

(2024 September 30) Greenwashed - From pipeline to catwalk to policy - Donald (Planet Critical)

<https://open.substack.com/pub/platformenterprise/p/greenwashed-from-pipeline-to-catwalk>

Greenwashing experts in the fashion industry, who chose to invest in a network of organisations to self-govern the industry's sustainability goals rather than cut emissions, are still influencing policy all around the world—despite being exposed two years ago by myself and the New York Times.

High profile brands in the fashion industry, which accounts for 10% of the world's greenhouse gas emissions, collaborated to create a network of organisations which set the industry's sustainable practices, resulting in superficial goals that appease consumers without affecting the bottom line. The majority of the companies that sit on the boards of these self-funded organisations see an increase in gross emissions every year, but are awarded A ratings by one of these “independent” bodies for allegedly decoupling emissions and growth.

I investigated this seeming collusion some years ago, highlighting that the practices and policies suggested by this network of brands were, through the independent bodies they fund, making their way into law in the USA and the EU. Since my investigation and a similar exposé in the New York Times later that week, not much has changed, apart from a swift rebranding of the key players. Despite the links between these brands, independent organisations, philanthropic organisations and even the oil and gas industry, this network is still heavily advising sustainability policy in the EU and the USA.

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The Network

Fashion's bid to rescue its image began in 2009 when Patagonia and Walmart wrote a joint letter “inviting CEOs of leading global companies to come together to develop an index that would measure the environmental impact of their products.” The Sustainable Apparel Coalition (now Cascale) was formed in 2010 and together they produced their measurement tool, The Higg Index.

Cascale is based in California but was only registered in 2012 as a foreign company under the jurisdiction of Delaware, a state notorious for legal opacity that enable companies and individuals to hide finances and intent. The nonprofit was the brainchild of Patagonia's Rick Ridgeway and Walmart's Ken Lanshe, but it was CEO, Jason Kibbey, after an internship at Patatgonia, who signed the company documents in 2012. Kibbey also created The Sustainable Apparel Foundation in California's jurisdiction that same year, which was renamed the Apparel Impact Institute in 2017 as a collaboration between “the Sustainable Apparel Coalition, The Sustainable Trade Initiative, and Target Corporation to strategically drive sustainability improvements”. (The chair of The Sustainable Trade Initiative is Magdi Batato, Executive VP and Head of Operations for Nestlé, a company notorious for its unsustainable and unethical practices.) In 2019, Kibbey founded Higg Co (now Worldly) with a Californian address but

under the jurisdiction of Delaware.

The relationship between the Cascale, Aii and Worldly is obvious, but fashion's network spreads much further afield, specifically to The Netherlands. Cascale collaborates with the Zero Discharge of Hazardous Chemicals, another initiative started in 2011 which peddles a roadmap to zero and certification programs. The ZDHC in turn endorses the Higg Index and corroborates the Cascale's sustainability claims. This is unsurprising as Cascale and ZDHC shared a number of board members, including Directors of major fashion brands like H&M.

Another board member of the ZDHC is Nike who in turn was one of the core funders of the Science Based Targets initiative which "drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets." The SBTi sets more benchmarks for companies to greenwash their initiatives, and was part founded by CDP, the independent body which awarded gold stars to fashion brands despite their increasing emissions. SBTi is recommended by Policy Hub, the EU think tank launched in 2019 by Cascale to influence European policy, as stated clearly in their 5 year progress report:

"We provide institutional decision-makers with unique technical expertise throughout the legislative process. As a registered entity in the EU Transparency Register, the Policy Hub participates in all consultation processes initiated by the EU institutions regarding legislative proposals related to sustainable development in the textile and footwear sector. Therefore, we engage with the European Commission, the European Parliament, and Member States to provide them with data, recommendations and proposals for amendments."

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The Oil Industry

As explained in depth by last week's podcast guest, independent fashion analyst Veronica Bates Kassatly, the Higg Index created by Cascale and then sold through for-profit company Worldly, has been deeply criticised for its lack of transparency with regards to measuring the sustainability of fibres. The Higg Index (or MSI) uses secondary data to score different fibres, from silk to polyester, on their overall sustainability, often without explaining how they come to these results. By their opaque logic, polyester, derived from oil, comes out as the most sustainable fibre, largely in part due to cherry-picking a Life Cycle Analysis (LCA)—which measures environmental impact—of polyester produced in Europe, which has more stringent regulation than the rest of the world. Yet, 92% of polyester is produced in Asia, rendering this figure almost meaningless. But not to the fashion industry, who benefit hugely from the cheapest fibre being ranked as the most sustainable, outstripping organic-based fibres like cotton and silk.

The Higg Index reads as a list of least to most expensive fibres, claiming pricey silk is relatively unsustainable compared to fossil fuel-derived fibres. This fails to take into consideration the social aspect of sustainability and the subsistence farmers across the majority world who supply organic-based fibres to the fashion industry and depend on those supply chains to survive. Painting polyester as sustainable shrinks the dependence on networks of farmers and deepens ties with huge players in the oil and gas industry.

This could be because one of those players is the Brenninkmeijer family who made their fortune with retail giant C&A, a subsidiary of Cofra Holdings (which boasts of its commitment to renewable energy) and which, in turn, through another subsidiary Bregal Investment, invests in oil and gas in North America. The Brenninkmeijer family launched The Laudes Foundation in 2020 which now funds the SBTi.

Cascale, ZDHC and The Laudes Foundation all shared the same roof on Rokin Street in Amsterdam until recently. Laudes has since relocated.

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The Impact

After my investigation was published in The Intercept, followed by New York Times' own, I was told emergency meetings were held by the then-SAC (now Cascale) and Higg (now Worldly). Many brands were outraged to find out they had stumped up big sums of money to support questionable initiatives and buy tools that could easily be accused of fudging the data. Yet, the organisations and think tanks these tools and companies were linked to continue to function and advise policy. Thankfully, Norway is taking H&M to court over false sustainability claims, after Norwegian authorities concluded that H&M and other brands would be “breaking the law” for using the Higg Index to market their products as more environmentally sustainable. It was after this lawsuit that the SAC and Higg rebranded—choosing greenwashing again over substantial change.

This is precisely why, when founder of Patagonia Yvon Chouinard decided to give his company away, I criticised the media's response. The New York Times published a glowing profile of the billionaire and uncritically reported that the company's fortune would be put into trust to support green initiatives, without questioning how such initiatives would be governed, given Patagonia's failure to hold itself, let alone its own industry, to account.

Patagonia's Director of Philosophy, Vincent Stanley, got in touch after reading my piece. After a back-and-forth over email, Vincent graciously invited me to a meeting with one of the company's scientists and a representative from the PR department. I was thrilled and quite moved by their willingness to engage with a minnow of journalism, and thoroughly enjoyed our discussion. However, the PR representative became increasingly agitated during the call by the scientist's enthused agreement that calling any growth-based business sustainable was itself questionable. Towards the end of the meeting, the PR rep burst out that it was unfair for me to go after Patagonia, who had, arguably, done so much more than any other company in fashion, who was genuinely trying to do good where others didn't care:

“Why us?!”

“Because if I hold your feet to the fire, maybe you'll do even better,” I responded.