

# Retailers and Vendors Charge Ahead on Sustainability

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ADD NOTE



Ads from Levi's Eco Jeans.

Photo By Courtesy Photo



Nike's Trash Talk recycled shoe.

Photo By: Courtesy Photo

The global apparel industry is embracing sustainability as a key to long-term survival.

Fears that the recession would slow or halt investments in sustainability, environmental initiatives and corporate social responsibility appear to be unfounded. In fact, executives said as consumers around the world continue to feel the sting of the financial crisis, the case has strengthened for better corporate practices that would spur efficiencies and lower resource consumption.

“People are investing in it,” said Andrew Olah, chief executive officer of Olah Inc., a U.S. agent for foreign contract manufacturers and textile and hardware vendors targeting denim designers. “They’re doing it not because it’s the right thing to do morally, but it’s the right thing to do for your business.”

Olah said reforms implemented in China in 2008, which has endured production scandals such as lead contamination in toys and melamine contamination in Chinese-made pet food and milk products, have had a significant impact.

“The biggest exporter of apparel is China, and China has a huge mandate to clean up,” he said. “Their factories — everything from laundries to textile factories — are being forced to do that.”

Factories in China face more government scrutiny on water usage and treatment, energy consumption and recycling and new labor agreements that have given workers more rights and protections. Olah acknowledged the apparel industry will continue to pursue production in lower-cost sourcing countries such as Bangladesh and Vietnam, where guidelines are less stringent.

Apparel industry representatives at last week’s Business for Social Responsibility annual conference in San Francisco said there’s little question about the increased attention being paid to how going green can lower costs while reducing carbon emissions and other greenhouse gases that are said to be a cause of global warming.

A poll taken at the conference showed that 37 percent of 274 corporate officials participating expected their sustainability budgets to increase in the year ahead, and just 8 percent anticipated a decline. The other 55 percent said budgets should stay the same.

The results suggested “the debate over whether sustainability is important to corporations is long gone,” said Aron Cramer, president and ceo of research consultant BSR. “The key thing for companies is to focus on things they have control over and to set targets they can really push. In many cases, they have seen a financial benefit.”

BSR, which launched in 1992, provides research and advice on corporate social responsibility to 250 member companies worldwide from a range of sectors, including apparel. The conference attracted about 1,000 people from 40 countries, representing corporations, nonprofit organizations and governments.



Tags on Levi's Eco Jeans.

Photo By Courtesy Photo



Sir Stuart Rose, ceo of Marks & Spencer, charges customers for plastic bags in an effort to reduce waste.

Photo By Gareth Cattermole/Getty Images

Among those sending representatives were Gap Inc., Levi Strauss & Co., Wal-Mart Stores Inc., J.C. Penney Co. Inc., Marks & Spencer, Nordstrom Inc., Target Corp., H&M, VF Corp., Burberry, Donna Karan International Inc., Gucci Group, L.L. Bean Inc., Jones Apparel Group Inc., Limited Brands Inc., Nike Inc., Columbia Sportswear Co., AnnTaylor Stores Corp., American Eagle Outfitters Inc., Lululemon Athletica Inc. and Phillips-Van Heusen Corp.

Richard Gilles, director of sustainable business for Marks & Spencer, the U.K.'s largest department store chain, said companies will fall behind if they don't participate in "the sustainable revolution."

“We have to get to a point where we are still meeting the customers’ needs, but doing it sustainably,” Gilles said. “Those [companies] who go there first, I suspect, will make money.”

Marks & Spencer started its sustainability program, called Plan A, two years ago. Gilles said the initiative is succeeding because it reaches all corners of the business. In addition, it is considered to be as strategic as the financial end of the business, receiving ceo and chairman oversight. Under Plan A, Marks & Spencer discouraged use of plastic bags and excess packaging, found a source of recycled mannequins and helped a lingerie maker from Sri Lanka that provides exclusive product to the retailer build an “eco factory” that uses 40 percent less energy than a standard facility. Three more such factories are planned.

To keep its clothes out of polluting landfills, the retailer encourages that used Marks & Spencer garments be donated to the relief organization Oxfam. In exchange, customers receive a coupon worth 5 pounds, or \$8.18 at current exchange.

Denim giant Levi Strauss & Co. already has strict requirements for suppliers on water quality and substances that can be used in production, and is looking at other parts of its supply chain. The company’s concerns about the environmental impact of chemicals used on cotton and the labor conditions of cotton workers around the world prompted Levi’s to join the Better Cotton Initiative. BCI seeks to develop a global system of farms with strong environmental and labor practices by 2012.

Levi’s also used the conference as an opportunity to unveil its latest initiative. The company, in partnership with Goodwill Industries, is introducing a care tag sewn inside its products urging consumers to wash their garments less frequently and to wash them in cold water and line dry them when possible. Levi’s believes taking these steps can help lower the environmental impact of the garments over their life spans by more than 50 percent.

Levi’s is one of the few companies that has offered a detailed picture of how much an impact its products can have. Several years ago, the company shared the results of its life cycle assessment on what went into making one pair of the iconic Levi’s 501 style. Examining the 2006 production year for jeans headed to

the U.S. market, Levi's found that making one pair of 501s required almost 920 gallons of water and 400 megajoules of energy, and expelled 32 kilograms of carbon dioxide. The company said this was equivalent to running a garden hose for 106 minutes, driving 78 miles and powering a computer for 556 hours.

The new Levi's label, which will be introduced in January, also will encourage people to donate their used Levi's to Goodwill. Levi's and Goodwill said about 23.8 billion pounds of clothing and textiles ends up in U.S. landfills each year.

Hangtags and labeling are one area where Olah believes the government could spur greater transparency in the market.

"Every garment says where it's made, but saying it's made in China is like saying there's a molecule on your body," he said. "That label can be broken down to say where the cotton's from or where it's sewn. I doubt the government's going there."

Gildan Activewear Inc. is another company with a heightened environmental awareness. Gildan wants to build more biomass fuel systems at its Caribbean and Central American facilities after having success burning coconut and palm fronds in its Dominican Republic textile factory, where special boilers generate steam energy. The Canadian company also uses gravity-driven water-cleaning systems using large ponds at its textile mills, said Corinne Adam, Gildan's vice president for social responsibility, who attended the conference.

Since Gildan produces blank T-shirts and other basic activewear, "the innovation is not going to be in our products, it's in technology," Adam said. "There's a common denominator here."

Helene Stein, vice president of merchandising at Los Angeles-based Ecotex, has seen an evolution in thinking when it comes to environmental products.

"A couple years ago it was organic, organic, organic, but at what price organic?" asked Stein. "The thinking has to be sustain, sustain, sustain."

Stein said she is encouraging potential clients looking for organic fabrics to consider using other fabrics that are readily available and can be dyed and

manufactured locally. While any perceived benefit of using organic product may be lost, the savings in speed and cost of transport can provide a similar benefit. Local manufacturers also can utilize low-impact dyes and other low-impact processes. It also offers some support to the domestic textile industry.

“We sell a lot of items with Modal and Tencel,” she said. “You still have to offer what the customer wants, but it’s not all or nothing. If everybody does something, it’s a help.”