

Press release

Dress to change: a fashion business model for planet and people

Triodos Investment Management releases whitepaper on the transition of the fashion industry towards a more sustainable business model

Zeist, 15 September 2021 – Triodos Investment Management published a new whitepaper that explores a possible transition of the fashion industry towards a more sustainable business model with respect for planet and people. In this paper Triodos Investment Management lays out what big fashion companies need to do if they want to move away from non-valuable products, non-durable processes, and non-sustainable business purposes.

In recent years, the clothing sector has increasingly come to be known for its environmental degradation and disregard of human and labour rights. Despite increasing awareness among consumers and investors, the fast fashion industry continues to grow.

“The mainstream fashion brands are large, stock-listed, and powerful organisations,” says Johanna K. Schmidt, Investment Strategist at Triodos Investment Management and co-author of the paper. “As in most industries, the big players can earn excess profits through their market power in the supply chain and their consumer marketing power. The big players are also the ones that endorse reckless fashion propaganda to create demand based on clients’ fear of missing out. It is these companies that spur and exploit the alienation of consumers from the workers who produce their clothes.”

Transition towards a sustainable fashion industry

According to Triodos Investment Management, fashion companies must move away from non-valuable products, non-durable processes, and non-sustainable corporate business purposes. As the paper lays out, transition to a sustainable, slow, and circular fashion industry entails amongst others the reduction of the number of design cycles, collections and produced fashion items per year. A radical change of the business model must build on the provision of valuable and durable products as sources of revenue. Corporate initiatives to increase the circularity and longevity of clothes include take-back programs, recycling and designs which incorporate re-use. Instead of chasing the lowest price and inciting mass consumption, fashion companies should create fashion awareness and appreciation.

As a responsible investor, Triodos Investment Management selects companies for investment based on a set of strict criteria. A company must generate positive impact in one of seven transition themes and must comply with Triodos IMs minimum standards. Through active engagement and dialogue, Triodos IM aims to keep the company on the right track and to stimulate further improvement.

Growth-dependent and harmful businesses without a clear transition strategy will not succeed the transition to a sustainable economy, which is why Triodos Investment Management does not invest in such companies. In terms of the fashion industry, only companies that are embracing or clearly transitioning towards sustainable fashion in terms of valuable products, durable processes and long-term purpose are investable.

The whitepaper is available for download [on the website of Triodos Investment Management](#)

About Triodos Investment Management

Triodos Investment Management connects a broad range of investors who want to make their money work for lasting, positive change with innovative entrepreneurs and sustainable businesses doing just that. In doing so, we serve as a catalyst in sectors that are key in the transition to a world that is fairer, more sustainable and humane.

We have built up in-depth knowledge throughout our 25 years of impact investing in sectors such as Energy & Climate, Inclusive Finance and Sustainable Food & Agriculture. We also invest in listed companies that materially contribute to the transition toward a sustainable society. Assets under management as per end of June 2021: EUR 6.1 billion.

Triodos Investment Management is a globally active impact investor and a wholly owned subsidiary of Triodos Bank NV.