# H&M, Zara, and other fashion brands are tricking shoppers with vague sustainability claims

A new report on H&M underscores how companies mislead the public by failing to provide adequate detail on their environmental initiatives.

#### BY ELIZABETH SEGRAN7 MINUTE READ

If you've been working to <u>curb your environmental footprint</u>, H&M's Conscious Collection seems like a dream come true. For great prices you can restock your closet with fashionable staples at low prices: a <u>\$4.99 jersey top</u>, a <u>\$34.99 lyocell dress</u>, <u>\$29.99 mom jeans</u>. But look closely at the product descriptions, and there is no specific information about *why* these items are better for the environment than anything else you might buy from H&M. You have to trust that H&M is not just using sustainability as a marketing ploy.

Now, the Norwegian Consumer Authority (CA), the country's equivalent to the U.S. Consumer Protection Bureau, is calling H&M out. The CA told *Fast Company* that H&M is "misleading" consumers by failing to provide adequate detail about why their garments are less polluting than other garments. Without more information, it is unclear to the consumer whether H&M is in fact engaging in sustainable manufacturing and sourcing, or simply painting itself as more sustainable than it really is to sell more products.

"We would like to underscore that we consider H&M's claims to be misleading—not false," says Elisabeth Lier Haugseth, director general of the CA. "According to Norwegian marketing law, claims about a product's main qualities must be easily accessible and understandable for the consumer. Claiming that a product is 'sustainable' when it is not immediately clear what in particular about the product makes it 'sustainable' will more often than not be misleading."

When we reached out to H&M, a spokesperson said the company was open to use CA's insights to change the way it communicates with customers. "We are pleased that the Norwegian Consumer Authority shines a light on marketing of sustainable alternatives," the spokesperson said. "We have a good dialogue with them regarding how we can become even better at communicating the extensive work we do. We had a very good meeting and talk with them and we are glad that they want to work with us and help us provide correct and clear information to consumers."

The CA was specifically targeting H&M's marketing in Norway, but the brand uses similar marketing about its Conscious Collection globally, and on its international website. The CA has

identified comparable issues with other businesses in Norway, including the Swedish fashion retailer KappAhl, the National Theatre in Oslo, and Tise, a mobile subscription company.

## WHAT DOES "CONSCIOUS" MEAN?

H&M first dropped its Conscious Collection in 2010, as a kind of pilot program in the Swedish market, then began expanding it to more locations around the globe. But the company has never been very specific about what it means by "conscious." In the brand's own description in its 2017 annual report, it said that the clothes were "made with sustainable materials such as organic cotton and recycled polyester." But that's not terribly helpful. For one thing, H&M lumps two very different materials in the same "sustainable" category, when there's an ocean of difference between the environmental footprint of organic cotton, which will decompose, and recycled polyester, which will never biodegrade. And then there's the question of what other materials the brand counts as "sustainable." H&M does not provide more details in its marketing materials about the Conscious Collection, and the individual product descriptions on each page on its website don't go into any more detail either.

"Since H&M is not giving the consumer precise information about why these clothes are labelled Conscious, we conclude that consumers are being given the impression that these products are more 'sustainable' than they actually are," Haugseth says.

The CA was focused on addressing claims in H&M's Conscious Collection, but if you dig into the brand's annual Sustainability Report, there is a similar lack of detail. In its key achievements of 2018, the report states, "57% of all materials we use to make our products are recycled or other sustainably sourced materials." The problem is that there is no industry standard for what "sustainably sourced" really means, and H&M does not say how it is defining this term. It's unclear exactly how it sources any of its materials, and it is unclear how much of these so-called sustainable materials are in each garment.

# A BIGGER INDUSTRY PROBLEM

Of course, sustainability in fashion—or in any industry, really—is never straightforward. As I've written about before, there are many trade-offs when it comes to sustainability. Synthetic, plastic-based materials are not biodegradable, and in the absence of fabric recycling centers, these garments will clog up our landfills and oceans for centuries. Cotton, on the other hand, will eventually decompose, but it is also a resource-intensive crop. Even if you use organic cotton, which means

not using pesticides, the crop still requires a lot of water. H&M does not share a point of view about which option is better, nor does it present enough information to consumers so they can decide for themselves.

H&M is not the only company whose sustainability claims lack satisfying detail. I recently reported about how Zara, another major player in the fast-fashion industry, released new sustainability targets, but they were vague. Inditex, Zara's parent company, said that it would only use cotton, linen, and polyester that was "organic, more sustainable, or recycled" over the next six years. What does "more sustainable" mean in this context?

However, Inditex did one thing right: It made granular targets, such as promising to eliminating all single-use plastics from stores and sending all of the waste generated at its offices and stores for recycling or reuse. It also vowed to install recycling collection facilities in all of its stores, and the clothes collected will be either donated, reused, or recycled. These goals are much easier to track.

# SO HOW SHOULD A COMPANY CONVEY SUSTAINABILITY DATA TO CONSUMERS?

A wave of startups is not only using sustainable materials and manufacturing methods; they're also using their platforms to better educate consumers.

Everlane, for instance, is focused on reducing its own—and the industry's—reliance on plastic-based fibers. It makes an effort to use organic materials like cotton and wool whenever possible, but when it does use synthetics, it uses exclusively recycled fibers. As a consumer, you can pick out any item within the Everlane line and know that 100% of the polyester or nylon is recycled. But perhaps more meaningfully, the brand has provided a lot of information about why plastic is so problematic on its website for customers who care to learn more.

Sneaker brand Allbirds provides detailed sourcing information about the wool and bamboo fibers used in its uppers, as well as the sugarbased foam soles, all of which are verified by a third-party auditor. It also offers details about the carbon footprint of each shoe (which is so comprehensive, it incorporates how much carbon is used at the company's headquarters).

### THE NEXT STEPS

Obviously, it's easier for a startup to build sustainability into its business at the outset than for a global corporation like H&M to overhaul longstanding manufacturing processes overnight. Haugseth says that H&M appears open to more clearly articulating it sustainability claims to the consumer. "Generally, we help businesses comply with the law through outreach and dialogue," she says. "Since we first opened talks with H&M, we have had fruitful discussions, and we are pleased that H&M is taking this seriously. We have an open line of communication with H&M with regards to current and future marketing, and the impression is that we are in agreement on how the law is to be interpreted."

However, she points out that in Norway, the CA has the power to punish brands that continue to violate the Marketing Control Act, a law designed to protect consumers. "If we find that a business is in serious breach of the law, we have the authority to impose sanctions," she says. "We have the power to prohibit certain types of marketing conduct, and we can impose administrative fines for transgressions."

In H&M's 2018 sustainability report, the company said that one of its goals was to lead change in the industry when it comes to sustainability. "We are part of an industry which undoubtedly faces significant challenges when it comes to environmental and social sustainability—but I want H&M group to continue to be a positive force towards resolving these shared challenges," Karl-Johan Persson, H&M Group's CEO, wrote in the report. "We know that we are a large company, and we therefore know that we have an equally large responsibility to ensure that we have a positive impact on our planet."

But it won't get there unless it starts to be much more transparent about how it is sourcing materials and changing its manufacturing practices. As consumers learn more about the state of the fashion industry, and watchdogs like the CA scrutinize brands' claims, companies won't be able to get away with fuzzy claims about how they're switching to "sustainable" materials. For real change to happen in this industry, we need to start with an honest assessment about where we currently are, and that involves knowing the details.