment Model aims to analyse companies’ environmental input and output and based on these findings a company can select which issues need to be prioritised. Upon selection, a company can design a suitable environmental strategy. ▪ The Triple Bottom Line Model focuses on adding social and environmental characteristics to a company’s business plan. Thus, the company’s business aim is not only focused on making profits. Incorporating this philosophy can bring value to aspiring transparent brands.
<p>Monitoring & Reporting</p>	<ul style="list-style-type: none"> ▪ Fashion Revolution views reporting as an important factor in assessing a company’s level of transparency. They assess whether or not a company publishes an annual report and if the companies provide a list of its supplier. Moreover, it is also researched if the company’s supplier lists include extra details such as supplier addresses and when the list was last updated. Besides, companies are also assessed on the accessibility of the reports and documents.
<p>Governance</p>	<ul style="list-style-type: none"> ▪ Good on You find it important that a company has good governance processes in place to ensure evidence-based research. ▪ Fashion Revolution seeks to find out whether companies have a board responsible for environmental and social impact. Besides, it is assessed if the responsible parties are easy to contact.
<p>Regulatory Information on Chemical Substances</p>	<ul style="list-style-type: none"> ▪ Rank a Brand considers a company’s use of chemicals and whether they have disposal systems put in place. Moreover, they research if companies have goals to adopt initiatives instead of chemicals. ▪ Fashion Revolution researches whether or not companies have taken measures to decrease the usage of hazardous chemicals. Specifically, they assess these companies strategies to reduce the use of chemicals in their production.

Table 1: Measurement Principles

2.4 Operationalisation Table

The Operationalisation Table presents a clear overview of the benchmark’ variables and their definitions, together with the chosen methods and followed by a formed question-list per theme. For each variable a general description is given. However, a combination of sources is used per theme as previously portrayed in Image 2 and in Table 1.

Variable	Definition	Method	Questions
1. Policy and Commitment	The Policy and Commitment theme discusses the available information on the company’s responsibilities and promises. Fashion Revolution (2016) explains that the Policy and Commitment category observes what companies make public about policies (Fashion Revolution, 2016). Companies that score high on this disclose a lot of information about environmental policies and on their human rights. Moreover, companies that score high disclose how they are implementing these policies.	The Policy and Commitment theme is researched by searching for publicly available documents such as annual reports or sustainability reports. These documents are found through the companies’ brand or parent websites.	<ul style="list-style-type: none"> a. Does the company have a remediation plan or policies concerning the environment? b. How does the company implement this plan or policy? c. Has the company published a Code of Conduct or a similar document on their website? d. What is the companies’ vision for improving its impact?
2. Environment	The Environment theme deliberates the impact companies have on the environment due to their practices. As specified by Good on You (n.d.), key	The Environment theme is researched by examining the companies’ brand and parent websites. Additionally,	<ul style="list-style-type: none"> a. Does the company provide sufficient product information?

	<p>aspects include water-usage, resource-disposal, carbon-emission and waste-reduction (Good on You, n.d.). Thus, the amount of information companies share in these aspects is being researched.</p>	<p>there will be looked at third party websites when the companies' website shares insufficient information.</p>	<ul style="list-style-type: none"> b. Do the companies disclose environmental data on water consumption, pollution, carbon emission rates and waste created due to its practices? c. Does the company have any objectives concerning waste reduction? d. Does the company have a plan to reduce its water-use?
<p>3. Monitoring & Reporting</p>	<p>The Monitoring & Reporting theme focuses on the observation of the activities of companies. Fashion Revolution (2019) state that this theme portrays how much details companies share on monitoring processes and sharing supplier information (Fashion Revolution, 2019). Moreover, it looks at how companies incorporate information on their practices into their reporting cycle and conduct how effective it is.</p>	<p>The Monitoring & Reporting theme is researched by sourcing for information via any publicly available documents or annual reports published on the companies' websites. Besides, it is considered how easy it was to find these documents and if they are difficult to read.</p>	<ul style="list-style-type: none"> a. Does the company present annual reports on its impact-minimising plans? b. Is the report made accessible to the public? c. Does the report provide enough and transparent information? d. Does the company identify some or all suppliers on their websites?

<p>4. Governance</p>	<p>The Governance theme entails the structure of the company. Fashion Revolution (2016) explains that it aims to determine who are responsible for the implementation of initiatives and labour standards (Fashion Revolution, 2016). So, it has to be discovered if a company has created a system to monitor compliance with the set standards.</p>	<p>The Governance theme is researched by sourcing for information via any publicly available documents found on the companies' websites or third-party websites.</p>	<ul style="list-style-type: none"> a. Does the company have a board that is responsible for environmental impacts? b. Can members of the board be easily contacted? c. Does the company have a set of criteria in the selection process of suppliers?
<p>5. Regulatory Information on Chemical Substances</p>	<p>The Regulatory Information on Chemical Substances theme looks at how much information on the usage of chemical substances is being shared with the public. Moreover, it is determined if companies have a set of standards or follow certain regulations.</p>	<p>This theme is researched via publicly available information on the companies' websites. Moreover, it is researched if the companies follow regulations and have standards systems.</p>	<ul style="list-style-type: none"> a. Does the company mention their country's regulations? Either, the EU REACH, The TSCA or the MEP Order 7. b. Does the company follow a set standard? Either one of the most commonly used standards or their own standards. c. Is the company open about their chemical substances usage? d. Does the company have a plan to reduce the impact of using these chemical substances?

3. Methodology

This chapter presents an outline of the research conducted for this dissertation and explains which methods were used. It is important to understand which data collecting method is the most suitable in the process of answering the central research question. This chapter commences with a clarification of the Research Setting which is followed by the Secondary Research sub-chapter. Next, the Benchmark Structure is explained and is then followed by the Scoring Model. After, this chapter is followed by a sub-chapter on Data Collection and ends with the Scope and Limitations of this research.

3.1 Research Setting

At the beginning of conducting research, it is necessary to establish which research method is going to be used. A decision can be made to either follow the qualitative research method or the quantitative research method or a combination of both. As explained by Greetham (2014), qualitative research is data that is voiced in words, opinions, customs and beliefs whereas quantitative research is measurable empirical data that can be converted into numbers (Greetham, 2014). While qualitative research is mostly based on human behaviour and is needed to understand individuals, communities and cultures, quantitative research has its focus on objective data findings. Moreover, qualitative research gives more in-depth insights whereas quantitative research is broader in scope. Due to the theoretical nature of this research, the main research method chosen is the quantitative research method. This research approach is deemed the most suitable for answering the central research question. However, to guarantee reliable and accurate research, the qualitative research method is used as well.

Moreover, there are two forms of research: primary and secondary research. This dissertation only uses secondary research. Bryman et al. (2019) explain that primary research is data conducted by the original researcher and has the aim to address specific problems, whereas secondary research is data collected by a person who did not participate or experience the investigation (Bryman, Bell, & Harley, 2019). Primary and secondary research can be both qualitative and quantitative. So, it is data that is already widely available on the subject one researches. The secondary research collected for this dissertation is of quantitative and qualitative nature. Quantitative research is mainly collected by the statistics and numeral findings of the three fast-fashion companies' websites. Qualitative data is found using existing literature on transparency and sustainability performance and is derived from academic articles, journals, books, websites and reports.

Thus, the decision is made to use a combination of secondary qualitative and secondary quantitative research. However, secondary qualitative research is the most prominent used research form in this study.

3.2 Secondary Research

The secondary research method is used to determine the problem statement and lays the foundation of transparency on sustainability performance. As previously mentioned, secondary research can be both qualitative and quantitative. The main method for this dissertation is qualitative because the research that is conducted is based on existing and publicly available data taken from various secondary sources. Secondary research is needed to explain important terms such as transparency, in which context transparency is used and to establish the meaning of sustainability performance. Explaining these terms gives more clarity and helps to understand the central research question. For this dissertation, it is decided to not use primary research. The reason being that it would be of no use in the answering of the central research question. Therefore, it is decided to only collect secondary qualitative and quantitative data.

The central research question is 'How can fast-fashion companies improve their transparency on their sustainability performance?'. The central research question is answered through the following four sub-questions:

Sub-question 1: What is transparency and how can company measure it?

- This sub-question is answered by doing desk-research on important definitions, key issues in the industry and suitable models. The research led to the established of 5 themes in which the chosen companies are benchmarked.

Sub-question 2: What can fast-fashion companies learn from other players in the industry?

- The benchmark shows in which themes the companies score the lowest. Thus, this sub-question searches for success cases concerning transparency in these themes. Companies are sought out through desk-research. The selected companies are Levi, Adidas and Patagonia. These companies are examined based on their performance in the themes in which H&M, Zara and Forever 21 have received the lowest score. The selected companies' websites and reports are examined to gain an understanding of which strategies are applied in their business models.

Sub-question 3: What are fast-fashion companies currently undertaking in regards to transparency?

- This sub-question is answered by analysing the benchmark results discussed in Chapter 4. Chapter 4 researches the question list of the benchmark by means of desk-research. For all the companies, the websites and additional third-party sources are researched.

Sub-question 4: In which different aspects of their business practices can fast-fashion companies improve their transparency?

- This sub-question is also answered based on the findings of Chapter 4. The benchmark indicates in which of the established themes the fast-fashion companies can improve their transparency concerning their environmental practices. Therefore, the benchmark is analysed followed by an answer to the last sub-question.

Combining the collected data of the four sub-questions leads to a better understanding of the subject and results in the answering of the central research question.

3.3 Benchmark Structure

Benchmarking is a research method used by companies to measure their performance by comparing it to others in the same industry. It is a useful tool to find out which areas need improvement and which areas do not need improvement. According to Camp (1989), benchmarking is the most used tool in the industry and leads to best practices that can improve performance (Camp, 1989). A benchmark has three main objectives: to determine which improvements need to be made, to analyse how other companies achieve high-performance levels and to establish how to use this information to improve the companies' performance.

Upon selecting the research method, an operationalisation table for the benchmark was created. In general, the benchmark originates from the available reports and documents on the fashion companies' websites. In this benchmark, the companies are given scores based on their performance in the selected themes. The scores are given by researching the question list of the benchmark. The scoring model and the benchmark question list are based on a combination of methods of Fashion Revolution, Good on You and Rank a Brand. Combining their methods and ranking system resulted in the creation of the scoring model and the benchmark. Appendix 2 – image 1, image 2 and image 3 display several examples of their methods. These methods are considered in the construction of the benchmark. These sources were selected in the research process due to their effective methods, information and standards.

3.4 Scoring Model

A scoring model has been designed to evaluate the three fashion brands on their transparency and to help them become more transparent. According to Jansma (2018), a scoring model is an effective measurement tool because it efficiently and objectively ranks companies (Jansma, 2018). First, it is

effective because sound decisions can be made through standardising the decision-making process. Second, the measurement criteria are predetermined which means that each score is calculated objectively. Moreover, a scoring model is specific which allows for identifying key characteristics and adding value to each selected measurement criteria.

Table 2 presents the Scoring Model Table. The Scoring Model Table gives the selected companies a rating from 1 to 4. The lowest possible score is 1 point and the best possible score is 4 points. The Scoring Model Table also gives a justification of each given point. This scoring model originates from the models of the three organisations Fashion Revolution, Good on You and Rank a Brand in combination with the gathered theory. These organisations' measurement strategies are used in the creation of the scoring model due to its focus on transparency. So, a combination of models and strategies has resulted in the creation of a new scoring model which is used in the benchmark.

<i>Points</i>	<i>Justification</i>
1	These companies provide little to no concrete information and are, therefore, deemed unclear. These companies are not perceived as being transparent.
2	These companies provide some information, but the information provided is not good enough.
3	These companies provide information in at least one area and have plans to improve environmental issues.
4	These companies show that they have taken significant measures to improve their environmental impact and are, therefore, deemed transparent.

Table 2: Scoring Model Table

3.5 Data Collection

To identify transparency on companies' sustainability performance data is collected by searching for annual reports, sustainability reports or any other documents of all three companies. The chosen data collecting strategy is documentary secondary data which is a type of secondary data. Saunders, Lewis and Thornhill (2009) explain that documentary secondary data is data found in research projects and include books, journals and newspaper articles (Saunders, Lewis, & Thornhill, 2009). Secondary data is found by establishing the availability of secondary data and by locating the required data. The secondary data sought are journals, reports, newspapers, organisation' websites and other

organisation communication. University libraries such as THUAS Library and Glasgow Caledonian University are used in the collection of the secondary data. These articles are found by filtering on key terms such as transparency, fast-fashion, the fashion industry and sustainability performance. After finding many articles, several articles were hand-picked based on their relevance to the research objective. For example, Sustainability Reports from H&M are utilised because they show their current level of transparency concerning their sustainability performance. Appendix 3 provides an Annotated Bibliography of the most applied sources used in this study. Analysing these sources' reports and documents gives a better understanding of their current environmental performance level and how they can improve their level of transparency.

3.6 Scope and Limitation

The scope of this research is within the textile industry and focuses mainly on the fast-fashion industry. Due to the background of the three companies, the research looks at the European and American rules, regulations and standards. Moreover, certain characteristics influenced the data collection of this dissertation. First, the time-frame in which this research is conducted has created limitations in regards to data collection. To minimise this limitation, the decision was made to focus on environmental performance and to leave out social performance. Otherwise, it would not have been possible to conduct sufficient data and to provide elaborate research. However, the scope of environmental performance is in itself quite broad as well. Therefore, it was impossible to explore all standpoints. Second, the standards for sustainability performance are always changing which means that the conclusion and recommendation of this research may only be useful for a limited time.

Moreover, data is collected through online libraries such as THUAS' library and GCU's library. There is a possibility of amendments or removals of data which creates a certain level of unreliability. Besides, this research relies heavily on desk-research which makes it difficult to gain enough useful information on companies' performance. Therefore, non-academic sources are used as well to gain useful insight into companies' current performance. Non-academic sources are websites such as the official website of the chosen companies. Besides, in the creation of the benchmark, the companies are ranked according to publicly available data. Thus, the companies are given a score based on this data. When this data is not available to the public, it cannot be used in the benchmark which gives the company a lower mark than they might deserve. So, due to the lack of available knowledge, the scores are not completely reliable. These limitations need to be kept in mind when reviewing the content of this dissertation.

4. Results

In this chapter, the results of the benchmark of the companies H&M, Zara and Forever 21 is discussed. After presenting the results of the benchmark questions, the results are incorporated into a Benchmark Table in which the three companies are given a score. Furthermore, the best practices of companies with a high level of transparency are displayed. As a result, sub-question 2 “What can fast-fashion companies learn from other players in the industry?” is answered in this chapter.

4.1 Benchmark Results

The structure of the benchmark results goes as follows: the findings are put into the selected five themes in which the companies are benchmarked. Each company provides an answer to the benchmark questions within these themes.

4.1.1 Policy and Commitment

a. Does the company have a remediation plan or policies concerning the environment?

As of 2002, H&M presents a yearly Sustainability Report in which they present the goals they have in regards to sustainability. The current CEO of the H&M Group, Helena Helmersson (n.d.), believes that transparency, environmental protection and people empowerment are necessary components in building a sustainable business (H&M Group, n.d.). Therefore, a yearly Sustainability Report was created to provide the public with information on current performance and long-term goals. Image 3 presents H&M’s Sustainability Strategy which is published in their 2019 Sustainability Report. H&M’s strategy focuses on leading the change by working towards a circular economy while being 100% fair and equal. Its strategy is aimed at H&M’s employees, customers and business partners.

Moreover, H&M is one of the first fashion brands that joined Greenpeace’s Detox Campaign in 2011. As a result, H&M pledged to provide information on chemicals released from their factories and to eliminate harmful chemicals from its supply-chain. H&M is also a member of the Better Cotton Initiative which originally was started by the WWF. Better Cotton (n.d.) states that some of their goals are to improve economic development in cotton production places and to reduce the environmental impact of cotton production (Better Cotton, n.d.). Members of this initiative ensure that the majority of their cotton is sourced more sustainably.



Image 3: Sustainability Strategy (H&M Group, 2019)

Inditex, which is the parent company of Zara, releases a yearly Sustainability Report in which they present their progress, vision and challenges. Image 4 displays a fragment of their strategic plan. Moreover, every 3-4 years Inditex releases a new Strategic Environmental Plan in which environmental objectives are discussed. Zara also partakes in Greenpeace's Detox Campaign in which they aim to reduce the usage of hazardous chemicals to reduce waste and water pollution. Moreover, Zara has environmental policies in regards to their products. A selected number of items are 100% cotton and are completely free of pesticide, bleach and chemical agents. Inditex (n.d.) state that they are members of the Better Cotton initiative, the textile Exchange and that they are the founders of the Organic Cotton Accelerator (Inditex, n.d.).

Moreover, Zara works with the International Labour Organization to improve production standards in regards to the environment and communities. In regards to logistics, Zara has a biodiesel fuel policy in which they claim to reduce their CO2 emission rates. All these initiatives and policies share a common goal which is to promote sustainably sourced cotton that benefits the living condition of the farmers.

STRATEGIC PLAN FOR A STABLE AND SUSTAINABLE SUPPLY CHAIN 2014-2018

LINES OF ACTION	IDENTIFICATION 	ASSESSMENT 	OPTIMIZATION 	SUSTAINABILITY 
Monitoring	Traceability	Compliance programme	Effective auditing	Mature relationships with suppliers and a holistic approach
Training	Training for auditors	Worker participation	Training for suppliers	
Continual improvement	Audit quality	Corrective Action Plans	Consolidation of the supply chain	
Commitment to stakeholders	Effective and efficient reference partners with whom Inditex can share good practices and create shared strategies			

Image 4: Inditex’ Sustainability Report (Inditex, 2017)

Forever 21 has not published any sustainable policies or remediation plans. According to the Sustainable Cotton Ranking Report (2020), Forever 21 has not addressed any policies regarding resolving environmental issues (Sustainable Cotton Ranking, 2020). Forever 21 did incorporate a Vendor Audit Program in their Corporate Social Responsibility program. Forever 21 (n.d.) state in its Vendor Audit Program that environmental protection is included in agreements with vendors and factories (Forever 21, n.d.). However, specific requirements are either not created or merely not shared with the general public. So, no clear remediation plan, sustainability report or environmental policy is found. Image 5 displays Forever 21’s Social Responsibility webpage which was mainly used in the research. However, since Forever 21 does not share a sustainability report like Zara’s or H&M’s it made it difficult to ensure quality research for this company.

Home / [Social Responsibility](#)

SOCIAL RESPONSIBILITY ▾

Just as a consumer has choices, at Forever 21 we take our business choices seriously, including the way we obtain the products we sell. We strive to have a positive impact not only within our stores and corporate family, but also upon the environment and on the hundreds of vendor manufacturing facilities throughout the world and their employees.

We see these choices as part of a work in progress as we constantly strive to improve in each of these areas.

Image 5: Forever 21’s Social Responsibility Page (Forever 21, n.d.)

b. How does the company implement this plan or policy?

H&M mentions in their Sustainability Report how they plan to reach their environmental goals. Every year, the Sustainability Report examines the goals of the last report and discusses whether or not these goals were met. First, H&M sets goals concerning their vision and ambition. After, H&M designs a strategy and set targets for reaching their goals. These strategies are divided into specific areas such as energy, waste, transparency and water. Next, the strategies have to be in accordance with standards and policies. Finally, appropriate methods are created for the implementation of the strategies and routine follow-ups are executed to ensure that the strategies are well-integrated. The Change-Making Programme is at the core of the execution of the strategies. H&M Group (2019) explains that the 2019 Sustainability Report provides an overview of the core elements of this programme (H&M Group, 2019). This programme includes the standards, methods and goals that help H&M work towards their vision. Essentially, it is the blueprint of H&M's sustainability goals and overall vision for the company.

Zara's Strategic Environmental Plan is implemented by following their Environmental Sustainability Policy. Inditex (n.d.) state that they have created three tools that help them to implement policies (Inditex, n.d.). First, policies are implemented by applying environmental systems at headquarters, factories and distribution centres. Second, policies are implemented at the stores through the mandatory criteria that are written down in the Manual for Eco-Efficient Stores. Finally, within its production line, suppliers and manufacturers must comply with the environmental criteria of the Code of Conduct. These three tools are observed by Inditex and their suppliers and manufacturers.

Forever 21 (n.d.) states that they implement the Vendor Audit Program by visiting factories and evaluating them by a trained Supplier and Vendor Compliance Team (Forever 21, n.d.). According to this evaluation, appropriate action will be taken. By doing so, Forever 21 hopes to ensure consistent compliance of manufacturing facilities. It was difficult to find more information on how Forever 21 implements policies seeing as they do not share sustainability reports or any other documents.

c. Has the company published a Code of Conduct or a similar document on their website?

H&M has published a Code of Conduct on their H&M Group website. In addition, they have more documents such as the Code of Ethics, the Sustainability Commitment and Human Rights Policy. These are discussed in every Sustainability Report.

Zara follows Inditex' Code of Conduct called the Code of Conduct and Responsible Practices. Inditex (2012) states that this code was created to provide a guideline on ethical and responsible practices (Inditex, 2012). Inditex has incorporated the International Labour Organization framework in its Code of Conduct along with other agreements such as the Universal Declaration of Human Rights of the United Nations and local legislation.

Forever 21 mentions on their website that they have several Code of Conducts. However, they are not accessible to the public. The only available information was on its Supplier Code of Conduct called the Vendor Audit Program. This Vendor Audit Program is part of their Social Responsibility Code of Conduct. The Vendor Audit Program was created to ensure the highest level of industry standards.

d. What is the companies' vision for improving its impact?

H&M Group (2019), state that their vision is to be at the forefront of the fashion revolution by working towards a circular economy (H&M Group, 2019). Moreover, they aim to only use sustainable materials by the end of 2030. Through the Better Cotton Initiative, H&M hopes to achieve their goal of using 100% sustainable cotton such as recycled cotton and organic cotton. Overall, H&M's vision is to become a sustainable brand and to encourage sustainable practices in the industry.

Zara's vision is to improve their sustainable practices. They aim to have less emission in the industry by 2050 and to solely-use sustainable fabrics by 2025. Besides, Zara aims that at least 80% of used energy is renewable and that their facilities produce no landfill waste. Another vision they have is to only primarily use sustainable, organic or recyclable cotton, linen and polyester by 2025.

Forever 21 (n.d.) claims to be committed to reducing their impact through their global operations (Forever 21, n.d.). Moreover, Forever 21 values giving, helping those in need and providing an appropriate environment to customers, manufacturers and employees.

4.1.2 Environment

a. Does the company provide sufficient product information?

As of 2019, H&M has a new transparency initiative that shares details on all product. Details include information on where it is produced, the factory names and supplier names. Head of Sustainability, Isak Roth (H&M Group, 2019), explains that H&M wants to encourage customers to make sustainable decisions by providing honest information about where products are made and under which conditions (H&M Group, 2019). Information about products can be found on the website and in stores

it can be accessed by scanning the price tag using the scan-feature on the app. H&M Group (2019), also shares information about the product's origins, suppliers, manufacturers, materials and instructions on how to recycle these products is given. Upon research, it is found that this is accurate for most footwear, apparel and accessories. Image 6 shows a clothing item with the available information found on the web shop.



Image 6: H&M Product Information

Zara provides information about its products on their website. The information found concerns the materials and treatments of the garments. Zara's first sustainable clothing line "Join Life" provides the same product information as to its regular clothing lines. According to Inditex (2017), The Join Life garments must comply with several requirements (Inditex, 2017). First, the clothing must be produced by suppliers that have an A or B qualification in regards to the Inditex' Social Audit. Next, all factories involved in the manufacturing process must have achieved the A or B classification upon environmental assessment. Finally, the products must be made using raw materials or environmentally friendly production techniques. The Join Life label ensures that the clothes comply with these requirements. However, this is not portrayed and explained in the web-shop, thus, customers must search for this information. Moreover, on the web-shop, Zara does not give supplier information for every garment. The information they do provide is, therefore, deemed not sufficient enough. Image 7 displays a garment found in the web-shop and the information that Zara gives to the public about this garment.



Image 7: Zara Product Information

Forever 21 provide some information on its products on the website. They share what materials the products are made from and how customers should take care of the products. Image 8 presents the information found when online-shopping. They do not share where the product is made or under which conditions it is made. Moreover, information on which factories or suppliers Forever 21 works with to create the garments is not shared. Therefore, it can be said that Forever 21 does not provide sufficient product information.



Image 8: Forever 21 Product Information

b. Do the companies disclose environmental data on water consumption, pollution, carbon emission rates and waste created due to its practices?

H&M is aware of the waste it causes and has, therefore, set several goals to reduce their impact. As previously said, H&M is part of Greenpeace's Detox Campaign and is a member of the Better Cotton Initiative. Besides, H&M promises to explore every feasible opportunity to reduce its carbon footprint. One of these opportunities is the Pathways Coalition which they joined along with Scania, Siemens and E.ON. H&M Group (2020) explains that with this initiative they hope to have a fossil-free commercial heavy transport by the end of 2050 (H&M Group, 2020). Furthermore, in the Sustainability Report, H&M declares to tackle climate emissions by 2030 and to become climate-friendly in its entire supply-chain by 2040. However, H&M does not necessarily disclose data on the waste that they create but rather they share information on how they want to decrease their impact.

Zara's website provides clear information on its commitment to improving its sustainable practices in regards to water, climate change and energy, biodiversity and working towards a circular economy. Inditex (n.d.) state that they use water in their supply-chain, offices, stores and at other facilities (Inditex, n.d.). The quantity of water they use is not specified but only a statement on their goals to use less water is given to the public. Zara does aim to become more environmentally friendly over the years by several initiatives. However, no clear environmental data is given.

Forever 21 aims to reduce its energy usage in all of their new stores. Forever 21 (n.d.) states that it does so by using efficient lighting systems (Forever 21, n.d.). Moreover, they aim to reduce waste through their recycling programme. Forever 21 does not disclose information on the waste created due to its practices.

c. Does the company have any objectives concerning waste reduction?

H&M currently has an incentive for customers to promote recycling. Customer can hand in a bag of old clothes and they will get a 10% discount voucher. This is part of H&M's Conscious clothing line initiative in which they sell more sustainable apparel. H&M also collaborates with the Hong Kong Research Institute of Textile and Apparel to research new recycling technologies. Moreover, H&M wants to use either sustainably sourced materials or recycled materials in its packaging by 2030. Besides, H&M Group (2020) state that they have become more energy-efficient and that they are using renewables (H&M Group, 2020). Overall, they are moving towards a circular economy.

Zara combats waste by using paper bags instead of plastic bags. Their waste management also includes in-house communication campaigns to inform employees of the importance of sustainable practices. First, Zara is committed to using recyclable materials which is the reason their catalogues are printed on FSC paper. This is a certificate given to papers that guarantees sustainable forest management. Moreover, customers can hand in used clothes, accessories and footwear. According to Inditex (n.d.), the collected items are donated to non-profits such as Oxfam and are either resold, recycled or repaired (Inditex, n.d.). Also, all waste obtained from stores and facilities will be reused or recycled by 2023. Besides, Inditex works with Lenzing who uses Inditex' cotton waste and turns it into sustainable fibres. Inditex (n.d.) explains that Zara sells these sustainable fibres in their Join Life collection (Inditex, n.d.). The Join Life collection is a clothing line that uses more sustainable materials.

Forever 21 has several environmental initiatives to reduce waste. Forever 21 (n.d.) state that cargo is transported via sea instead of air to reduce carbon emissions (Forever 21, n.d.). Besides, the cargo boxes are recycled daily at distribution centres and stores. Moreover, as of April 2020 customers can exchange clothing and footwear for a discount voucher. These items are either recycled or donated.

d. Does the company have a plan to reduce its water-use?

H&M is dedicated to reducing their impact in regards to its water usage. One of their plans is to clean wastewater. H&M Group (2019), state that they are working with suppliers to create and enforce wastewater treatment strategies (H&M Group, 2019). By providing technical support to suppliers, H&M hopes that efficient strategies are enforced and water-use and waste are reduced. Moreover, H&M has partnered up with the 2030 Water Resources Group. Together, they search for the most efficient systems to sustain the groundwater reserves in Bangladesh.

Zara follows Inditex' water reduction plan. Inditex (n.d) explains that a Global Water Management Strategy was created to improve water efficiency for cleaner water and to reduce water-use in offices, factories and in-store (Inditex, n.d.). The strategy includes goals to raise awareness on how water is used in the production process and to become more transparent. Moreover, Zara uses water-saving production processes and recycling processes which makes it possible to reuse water.

Forever 21 has not published any goals on reducing their water usage. They may have plans to reduce its water-use, however, these plans are not shared with the public. In general, Forever 21 does not share any clear points of action in regards to the environment.

4.1.3 Monitoring & Reporting

a. Does the company present annual reports on its impact-minimising plans?

H&M shares the annual reports on its website which contains information about governance, finance and it includes data on the Sustainability Report. The Sustainability Report presents sustainability goals, progress and challenges. It is a detailed report supported by figures and statistics.

Inditex has an annual report which applies to Zara. According to Inditex (n.d), the annual report provides insight into its sustainability strategy and past performance (Inditex, n.d.). Moreover, it presents a year-overview, business model, sustainable strategies and priorities.

For Forever 21, no annual report was found. It could be possible that Forever 21 has an annual report and simply does not share it with the public or they do not have one altogether.

b. Is the report made accessible to the public?

H&M's annual reports and Sustainability Reports are easy to find. They are written in an informative manner without using jargon or overly intricate texts. H&M's Sustainability Report proclaims its 2030 goals and they have created a website section dedicated to showing progress. Thus, it is easy to view the reports and find information.

Inditex provides PDF files with their reports, campaigns and strategies. These are easily findable for the public. At first glance, it is noticeable that these files are all in Spanish. However, Inditex also provides an English version which makes it more accessible to the general public. The annual reports are around 400 pages and are very detailed and give information supported by statistics and figures.

Forever 21 does not share an annual report, therefore, it is not made accessible to the public. The only public knowledge is its annual sales and employees.

c. Does the report provide enough and transparent information?

H&M's annual reports and their Sustainability Reports provide detailed insights into their practices. It is easy to find and it provides sufficient information. Their Sustainability Reports also shows its progress of the past years and support it with numbers.

Zara does not have independent reports but follows the reports of Inditex. Inditex' annual reports and the Strategic Environmental Plan are easy to find, clear and structured. The annual reports are straight-forward and the Strategic Environmental Plan displays clear points of action and progress.

Forever 21 does not share an annual report with the public. Therefore, it can be stated that Forever 21 does not provide transparent information on their reports.

d. Does the company identify some or all suppliers on their websites?

H&M provides a list of its suppliers on its website. It is detailed and divided into countries and regions. Moreover, H&M shares the supplier and factories for most products on its web-shop. It is easy to find and shows the product's origins, and supplier name and location.

Zara shares that their suppliers come from 12 different countries across Europe, Africa, Asia and South-America. Within these countries, the number of factories is specified. However, the specific names of the suppliers are not given.

Forever 21 does not disclose its suppliers on its website. The Global B2B Marketplace website (n.d.) names several suppliers who claim that they were suppliers of Forever 21 (Global B2B Marketplace, n.d.). However, since this is not confirmed by Forever 21 it is uncertain if these actually were their suppliers.

4.1.4 Governance

a. Does the company have a board that is responsible for environmental impacts?

H&M has a sustainability team with Anna Gedda being Head of Sustainability. Together with her colleagues, she is responsible for H&M's sustainability performance.

Zara has a sustainability team. The Head of Sustainability of Zara is Inditex' CEO Pablo Isla. He is in charge of all environmental matters. The sustainability teams' director is Luis Coloma. The board of directors also have a sustainability commission.

Forever 21 does not state who in the company is responsible for environmental issues. No information on the board is given. Therefore, it is unknown if there is a board responsible for the company's environmental impact.

b. Can members of the board be easily contacted?

H&M provides a list of members of the board but does not share everyone's contact information. They do share the email address of the Head of Sustainability, Anna Gedda.

Zara only shares customer support contact information on its website. The Inditex website has a general telephone number on its corporate governance page. However, it does not share specific contact information. Moreover, Inditex has a contact page for the media and a customer service page.

Forever 21 has a general contact email and telephone number people can contact. Since there is no information on Forever 21's board available, information on contacts cannot be found.

c. Does the company have a set of criteria in the selection process of suppliers?

H&M has created a chemical restrictions report for 2020 in which they mention the terms and conditions for suppliers. Suppliers need to comply with the H&M Group Chemical Restrictions protocols. By signing the purchase conditions, the supplier needs to ensure the set standards. Moreover, H&M'S Code of Ethics is aimed at suppliers. The code is in accordance with the International Labour Organization Framework. This Code includes rules on human rights, bribery and corruption, equality, confidentiality and compliance. All suppliers shall comply to the Code of Ethics to conduct business.

Zara follows Inditex' Code of Conduct for Manufacturers and Suppliers. Inditex (n.d.) explains that suppliers and manufacturers need to agree with these standards to conduct business (Inditex, n.d.). These standards once again are in accordance with the International Labour Organization Framework and include statements on confidentiality, environmental awareness, traceability of production and health and safety of products. Once agreed, manufacturers and suppliers have to comply to these standards. Inditex also encourages their suppliers to conform to the Forest Product Policy. As explained by Inditex (n.d.), this policy ensures the origins of raw materials come from sustainable sourced woods (Inditex, n.d.). Besides, Inditex prefers recycled materials and encourages suppliers to offer more of these types of products.

Forever 21 (n.d.) claims that suppliers must sign the Social Responsibility Code of Conduct (Forever 21, n.d.). Vendors and factories need to agree with Forever 21's Vendor Audit Program. For this program, Forever 21 established agreements according to the International Labour Organization

framework and the UN's Declaration of Human Right. By signing the Vendor Agreement, suppliers agree to agreements such as providing a safe work environment.

4.1.5 Regulatory Information on Chemical Substances

a. Does the company mention their country's regulations? Either, the EU REACH, The TSCA or the MEP Order 7.

H&M mentions the EU REACH in the H&M Group Chemical Restrictions List. All chemical products comply with the EU REACH regulation.

Inditex mentions that Zara and all other brands follow the EU REACH regulation. Moreover, all suppliers must comply with the EU REACH as well.

Forever 21 does not mention that they share any information on them following any regulation.

b. Does the company follow a set standard? Either one of the most commonly used standards or their own standards.

H&M has created a set of standards in its H&M Group Chemical Restrictions report. H&M (2020) states that manufacturers must comply with the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substance List 2.0 and the AFIRM's Restricted Substances List (H&M Group, 2020). Moreover, H&M's practices are following the UN's Sustainable Development Goals.

Zara has created the Join Life standard which is based on the Higgs Index. Zara (n.d.) explains that this index helps to assess the environmental and social impacts of the fashion industry's practices (Zara, n.d.). Together with their suppliers, Zara integrates this standard into the production process. Moreover, Inditex wants to achieve zero discharge of chemicals in the production of its products.

Forever 21 does not disclose any information on chemical substances usage. Therefore, it cannot be conducted whether or not Forever 21 follows a set standard.

c. Is the company open about their chemical substances usage?

H&M is very open about its chemical substances usage. Moreover, the Chemical Restrictions report provides a detailed list of which chemicals are restricted. Therefore, it is considered that they are open about their chemical substances usage.

Zara is open about the chemicals they use. On the Inditex website, several excel and pdf files are shared containing information about chemical substances.

Forever 21 does not disclose any information on chemical substances usage. Therefore, it can be said that they are not displaying honesty on their chemical substances usage.

d. Does the company have a plan to reduce the impact of using these chemical substances?

H&M partakes in the Greenpeace Detox Commitment plan. Greenpeace International (2012), states that it aims to eliminate all discharge of hazardous and harmful chemicals from companies' supply-chain (Greenpeace International, 2012). In its Sustainability Report, H&M Group (2019) state that they also take part Greenpeace's Zero Discharge of Hazardous Chemical Commitment (H&M Group, 2019). With this initiative, H&M aims to reduce the chemical concentration of viscose in their clothing.

Zara is also a part of the Zero Discharge of Hazardous Chemical Commitment and the Detox Commitment plan. In its 2016 report, Greenpeace reported that H&M and Zara are doing well in realising the following three goals: eliminating harmful chemicals such as PFCs, showing transparency on suppliers and chemicals and having a plan for going toxic free by 2020. Greenpeace International (2018) reported that their campaign resulted in a positive decrease of the usage of chemicals (Greenpeace International, 2018). Moreover, all participating companies are tackling the elimination of hazardous chemicals and are improving disclosure on suppliers. However, both Zara and H&M have not provided any updates on their performance after 2018.

Forever 21 does not share any information on their plans to reduce the impact of using chemical substances. Therefore, it cannot be said whether or not plans have been made by Forever 21.

4.2 Benchmark Table

Based on the findings of the benchmark questions, the following scores are given to H&M, Zara and Forever21.

Fast-Fashion Companies	H&M	Zara	Forever 21
1. Policy and Commitment			
a. Does the company have a remediation plan or policies concerning the environment?	4	4	2
b. How does the company implement this plan or policy?	4	3	2
c. Has the company published a Code of Conduct or a similar document on their website?	4	4	1

d. What is the companies' vision for improving its impact?	3	3	2
Total Score on Theme 1	15	14	7
2. Environment			
a. Does the company provide sufficient product information?	3	2	2
b. Do the companies disclose environmental data on water consumption, pollution, carbon emission rates and waste created due to its practices?	2	2	2
c. Does the company have any objectives concerning waste reduction?	3	3	2
d. Does the company have a plan to reduce its water-use?	3	2	1
Total Score on Theme 2	11	9	7
3. Monitoring & Reporting			
a. Does the company present annual reports on its impact-minimising plans?	4	3	1
b. Is the report made accessible to the public?	3	3	1
c. Does the report provide enough and transparent information?	4	4	1
d. Does the company identify some or all suppliers on their websites?	4	2	1
Total Score on Theme 3	15	12	4
4. Governance			
a. Does the company have a board that is responsible for environmental impacts?	3	3	1
b. Can members of the board be easily contacted?	2	1	1
c. Does the company have a set of criteria in the selection process of suppliers?	4	4	2
Total Score on Theme 4	9	8	4
5. Regulatory Information on Chemical Substances			
a. Does the company mention their country's regulations?	2	2	1
b. Does the company follow a set standard?	3	3	1
c. Is the company open about their chemical substances usage?	3	4	1
d. Does the company have a plan to reduce the impact of using these chemical substances?	2	2	1
Total Score on Theme 5	10	11	4
Total Score	60	54	26

4.3 Exploring Other Companies' Transparency Performance.

This sub-chapter aims to provide insight into other companies' best practices concerning transparency and, therefore, answers sub-question 2: "What can fast-fashion companies learn from other players in the industry?". The success cases are based on the three fast-fashion brands' lowest scored themes of the Benchmark. As displayed in Table 3, the lowest scored themes are Environment, Governance and Regulatory Information on Chemical Substances. For each theme, a company is selected and its best practices are discussed. The selected companies are Levi, Adidas and Patagonia because they are universally considered honest and transparent about their practices. According to Fashion Revolution (2019), these companies are one of the most transparent companies for the last couple of years (Fashion Revolution, 2019). Therefore, it is interesting to explore these companies.

Theme	Average Score
Policy and Commitment	9
Environment	7
Monitoring & Reporting	8
Governance	7
Regulatory Information on Chemical Substances	6

Table 3: Average Benchmark Score

4.3.1 Environment

Levi Strauss & Co display transparency about its practices on the Environment theme. Levi shares a lot of information about its supply-chain and aims to reduce its environmental impact. Levi (2017) reports that they have received the top ranking in the textile industry from the Institute of Public and Environmental Affairs for their efforts to reduce the environmental impact of its supply-chain in China (Levi, 2017). Levi has earned this ranking due to their honest and open communication style. They share a full list of their suppliers on its website and systems are enforced to ensure traceability and monitoring of their entire supply-chain. Furthermore, policies and initiatives have been designed to improve Levi's environmental performance.

One of Levi's initiatives is their plan to use less water in its production phase. Levi Strauss & Co. (2015) explain that it is important to share the impact their production has on the environment (Levi Strauss & Co., 2015). Therefore, Levi has shared a lifecycle analysis of their jeans and the impact it has in each

production stage. Image 9 displays this initiative. Moreover, Levi clearly states its objectives and share quantified targets throughout the process. Therefore, they disclose a lot of information and show commitment to the environment.



Image 9: Lifecycle of Levi 501 Jeans (Levi Strauss & Co., 2015)

4.3.2 Governance

Adidas is also a company admired for its level of transparency on its practices. The amount of information shared on this specific theme has been noted. Adidas (2020) state that a list of suppliers is shared with the public which presents the standards that suppliers must comply with (Adidas, 2020). Moreover, Adidas is one of the few companies within the industry that shares details on second-tier suppliers. Second-tier suppliers are generally the sub-contractors, fabric and yarn mills. A fragment of Adidas their Global Factory List Tier 2 is shared in image 10. Most of the companies in the textile industry have not been disclosing this type of information with the public.

Furthermore, Adidas performs well when it comes to the selection and assessment of its suppliers. Fashion Revolution (2019) state in its Fashion Transparency Index that Adidas scored the best concerning remediation plans and supplier assessments (Fashion Revolution, 2019). Adidas stands out in this area because they share extensive information on suppliers, sub-contractors, licences and wet processing facilities. Therefore, Adidas displays accountability and traceability throughout its entire supply-chain.

Location	Account Name
Argentina	Textil Rio Grande S.A. - Tierra del Fuego
Argentina	Sedamil S.A.C.I. - Chubut
Argentina	Texameri S.A.
Argentina	Noble Transfers S.A.
Bangladesh	Savar Dyeing and Finishing IND. LTD

Image 10: Global Factory List (Adidas, 2020)

4.3.3 Regulatory Information on Chemical Substances

Patagonia is considered a transparent brand in the textile industry. Over the years, Patagonia has proven that they take responsibility for the environmental impact caused by its practices. Patagonia succeeds in sharing sufficient information on its chemical substances usage. For instance, Patagonia has instituted the Chemical and Environmental Impacts Program (CEIP) to improve chemical usage in its supply-chain. According to Patagonia (n.d.), the CEIP aims to reduce Patagonia's water, chemicals and energy usage (Patagonia, n.d.). Thus, efforts to reduce chemical usage is shared with the public. Moreover, the CEIP helps to improve environmental and chemical management systems and ensures compliance with environmental legislation.

Furthermore, Patagonia shares that the CEIP uses two tools established by in the Higgs Index. These are the Facility Environmental Module and the Chemicals Management Module. Moreover, in its Code of Conduct, Patagonia provides a full list of suppliers and most manufacturing facilities and policies on the elimination of hazardous chemicals. As portrayed in image 11, Patagonia makes it easy to find information on its practices on its website. Examining their website is easy since they structured it into three areas they are focusing on. Overall, Patagonia's website provides clear information on its goals, challenges and initiatives.

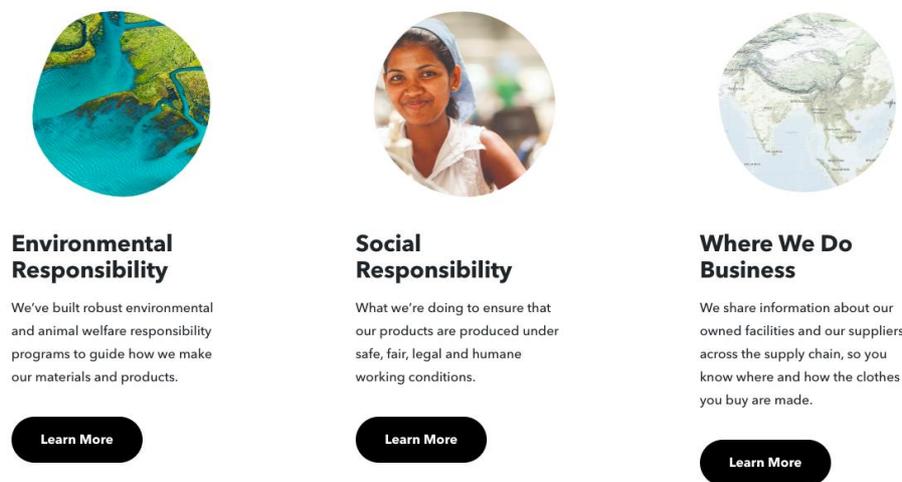


Image 11: Patagonia's Website (Patagonia, n.d.)

4.4 Most Prominent Benchmark Findings

The benchmark results show that most of the companies scored differently in the themes. Therefore, Table 4 was created to indicate what exactly the fast-fashion companies are doing wrong in the lower scored themes and how they can learn from Levi, Adidas and Patagonia.

Themes	Findings	Improvement Points
Environment	The most notable findings of the Benchmark were that the benchmarked companies do not provide enough information on where precisely their products are made. Moreover, the Benchmark results indicate that the companies do not disclose environmental data.	Upon assessing Levi’s performance in this theme, it became clear that they succeed because of the superior sharing of information on environmental impact. Not only do they succeed because of their honest communication style, they mainly succeeded since they share environmental data of their products. The companies could also incorporate this Life Cycle Assessment further into their business practices.
Governance	The Benchmark shows that the majority of researched companies perform well when it comes to supplier selection criteria and assessment. This is the only subject in which most companies have received a high score. It is notable, however, that they all received low scores when it comes to addressing their board responsible for environmental impact and how to contact them.	Based on these results, it is clear that the companies need to share more on their board and provide sufficient contact information. Moreover, not all companies performed well concerning supplier selection. Therefore, the companies could improve by following Adidas’ example of sharing additional supplier information. Adidas is one of the only companies that share second-tier suppliers. Thus, the companies would increase transparency when they share this as well.
Regulatory Information on Chemical Substances	The results show that all companies fail to provide detailed information on the country regulations they have to follow. Moreover, plans to reduce the usage of chemical substances lacks information on how objectives are achieved.	As well as Patagonia, the companies could incorporate a programme to improve the usage of chemical substances throughout the entire supply chain. The companies could share how objectives are met and what challenges they are facing when it comes to reducing the usage of chemicals.

Table 4: Improvement Points in the Lowest Scored Themes

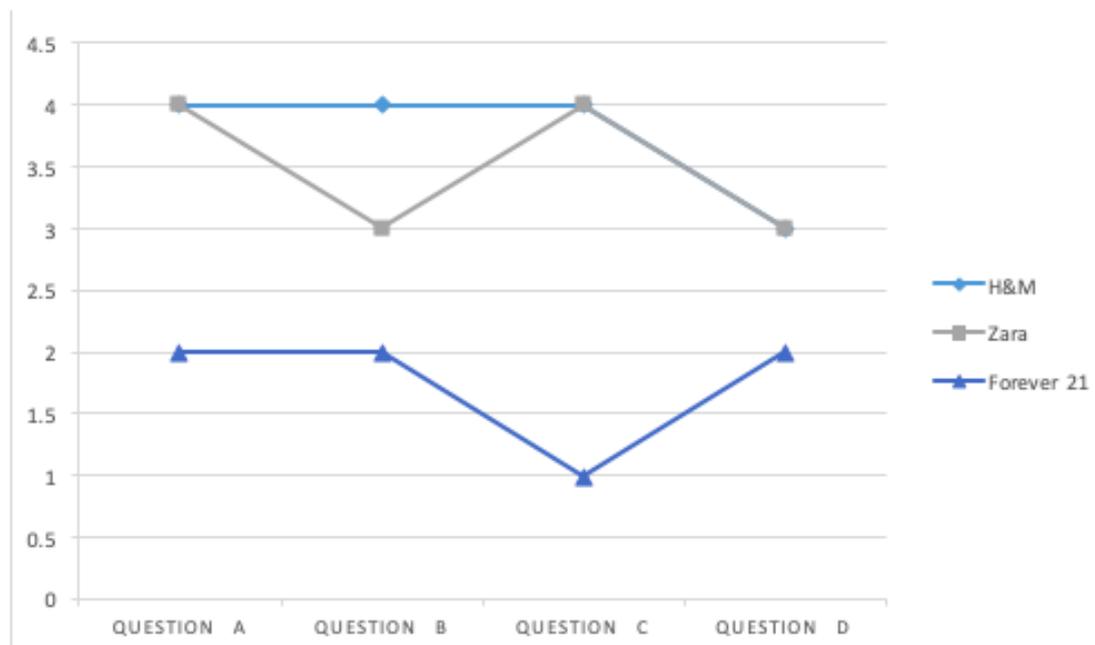
5. Analysis

This chapter examines the findings from the Results chapter and evaluates the Benchmark Table's outcomes. Sub-question 3 "What are fast-fashion companies currently undertaking in regards to transparency?" and sub-question 4 "In which different aspects of their business practices can fast-fashion companies improve their transparency?" are answered in this chapter. First, this chapter discusses the best practices of the selected fast-fashion companies concerning transparency. Next, it is established in which of the five themes these companies need to improve and advice on how they can accomplish this is given.

5.1 What are fast-fashion companies currently undertaking in regards to transparency?

This sub-chapter answers sub-question 3 by examining the outcomes of the benchmark and the applicable literature of the Theoretical Framework. This sub-question follows the same structure as the benchmark in which the five themes are discussed.

5.1.1 Policy and Commitment



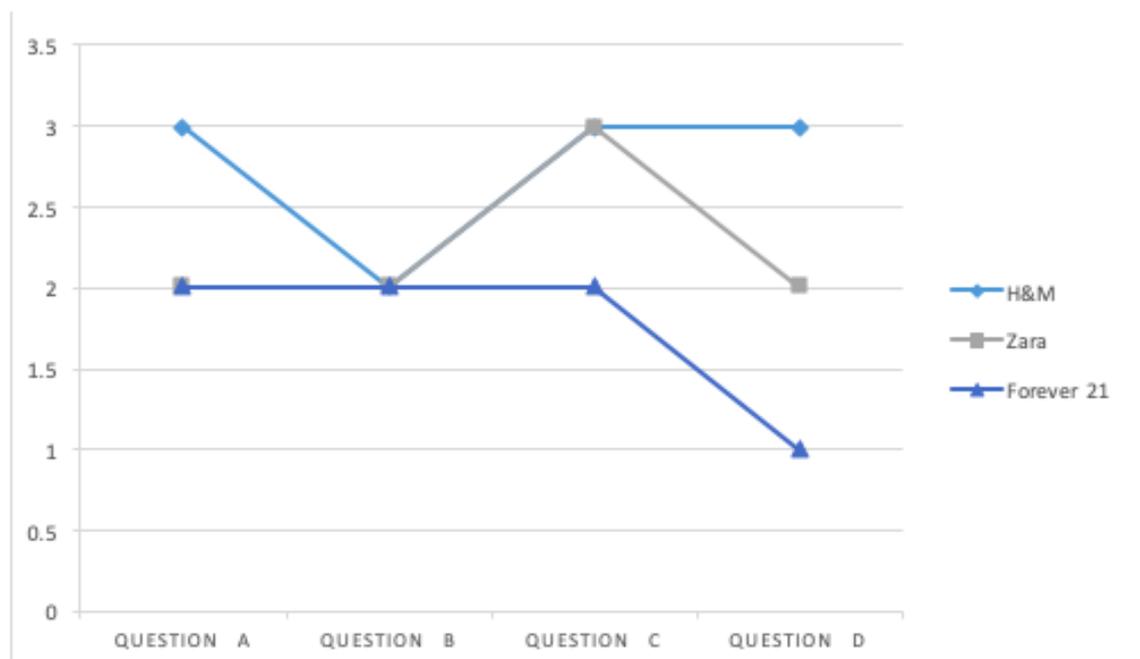
Graphic 1: Policy and Commitment Scores Overview

Looking at the benchmark results, Policy and Commitment is one of the best-scored themes. Graphic 1 displays an overview of the obtained scores of each company in this theme. As seen in this graph, H&M has scored the best out of all the companies and Forever 21 the worst. H&M's high score is due to the fact that they provide more information on their vision and implementation plans of their policies. The majority of companies have remediation plans or enforce environmental policies. H&M

has a Sustainability Report, Zara a Strategic Environmental Plan and Forever 21 only has a Social Responsibility page. It is notable that Forever 21 is the only company that does not have a public report dedicated to sharing sustainability matters. They only have a social responsibility page which does not provide enough information on their remediation plans or environmental policies and, therefore, Forever 21 has received low scores. H&M and Zara, however, have performed exceedingly well. Both companies make their remediation plans accessible to the public through their parent company’s websites. It is a shame, however, that these reports are only found on the parent company’s websites and not on their own websites. It would make the company more transparent if people would not have to actively search for remediation plans or environmental policies.

Moreover, most of the benchmarked companies did disclose sufficient information on their Code of Conduct. H&M and Zara share their Code of Conduct on the parent company’s website and provide useful information on their standards and policies. As for Forever 21, they only mention their Code of Conduct briefly on their website. Furthermore, all companies share their vision on their websites. However, none of the companies specifically mention how they want to achieve it. In other words, information on policies and objectives is being shared with the public but not how these are implemented. It could be argued that this makes the companies seem unreliable because it is not clear how their policies are implemented.

5.1.2 Environment

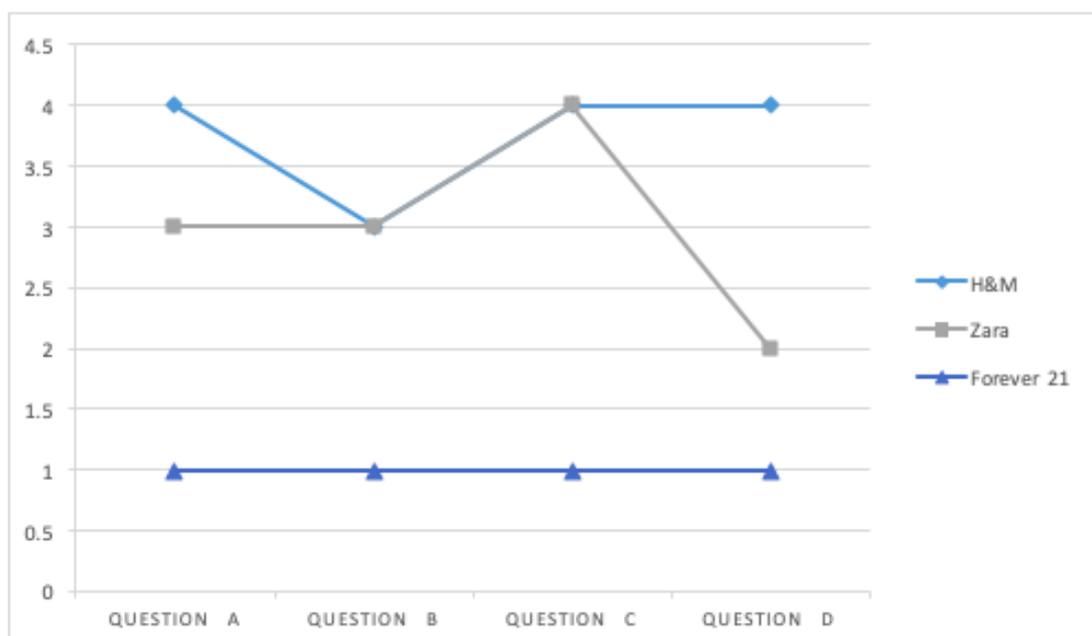


Graphic 2: Environment Scores Overview

Graphic 2 presents the scores of the companies in the Environment theme. The benchmark results show that all of the researched fashion brands disclose information on products’ materials and care instructions. However, H&M is the only one that shares for each garment in which factory it is made. This displays traceability of H&M’s supply-chain which is commendable. Therefore, it is not surprising that H&M has performed the best in the benchmark seeing as they are the only ones sharing detailed information on their products. The other two companies, however, fail to provide sufficient product information. In this current era of growing customer awareness it is simply not enough to just share the materials and care instructions of items. Thus, Forever 21 and Zara could follow H&M’s lead and also disclose for each item the supplier name.

Furthermore, all of the benchmarked companies disclose at least one objective they have concerning waste reduction. Both H&M and Zara include in their remediation plan that they want to tackle climate change and reduce the impact their practices have on the environment. Moreover, H&M and Zara display that they are actively trying to improve their practices by agreeing to Greenpeace’s Detox Commitment plan. However, even though they show that they care about the environment through this initiative, the companies have not shared any progress. This makes it difficult to assess if they genuine and are actively tackling hazardous chemicals in their supply chains. Moreover, the benchmark indicates that Forever 21 have only shared that they have adapted efficient lightening systems that reduce energy usage in their new stores. However, any proof of this is not shared with the public which also questions their trustworthiness.

5.1.3 Monitoring & Reporting

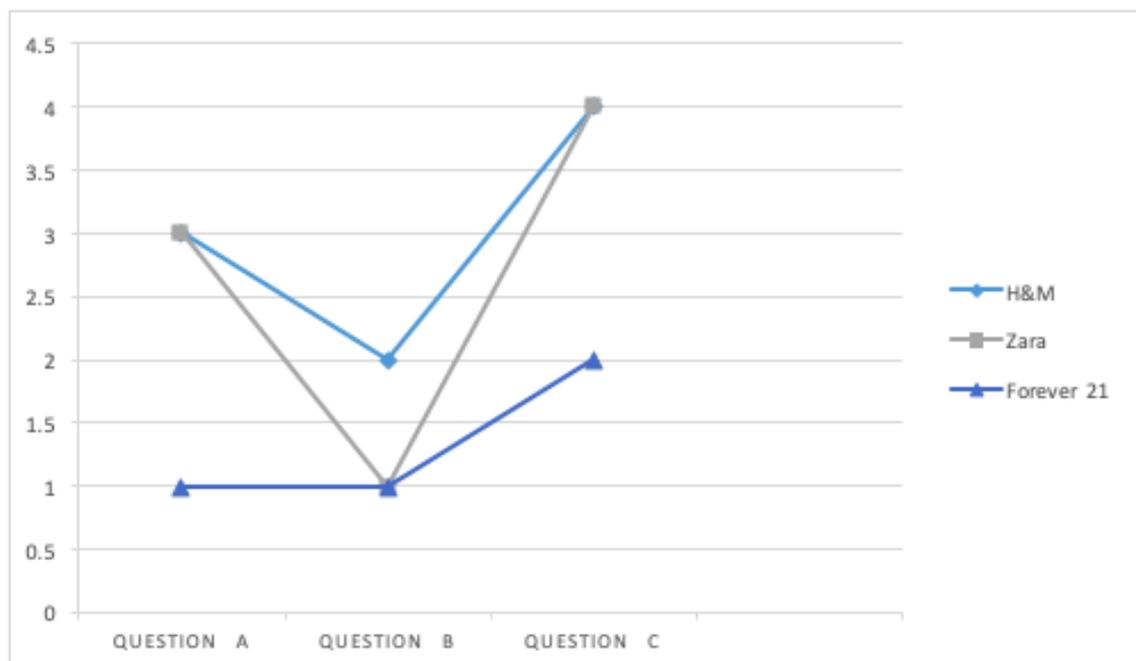


Graphic 3: Monitoring & Reporting Scores Overview

The benchmark results showed that Monitoring & Reporting is also one of the best-scored themes of the assessed fashion brands. Graphic 3 presents the obtained scores of the benchmarked companies. However, it is arguable that the score would have been significantly higher were it not for Forever 21’s performance. Looking at Forever 21’s benchmark scores indicate that they have severely influenced the average score seeing as they have received the lowest scores on all questions.

Both H&M and Zara, however, have scored exceedingly well on this benchmark theme. Both companies share sufficient information on annual reports and succeed in sharing suppliers. The annual reports are accessible to the general public and present insight into the companies’ business model and strategies. Zara especially has made genuine effort to translate its reports from Spanish to English so that the general public can read them. Moreover, another notable aspect is that Zara and H&M both present an annual report every year in which they reflect on their past performance and new goals in their annual reports. H&M once again received the highest score in this theme because of their honesty about its suppliers’ locations and suppliers name. Zara only mentions the countries whereas Forever 21 does not disclose any information on its suppliers. Thus, it appears that out of the companies, Forever 21 needs to improve the most in this theme since they do not disclose any information on its annual reports and suppliers. However, Zara would improve if they would disclose more information on their supplier locations.

5.1.4 Governance

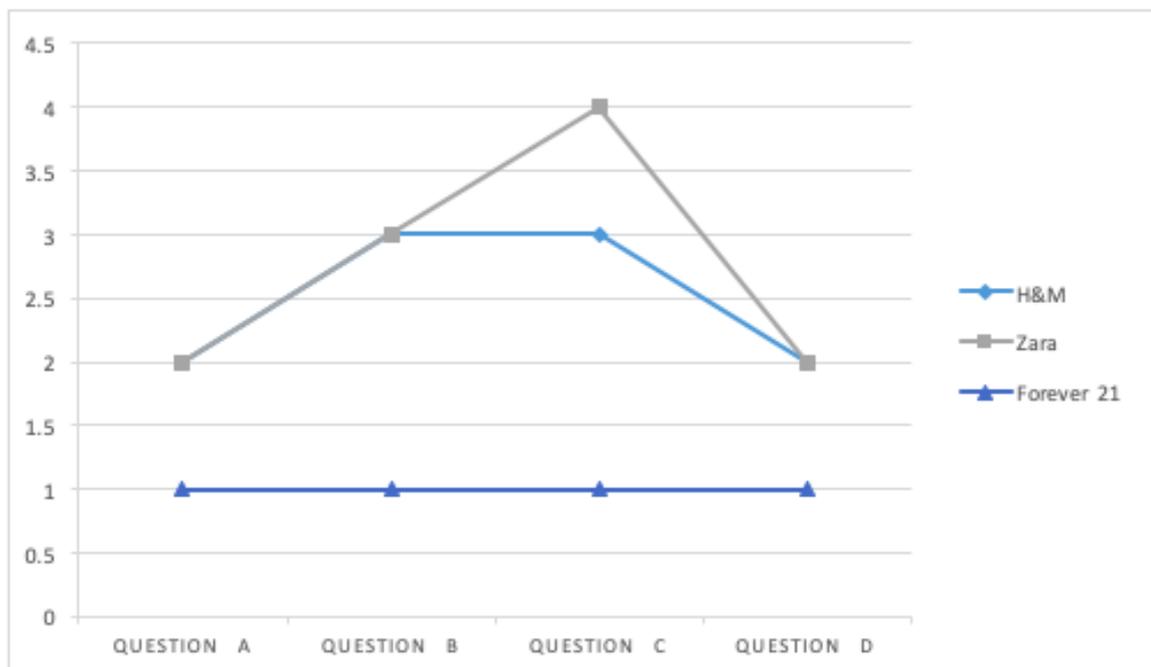


Graphic 4: Governance Scores Overview

As seen in the Benchmark Table results, the majority of the benchmarked companies did not perform well in the Governance theme. Graphic 4 displays how the companies have scored in this theme. However, most of the companies did succeed in disclosing sufficient information on their supplier criteria for selecting suppliers. It is, therefore, no surprise that this is the best scored sub-theme of the Governance theme. Especially H&M and Zara succeed in being open about their selection criteria and ensure that suppliers have to meet their conditions. Forever 21 also mentions that their suppliers have to conform to policies. So, all companies claim that suppliers must conform with supplier agreements before conducting business. However, it would be beneficial if the companies shared how there are holding their suppliers accountable.

In addition, all the companies seem to have policies or protocols to ensure compliance to their set standards. These policies include environmental protection and are all per International Labour Organization Framework standards. Moreover, upon researching the companies’ websites, it can be said that most of the companies have a board dedicated to environmental issues. Additionally, H&M and Zara share who its head of sustainability is and provide some contact information whereas Forever 21 only shares contact information on its customer service pages. Overall, the information shared by the companies are quite superficial and there needs to be more evidence.

5.1.5 Regulatory Information on Chemical Substances



Graphic 5: Regulatory Information on Chemical Substances Scores Overview

The benchmark results indicate that the companies have not performed well in this theme. Graphic 5 also shows this. To establish whether or not the companies provide regulatory information on chemical substances, their websites and parent company websites have been researched. The findings show that at least two companies mention their country's regulations. H&M and Zara claim that all chemical products comply with the EU REACH and that their suppliers must obey this regulation as well. However, no evidence on how they have incorporated this in their business plans is given. Moreover, the majority of the companies disclose information on their set standards. H&M publicly shares their standards in the H&M Group Chemical Restrictions report and Zara created the Join Life standard in accordance with the Higgs Index. Both companies ensure that the standards must be followed by their suppliers.

Moreover, it seems that H&M and Zara are the only ones that are open about their chemical substance usage. However, Zara has performed the best in this theme because they present more detailed information on its chemical substance usage by publishing excel files that contain which chemicals they use. Forever 21 does not share any information on its chemical substance usage and, therefore, should try to become more transparent in this theme. As for plans to reduce the impact of using chemicals, H&M and Zara are a part of Greenpeace's Detox Commitment Plan. However, no recent update has been given by the companies on their progress. So, while they are transparent in regards to sharing their plans, it is unclear if they have improved since joining seeing as no progress is shared with the public. As a result, these companies could come off as dishonest which severely impacts their credibility.

Upon assessment of these three companies, it has become evident that some companies performed better in the benchmark than the others. Especially Forever 21's results have shown that it still needs to disclose more information on all themes to become a transparent brand. Forever 21 lacks in a lot of themes and is, therefore, not considered a transparent brand. They are not even well on their way in becoming a transparent company seeing as they do not share any relevant information with the public. Furthermore, it can be said that H&M and Zara are well on their way in becoming more transparent. Out of all companies, H&M has the best practices in the majority of the themes. However, Zara also shows significant effort in becoming more transparent. While there is still a lot of room for improvement, these companies show that they reflect on their progress every year and alter their goals or create new initiatives. In comparison to these two companies' performance, it is clear that Forever 21 still has a long way to go in becoming a transparent company.

5.2 In which different aspects of their business practices can fast-fashion companies improve their transparency?

This chapter examines the results of the benchmark table and establishes in which of the established themes the fast-fashion companies can improve. In order to make a sufficient analysis of the benchmark table's results, every companies' benchmark score is translated into a chart. These charts display in which of the themes the companies have performed the best and in which themes they have performed the worst. The calculations of the charts can be found in appendix 4. Moreover, advice on how they can become more transparent is given by looking at the strategies and methods of Levi, Adidas and Patagonia that were previously discussed in Chapter 4.3.

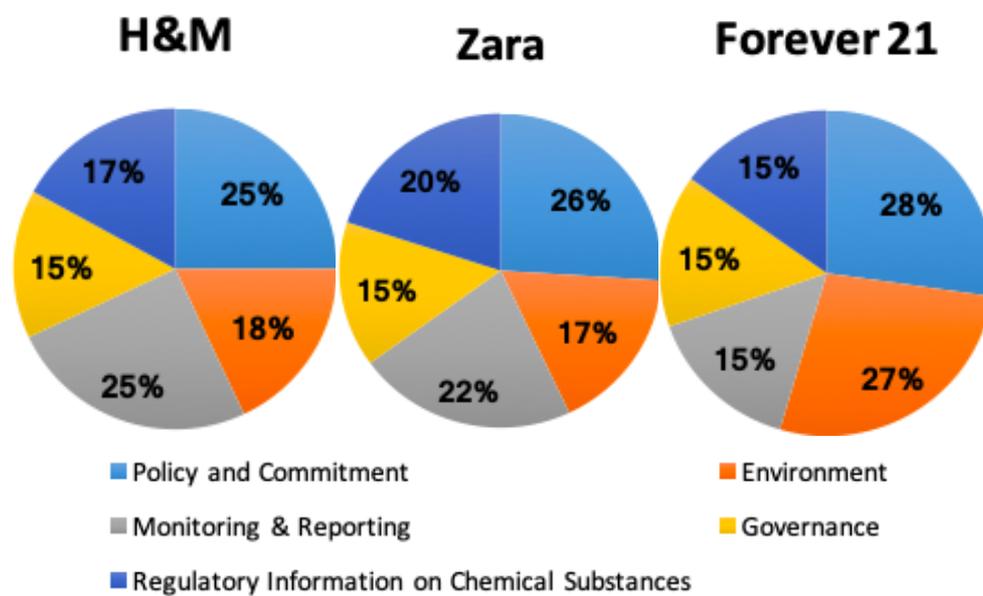


Figure 1: Benchmark Performance of all three Companies

Looking at the sub-question, "In which different aspects of their business practices can fast-fashion companies improve their transparency?", figure 1 shows that all the companies have individually performed the worst in Governance. Therefore, this is the theme in which all companies must improve their level of transparency on their sustainability performance. First of all, even though the majority of the companies do share that they have a board responsible for environmental issues, none of the companies provides sufficient contact information. Especially Zara and Forever 21 have failed to provide any contact information of members of their sustainability board if there even is one. Thus, if the companies want to become more transparent then they need to provide more information on who in the company is responsible for environmental issues. In addition, the companies would really benefit from sharing the names of the whole board and providing individual contact information. Furthermore, Forever 21 is the only company that does not disclose sufficient information on its

supplier process. Therefore, it would be beneficial for the company if they would disclose more information on supplier policies and how these are implemented. Overall, it can be said that all companies simply do not disclose enough useful information concerning their governing structure.

Moreover, upon assessing the benchmark results, it became evident that most companies did not perform well in the Environment theme. As seen in figure 1, the Environment theme is the second highest scored theme of Forever 21 but that does not mean that their performance is acceptable. Both Zara and Forever 21 do not share enough transparent information on its products. They should follow H&M's lead and start to share information on their products' background and name each supplier per garment. Furthermore, the companies do not disclose sufficient information on the impact their practices have on the environment and how they are planning on reducing it. Especially in regards to sharing data on environmental issues and water-use reduction plans are not transparent enough. For example, H&M's Conscious clothing line and Zara's Join Life clothing line are supposed to be the more sustainable clothing option. However, they do not thoroughly explain what makes these clothes more sustainable. The product information is the same as the regular clothing line which makes it difficult to assess this clothing line. The companies could share details on how it is recycled, how they are produced and what its carbon footprint is in comparison to its regular clothing line. Overall, the companies would benefit if they followed the Life Cycle Assessment Model seeing as its focus is on evaluating the environmental impacts of business practices. After the evaluation, companies should share the collected data.

In addition, figure 1 shows that the companies did perform well on the Regulatory Information on Chemical Substances theme. In the benchmark's average score, the companies actually performed the worst in this theme. Once again, Forever 21 is responsible for weighing down the average score. This is mostly due to the fact that they have received the lowest possible score on all questions. Forever 21 fails to provide any information on its chemical usage, standards and initiatives to reduce the usage of chemical substances. Therefore, Forever 21 should share this information with the public in order to become more transparent. The majority of benchmarked companies aim to reduce the impact of using chemicals and share which standards are enforced. However, H&M and Zara would benefit from providing more detailed information on how these standards are implemented and how they are audited. Moreover, Zara and H&M have joined Greenpeace's Detox Commitment plan which shows that they are taking genuine actions to eliminate hazardous chemicals in its production process. However, the only update on this initiative is a general progress statement from Greenpeace. Thus, it is unknown if this initiative has had any effect on reducing the companies' chemical usage seeing as

no update is given since 2018. Therefore, it cannot be said if these companies are positively progressing in Greenpeace's Detox Commitment Plan if they are even still following this plan at all.

Based on these findings, it can be concluded that the companies can improve their transparency in the following business practices: Governance, Environment and Regulatory Information on Chemical Substances. The reason that the scores are so low in these themes is mostly due to the fact that the companies are not sharing enough honest and transparent information on its practices. Thus, it is recommended to disclose more information on its policies, standards, suppliers and their implementation strategies. However, this does not mean that companies should only focus on these three themes. Even though Policy and Commitment and Monitoring & Reporting are the best scored themes, it does not mean that they should be disregarded. Looking at these themes per sub-theme shows that there are still some aspects within the themes that needs improvement. Overall, improving on all areas would severely help the companies improve their transparency on their sustainability performance.

6. Conclusion

The first sub-question used to answer the central research question of this dissertation was “What is transparency and how can companies measure it?”. Different theories that research this sub-question have essentially created the Theoretical Framework. After consulting different theories, transparency was defined as open and honest information that companies share with the public on their practices. In the fast-fashion industry, transparency on a company’s sustainability performance could enhance customer relationships. Moreover, different measurement models were found that led to the creation of a benchmark as this study’s chosen research method. Three companies were chosen for the benchmark and were researched on the five themes that were created by combining the models of the Theoretical Framework. These themes are Policy and Commitment, Environment, Monitoring & Reporting, Governance and Regulatory Information on Chemical Substances. The average score showed that the companies performed best in Policy and Commitment and Monitoring & Reporting and scored the lowest on Environment, Governance and Regulatory Information on Chemical Substances.

Thereafter, the second sub-question was researched which was “What can fast-fashion companies learn from other players in the industry?”. Overall, it seems that the best practices of these companies are due to the fact that they disclose more detailed information on their practices. Especially when it comes to providing more insight into the company’s second-tier suppliers and the impact its practices have on the environment do these companies thrive in regards to transparency. As a result, these companies adequately display a sense of accountability and traceability throughout their entire supply-chain. Besides, seeking information on these companies’ practices was easy since they have made their documents and reports easy to find. In addition, their websites are easy to navigate which facilitated the research process. Therefore, these companies are universally considered transparent. The benchmark results were also needed to answer the last two sub-questions and subsequently provide an answer to the central research question.

The third sub-question was “What are fast-fashion companies currently undertaking in regards to transparency?” The majority of researched fast-fashion companies are working towards becoming a more transparent brand. They do this by establishing environmental policies or remediation plans. Upon assessing the benchmark results, it can be said that all companies incorporate some aspects of the Triple Bottom Line Model in their business strategy. However, it cannot be declared whether or not the companies incorporate all three characteristics of the Triple Bottom Line Model since only the environmental characteristic of the Triple Bottom Line Model is researched. The companies displayed

this model because they all have published statements concerning the environment. However, not all companies shared their remediation plans or initiatives with the public which severely influenced the outcomes of the benchmark. Most of the companies display information on these themes on their websites or on their parent company's websites. For some, more research was needed because it was difficult to find any information on their practices. Therefore, the companies would benefit from making information more reachable. The final sub-question that has helped to answer the central research question was 'In which different aspects of their business practices can fast-fashion companies improve their transparency?'. Based on the findings of the benchmark, the themes in which the companies should put the most effort to improve their level of transparency are Governance, Environment and Regulatory Information on Chemical Substances. This is mostly because the information they share if they even share any, is not satisfactory.

Research has shown that the biggest problem that influences companies' level of transparency is a lack of credibility. Most companies succeeded when it came to sharing their environmental policies and objectives to reduce their impact. However, none of the companies explicitly share how these policies or objectives are implemented. Moreover, the majority of the companies fail to present advancements of their initiatives. So, even though the companies express their plans to reduce the environmental impact caused by their practices, they lack reliability since no updates are given. As a result, it is difficult to assess whether or not the companies are genuine about their business practices. In addition, the limitations of this research has also had an impact on the findings and outcome. Since there was no direct access to companies' documents it was difficult to find an answer to some of the benchmark questions. Moreover, the time-frame in which the research was conducted influenced the findings. Therefore, for future research it would be advisable to have contact with the researched companies and to spread out the research over a longer period of time. Moreover, it would be beneficial to further explore the sub-themes of the benchmark and to further analyse why some companies perform better than others.

7. Recommendations

If companies would like to improve their transparency on their sustainability performance, they probably want to improve on different aspects of their business practices. This dissertation researched how companies can improve their transparency on their sustainability performance. On behalf of the results of this study, recommendations are given to companies within the fast-fashion industry in order to create an opportunity to improve their transparency concerning its business practices. As a result, the central research question 'How can fast-fashion companies improve their transparency on their sustainability performance?' is answered.

Research has shown that fast-fashion companies can improve their transparency in five different aspects of their business practices. What was visible was that the themes Policy and Commitment and Monitoring were the highest scored themes. However, companies should still incorporate these themes in addition to Governance, Environment and Regulatory Information on Chemical Substances in order to improve their transparency. If companies are already embracing transparency in their business practices, they could further improve by disclosing additional information. For example, next to publishing remediation plans, environmental policies and initiatives, companies could share their progress and how each plan or policy is implemented. Therefore, it could be recommended to companies that they establish systems that ensure their initiatives are correctly implemented.

Based on the research, it became evident that there is room for improvement concerning the themes Governance, Environment and Regulatory Information on Chemical Substances. For example, companies could provide how much water is used in the production process or display their carbon footprint. Besides, it is important that information is accessible to the general public and does not contain jargon. In addition, the public must know who the responsible parties are for environmental issues and how they can contact them. As previously explained, companies could look at other players in the industry and learn from their success cases.

For instance, they could follow Adidas' example and share additional information on their second-tier suppliers. Moreover, the Life Cycle Assessment Model was quite apparent in Levi's strategy of sharing environmental impact of clothing. This would give aspiring transparent companies a sense of credibility and accountability when they show that they are working on reducing their environmental impact. Finally, companies could look at Patagonia's strategies to become more transparent by sharing more information on how they are reducing the use of hazardous chemicals and openly share which

chemicals they use for the production of their clothing. Furthermore, aspiring transparent companies could also do the following to improve their transparency on their sustainability performance:

- Share how their vision is being operationalised.
- Specify which environmental policies have been enforced and show how these are incorporated into their business practices.
- Share their Code of Conduct and explain how it is audited.
- Provide sufficient product information and share for each product the impact it has on the environment.
- Present annual reports and other documents on their own websites and not only on the parent-company's website.
- Provide insight into the company's supplier selection criteria and assessment protocols.
- State which chemicals are being used and if plans to reduce the usage of chemical substances have been put in place.

Overall, it would increase companies' credibility if there was more open and honest information on all business practices. Displaying credibility and accountability is important throughout companies' entire supply chain. It is especially important because customers tend to be more appreciative of companies that are transparent about their practices. Therefore, companies in the fast-fashion industry would greatly benefit from becoming more transparent.

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9. Appendices

This chapter includes the appendices that are relevant to this dissertation. Throughout the dissertation, these appendices are referenced.

Appendix 1: European Studies Student Ethics Form



European Studies Student Ethics Form

Your name: Sofia Lamtiri

Supervisor: Titus van der Spek

Instructions:

Before completing this form you should read the APA Ethics Code (<http://www.apa.org/ethics/code/index.aspx>). If you are planning research with human subjects, you should also look at the sample consent form available in the Final Project and Dissertation Guide.

- Read section 2 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
- Complete section 1 and, if you are using human subjects, section 2, of this form, and sign it.
- Ask your project supervisor to read these sections (and the draft consent form if you have one) and ask him/her to sign the form.
- Always append this signed form as an appendix to your dissertation. This is a knock-out criterium; if not included the Final Project/Dissertation is awarded an NVD.

Section 1. Project Outline (to be completed by student)

(i) Title of Project: Transparency in the Fast-Fashion Industry

(ii) Aims of project:

To find out how three fast-fashion companies can improve their transparency on their sustainability performance.

(iii) Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer 'NO' to this question.)

No

If yes: you should complete the section 2 of this form.

If no: you should now sign the statement below and return the form to your supervisor. You have completed this form.

This project is not designed to include research with human subjects. I understand that I do not have ethical clearance to interview people (formally or informally) about the topic of my research, to carry out internet research (e.g. on chat rooms or discussion boards) or in any other way to use people as subjects in my research.

Student's signature

Date

12/05/2020

Section 2 Complete this section only if you answered YES to question (iii) above.

(i) What will the participants have to do? (v. brief outline of procedure):

[Empty text box for procedure outline]

(ii) What sort of people will the participants be and how will they be recruited?

[Empty text box for participant details and recruitment]

(iii) What sort of stimuli or materials will your participants be exposed to? Tick the appropriate boxes and then state what they are in the space below

<input type="checkbox"/>	Questionnaires	[Empty space]
<input type="checkbox"/>	Pictures	[Empty space]
<input type="checkbox"/>	Sounds	[Empty space]
<input type="checkbox"/>	Words	[Empty space]
<input type="checkbox"/>	Other	[Empty space]

(iv) Consent: Informed consent must be obtained for all participants before they take part in your project. By means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual. Appendix the Informed Consent Form to your Final Project/Dissertation as well.

(vi) What procedures will you follow in order to guarantee the confidentiality of participants' data?

[Empty text box for confidentiality procedures]

Student's signature: [Empty signature box]

Date [Empty date box]

Supervisor's signature:  [Empty signature box]

Date 17 May 2020

(if satisfied with the proposed procedures)

Appendix 2: Benchmark Inspiration

Image 1: Rating Labels from Good on You (Good on You, n.d.)

These have inspired the creation of the scoring model.

The rating labels

Brands are rated from 1 (We Avoid) to 5 (Great). Overall ratings are derived from an average of the brand's scores for each key area (labour, environment, animals).

Great = These brands score highly in at least two areas and usually have one or more broad-based certifications. They are often built to be sustainable and ethical from the ground up and are very transparent.

Good = These brands adopt many positive initiatives and are often leaders on one or more key issues.

It's a Start = These brands are transparent about some important issues and are making good progress on one or more of them.

Not Good Enough = These brands have provided some information in one or more area, but not enough to address key issues or assess impacts across their supply chains.

We Avoid = These brands provide little to no relevant or concrete information. In some cases the brand may make ambiguous claims that are unlikely to have a material impact.

Image 2: The Fashion Transparency Index (Fashion Revolution, 2019)

These have inspired the variables of the benchmark. Below, one of the themes is Governance and within these theme fashion brands are given a score.

2. GOVERNANCE

0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
Bloomingdale's	Abercrombie & Fitch	American Eagle	ALDI Nord	Banana Republic	Adidas	CGA	Bottega Veneta		
boohoo	ALDO	ASICS	ALDI Süd	Bershka	Bongrix	H&M	Gucci		
CAROLL	Amazon	DSW	ANTA	Calvin Klein	Burberry	The North Face	Hugo Boss		
Chico's	Armani	Lidl OB	ASOS	Esprit	Converse	Timberland	Marks & Spencer		
Decathlon	Buckle	Mango	Brunello Cucinelli	Faibella	Dressano	Vans	Puma		
Hugoboss	Burlington	Superdry	COACH	Gap	George al Asda	Wangler	SAINT LAURENT		
Aeropostale	Calzedonia	TOPVALU COLLECTION	Columbia Sportswear	Gildan	Jordan				
Anthropologie	Carolina Herrera		Dior	Levi Strauss & Co	Lululemon				
Barneys New York	Carrefour - TEX		D-Star RAW	Lindex	Nike				
BCRMMAZARIA	CELINE		GUESS	Massimo Dutti	Reebok				
Beapole	Champion		Hudson's Bay	New Balance	Sainsbury's - Tu Clothing				
Brooks Brothers	Clarks		Jack & Jones	Next	Tchibo				
Chanel	Cole Haan		Joe Fresh	Old Navy	Walmart				
Chaire's	Debenhams		Kate Spade	OVS	Zalando				
Cortefiel	Desigual		Kmart - Attention	Patagonia					
Costco - Inland Signature	Diane Von Furstenberg		LOFF	Primark					
Dick's Sporting Goods	Diesel		Louis Vuitton	Pull & Bear					
Dolce & Gabbana	Dillards		Mammut	S Group - Priema					
Eddie Bauer	El Corte Inglés		Miu Miu	Stradivarius					
Elie Tahari	Ermenegildo Zegna		Mizuno	Tesco - F&F					
Express	Famous Footwear		Moncler	Tommy Hilfiger					
Fanatics	Fendi		Monoprix	Topshop					
Forever 21	Foot Locker		Monsoon	United Colors of Benetton					
Fossil	Hanes		Prada	Van Heusen					
Furla	Hermès		Russell Athletic	Victoria's Secret					
Hellm Home	Inditex/Inditex		Saks Fifth Avenue	Zara					
Ho-Ho-Lo	J.Crew		Salvatore Ferragamo						
Jessica Simpson	JCPenney		Target						
Kohl's	JD Sports		Tod's						
Lacoste	John Lewis		Vero Moda						
Li-Ning	Kik		Versace						
LL Bean	K-Way								
Longchamp	Lands' End								
Matalan	Liverpool								
Max Mara	Marc Jacobs								

Image 3: Benchmark theme from Good on You (Good on You, n.d.)

Good on You has also inspired the creation of the themes of the benchmark and the question list.

Environment	
Resource management and disposal	Types of materials used, efforts to reduce or eliminate waste in design and manufacturing, types of packaging used, management of microplastics, deforestation impacts, product durability and promotion of long-term use
Energy use and greenhouse gas emissions	Energy use including direct emissions and indirect emissions (purchased electricity, emissions generated from the supply chain beyond own operations), setting science based GHG targets and reducing GHG emissions through emissions reduction activities
Chemicals use and disposal	Chemical use and disposal, setting goals to reduce or eliminate chemical use and adopting alternatives such as vegetable based or water based dyes

Image 4: Rank a Brand’s methods for ranking (Rank a Brand, n.d.)

Rank a Brand’s methods have been used in the creation of the scoring model.

3. Brand ranking

Brand by brand, we scour their websites and other public sources for the answers to our carefully targeted questions. Each sector has its own list of questions, but they all get assessed on their climate impact, environmental impact and labour conditions. We double check verifiable information such as certifications. We update our assessment at least every two years, if possible annually, and also when we receive updated information from brands.

Score	% correct	Advice
 A	75-100	Shop away!
 B	55-75	On track towards sustainability
 C	35-55	On its way, but can do better
 D	15-35	Should do better
 E	0-15	Better put your wallet away

Appendix 3: Annotated Bibliography

EcoChain. (n.d.). *Life Cycle Assessment (LCA) – Complete Beginner's Guide*. Retrieved from EcoChain: <https://ecochain.com/knowledge/life-cycle-assessment-lca-guide/>

EcoChain provides insights on how to develop sustainable and profitable business models. In this article, the Life Cycle Assessment model is thoroughly explained which is used in this research. They provide detailed information on the the Life Cycle Assessment Model which is used in the research, therefore, this source is valuable to the research objective.

Fashion Revolution. (2019). *The Fashion Transparency Index*. Retrieved from Fashion Revolution: https://issuu.com/fashionrevolution/docs/fashion_transparency_index_2019?e=25766662/69342298

Fashion Revolution is an NGO that aims for greater transparency in the fashion industry. Every year, they publish a Fashion Transparency Index in which they rate over 250 brands and retailers. These companies are ranked based on how much information they share about their environmental and social impacts, practices and policies. Their Fashion Transparency Indexes are used throughout the research.

Forever 21. (n.d.). *SOCIAL RESPONSIBILITY*. Retrieved from Forever 21: <https://www.forever21.com/us/shop/info/socialresponsibility>

Forever 21 is an American fashion brand and has published a social responsibility section on their website. On this section of the website, information was taken and used in the answering of the benchmark question-list.

Gimenez, C., Sierra, V., & Rodon, J. (2012, November). Sustainable operations: Their impact on the triple bottom line. *International Journal of Production Economics*, 140(1), 149-159.

Gimenez is a cum laude graduate from the Doctorate in Business Administrations and has her focus on Logistics, Supply Chain Management and Logistics integration processes. Gimenez' papers have been published in several journals. Sierra is a professor and has her PHD in Psychology. Her research is focused on psychometrics, quantitative methods and has been published in several journals. Rodon is an associate professor and focuses on B2B standardisation, IT and organisations. His research has been published at several international conferences and various journals. In this journal article, Gimenez, Sierra & Rodon explain the

Triple Bottom Line in detail and provide information on the impact it has on sustainable business operations.

Greenpeace International. (2018, July 12). *Greenpeace report: clothing industry shows progress in cutting hazardous chemicals*. Retrieved from Greenpeace: <https://www.greenpeace.org/international/press-release/17739/greenpeace-report-clothing-industry-shows-progress-in-cutting-hazardous-chemicals/>

Greenpeace is an NGO that fights for the environment. It was founded in 1971 and is now present in over 40 countries. Greenpeace is the most visible environmental organisation and is known for raising environmental issues to public knowledge. In this article, Greenpeace announces the findings of their report on the Detox Fashion Campaign. This was useful in the answering of the benchmark question-list for H&M and Zara.

H&M Group. (2020, February). *H&M GROUP CHEMICAL RESTRICTIONS 2020*. Retrieved from Hm Group: https://hmgroupp.com/content/dam/hmgroupp/groupsite/documents/masterlanguage/CSR/Policies/2020/External%20version_HM%20CR%20Textile%20Products%20Accessories%20FBB.pdf

H&M Group is the parent company of H&M along with COS, Monki, Weekday, Cheap Monday and &Other Stories. In this article, H&M Group presents a document containing information on their chemical restrictions and Code of Conduct. This document is valuable to the research because it provides detailed information on their practices in regards to chemical usage and monitoring.

H&M Group. (2019, April 2). *SUSTAINABILITY REPORT SHOWS STRONG PROGRESS TOWARDS THE GOAL TO ONLY SOURCE SUSTAINABLE MATERIALS*. Retrieved from HM: <https://about.hm.com/news/financial-reports/2019/4/3255193.html>

H&M Group press releases, articles and reports are widely used throughout the benchmark. This press release presents the main findings of their latest sustainability report and include their long-term goals. Along with other documents from H&M Group, this press release is used in the answering of the benchmark question-list.

Inditex. (2012, July). *Code of Conduct and Responsible Practices* . Retrieved from Inditex: <https://www.inditex.com/documents/10279/241587/Code+of+Conduct+and+Responsible+Practices/aa0ee7c0-74b5-4f8d-a210-5581678919fe>

Inditex is the parent company of Zara, which is why their reports are used in this research. In this document, Inditex presents their Code of Conduct and Set Standards for their practices. This document is useful because it helps to answer some of the benchmark questions.

Appendix 4: Calculations of the Charts

In order to calculate the percentage, the following tables display the theme, the points obtained per company and the percentage this leads to. All calculations go as follow: per company, the obtained points per theme are divided by the total obtained points which is then multiplied by 100. This leads to the percentage of the companies' performance per theme and is translated into a chart.

Calculation 1: H&M

Theme	Points Obtained	Percentage
Policy and Commitment	15	25%
Environment	11	18%
Monitoring & Reporting	15	25%
Governance	9	15%
Regulatory Information on Chemical Substances	10	17%
Total	60	100%

Calculation 2: Zara

Theme	Points Obtained	Percentage
Policy and Commitment	14	26%
Environment	9	17%
Monitoring & Reporting	12	22%
Governance	8	15%
Regulatory Information on Chemical Substances	11	20%
Total	54	100%

Calculation 3: Forever 21

Theme	Points Obtained	Percentage
Policy and Commitment	7	27%
Environment	7	27%
Monitoring & Reporting	4	15%
Governance	4	15%
Regulatory Information on Chemical Substances	4	15%
Total	26	100%