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Luxury, slow and fast fashion: A case study on the (un)sustainable creating of shared values

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Abstract

Research background: Since crises magnify differences and bring both challenges and opportunities, the current complex global setting makes the mutual interconnection a fundamental platform meant to create confidence and also to lead to a unique strategic advantage. Due to its inherent particularities, the fashion industry is a relevant sphere for performing a categorial reflective triangulation study about the understanding and employment of creating shared values (CSV) within the EU framework.

Purpose of the article: The purpose of the article is to research, analyze and critically highlight how CSV is approached by archetypical fashion industry businesses from all three fundamental segments (luxury, fast, slow) and how this fits into the EU law framework.

Methods: A categorial reflective triangulation study in four steps is performed while using a content analysis, empirical field observation, qualitative manual Delphi approach and critical juxtaposition with glossing and Socratic questioning. Firstly, 30 archetypical fashion indus-

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try businesses are identified and split into luxury, slow and fast fashion segments. Secondly, for each business, research is done on how it identifies its CSVs. Thirdly, the verification of these CSVs is performed in order to confirm or reject the genuineness. Fourthly, the results are projected into the EU framework.

Findings & value added: Based on the performed study and its critical analysis, there appear extremely interesting dynamics in the CSV perception and strategies by luxury, slow and fast fashion businesses with a clear overlap in the EU sphere. In particular, fashion businesses from all three segments take into consideration sustainability and the fight against waste, but each segment has a different pro-CSV strategy to do so, and it is critical to contemplate which of these three strategies will become sustainable.

Introduction

Crises magnify differences and bring both challenges and opportunities (D'Adamo & Lupi, 2021). The first three decades of the 21st century have witnessed a set of crises making the current global post-modern society even more competitive, complex and anonymously digitalized (Cvik & MacGregor Pelikánová, 2021). In such a setting, the capacity of mutual interconnection and recognition is pivotal. Maintaining competitiveness, protecting self-identity and consistently advancing “right” products and “right” values can create confidence and also lead to a unique strategic advantage.

At the same time, this is the era par excellence of an intense call for sustainability on international, regional, state and even local levels and of a more and more popular movement to new economic and business concepts such as a circular economy (Diddi & Yan, 2019) and sharing economy, which overlap in their focus on sustainability (Marvin *et al.*, 2021). A circular economy, as opposed to a linear economy, is a resilient system solution framework to stop waste from being produced in the first place while observing three principles: (i) eliminate waste and pollution, (ii) circulate products and materials (at their highest value), and (iii) regenerate nature (Ellen MacArthur Foundation, 2023). Clearly, circularity means not only reducing the amount of waste during production, but not wasting the resulting products as well (D'Adamo & Lupi, 2021). Similarly, a sharing economy involves activities or platforms that facilitate the sharing of under-utilized goods or services among at least two market players (Marvin *et al.*, 2021), which also expects respect and implies the reduction of waste and wasting. In sum, circularity is about the sustainable production of sustainable products, and sharing is about their sustainably mutual use. This

perfectly matches up with the priorities of the United Nations (“UN”) and EU (Skvarciany, *et al.*, 2021).

Regarding the UN, the hallmark is the UN Agenda Transforming our world: the 2030 Agenda for Sustainable development (“2030 Agenda”) with its 17 Sustainable Development Goals (“SDGs”) and 169 associated targets, which were adopted and/or endorsed by almost 200 states. These SDGs include SDG6 clean water and sanitation, SDG7 Affordable and clean energy, SDG8 Decent work and economic growth, SDG9 Industry, innovation and infrastructure, SDG12 responsible consumption and production and SDG13 Climate action. Regarding the EU, the hallmark is the Opening statement in the European Parliament plenary session 16 July 2019 and the Speech in the European Parliament plenary session 27 November 2019 aka Political Guidelines of President elect Ursula von der Leyen for the next Commission (2019–2024) labelled ‘A Union that strives for more: My agenda for Europe’ (“Political Guidelines”) which sets six mutually intra-related priorities with a strong pro-sustainability call (European Commission..., 2019). These six priorities are: (i) A European Green Deal - Striving to be the first climate-neutral continent, (ii) A Europe fit for the digital age — Empowering people with a new generation of technologies, (iii) An economy that works for people — Ensuring social fairness and prosperity, (iv) Protecting our European way of life — Protecting our citizens and our values, (v) A stronger Europe in the world stronger — Reinforcing our responsible global leadership, and (vi) A new push for European democracy — Nurturing, protecting and strengthening our democracy (European Commission..., 2019). These six priorities are the foundation-stone for EU strategies, policies and law.

Businesses are expected to be competitive by bringing “right products” for “right” prices and, at the same time, to reactively carry out not only their responsibility vis-à-vis the entire society, demonstrating Corporate Social Responsibility (“CSR”), but also proactively search, establish and advance Creating Shared Value (“CSV”). Businesses involved in the fashion industry are aware of it, regardless whether they focus on a rather smaller production of expensive outfits (luxury fashion), a mass production of cheap outfits (fast fashion), or a niche production which reduces the environmental impact, supports local production and considers the ethical dimension (slow fashion). Indeed, the fashion industry’s high awareness about sustainability, CSR and CSV is implied by the very nature of the fashion industry, its concepts and history and presence (Dabija *et al.*, 2022).

The fashion industry is the hallmark of the passage from guilds and manufactured production to industrialized mass production. Currently, the fashion industry represents a *sui generis* blend of a very tangible and functional outcome in the form of clothes and of a very intangible drive for an ongoing change involving aesthetic, cultural differences (Czapran, 2022) and other considerations, often entirely unrelated to functionality and the conventional credo of value-for-money (MacGregor *et al.*, 2020a). The fashion industry is a massive industry with a revenue of over one trillion USD, most of it generated in China, and with the average revenue per user of over USD 390 (Statista, 2023). At the same time, it is the second most polluting industry in the world (Gupta *et al.*, 2019) (un)justly blamed and ordered to become more sustainable, pro-CSR and pro-CSV. Considering the products (vestment, clothing), the sharing economy is not suitable. In contrast, the circular economy is very suitable and is behind the break of the prior dichotomy fast-luxury by adding and developing a third option — slow fashion. However, businesses from all three fashion segments attempt to appear to address the issue of unnecessary waste and lacking respect.

Therefore, the fashion industry is a relevant sphere for performing a categorial reflective triangulation study about the understanding and employment of creating shared values (CSV) within the EU framework. Namely, it is important and highly relevant to research, analyze and critically highlight how CSV is approached by archetypical fashion industry businesses from all three fundamental segments (luxury, fast, slow) and how this fits into the EU law framework. In particular, it is worth exploring so as to identify what is deemed to be the valuable glue connecting the fashion industry, its production and its stakeholders. The attitude and openness to do so is founded in the responsibility (MacGregor *et al.*, 2020a) and can lead to the establishment of mutual priorities and goals, aka creating shared values (CSV) (Porter & Kramer, 2011).

Certainly sustainability, CSR and CSV are popular topics for the academic press in the 3rd decade of the 21st century (Matuszewska-Pierzynka, 2021; Velasco-Muñoz *et al.*, 2022; Stjepanovic *et al.*, 2022; Çera *et al.*, 2022; Dvorský *et al.*, 2023), and the fashion industry is an attractive subject per se. However, almost all studies focus on the (lack of) sustainability in the luxury fashion (MacGregor *et al.*, 2020a), on the importance of the loyalty (Dabija *et al.*, 2022) and on juxtaposition of various preferences of various stakeholders (D'Adamo & Lupi, 2021), especially considering their age (Dabija *et al.*, 2022; Hála *et al.*, 2022). These studies seldom entail the per-

ception of sustainability and social responsibility by various stakeholders in the fashion industry (MacGregor *et al.*, 2020a), the ethical dimension (Babri *et al.*, 2019) and the resulting contradictions (MacGregor Pelikánová & MacGregor, 2020), but they basically never address the reconciliation. This creates a gap and such a vacuum needs to be filled in by a study with a deeper holistic examination and critical analysis of CSV in all three segments of the fashion industry while considering the EU framework.

The performance of such a study needs to build upon a robust extensive theoretical background, a literature and framework review of both (i.) CSV aspects as well as the related (ii) fashion industry and its segments particularities (1.). Then, the identification of suitable data and methods via research methodology (2.) allows to move the exploration of 30 archetypical businesses from all three segments of the fashion industry in a format in four steps: (i) to identify 30 archetypical fashion industry businesses and to split them into luxury, slow and fast fashion segments (luxury, fast, slow), (ii) to research how each of these businesses identifies its CSV, (iii) to verify these CSVs to confirm or reject the genuineness, (iv) to project the results into the EU framework. These results are juxtaposed in comparative tables for each segment and complemented by refreshing comparative glosses and comments allowing a critical discussion (3.). This allows to move to a conclusion with a pioneering revelation about the approach of fashion businesses to CSV, their strategies, about significant differences and varied veracity regarding CSV and sustainability in general, and even about the fitting in the EU pro-sustainability drive. In sum, there appear to be interesting dynamics in the CSV approaches, perception and strategies by luxury, slow and fast fashion businesses with a clear overlap in the sphere of the EU strategies, policies and law.

Literature review and framework

In order to perform a study about the approach of fashion industry businesses to CSV within the context of the EU, it is necessary to establish a solid theoretical background with a literature review. Firstly, the CSV concept needs to be explored, its roots and development, as well the relation to sustainability and CSR along with the ephemeral dynamics of the responsibility and competitive advantage and its unique overlap. Secondly, the fashion industry, with its three segments, needs to be addressed, espe-

cially its particularities and its predisposition for CSV. Thirdly, the EU setting needs to be reviewed, especially the current EU law framework.

From public sustainability over private CSR to meta-spectral CSV

With a touch of simplification, it is suggested that CSV is the practice of creating economic value in a way that also creates value for society by addressing its needs and challenges, and this practice should fix capitalism and overcome the dichotomy of doing good for shareholders and of doing good for other stakeholders (Porter & Kramer, 2011). However, the idea that CSV is a pro-active win-win version of CSR, i.e. turning the “random charity donation” into a true and systematic benefiting solution for all, is not shared by all (Denning, 2011). Arguably, CSV is too much embedded in “Capitalism 2.0”, aka shareholder capitalism to maximize their profits, which followed “Capitalism 1.0”, aka managerial capitalism, and is only partially suitable for “Capitalism 3.0” aka customer capitalism (Denning, 2011), which was already prophetically envisaged in 1954 “, *“There is only one valid purpose of a corporation, to create a customer.”* (Drucker, 1954). In order to appreciate these arguments and to understand the meaning of CSV, it is necessary to go back, both historically and conceptually, i.e. to start with sustainability.

The public law concept of sustainability has millennial continental roots and mirrors value judgments about justice in distributing and using resources (MacGregor Pelikánová *et al.*, 2021a). It is linked to Aristotle’s distinction of general justice and particular justice which can be either distributive of goods or of punishment (positive diagonal conjunction) or corrective of a voluntary contract or involuntary events (normative average formation). Namely, Aristotle’s idea, regarding the distribution of awards and punishment as embedded in a geometrical model of distributive public justice and regarding the correction of created discrepancies, as embedded in the arithmetical model of rectification private justice, provides a very strong general direction for the future (Balcerzak & MacGregor Pelikánová, 2020). Indeed, already a thousand years ago, it was clear that the value judgment about the distribution and use of resources cannot have only an instantaneous perspective. The economic and agrarian models in ancient civilizations, such as Mesopotamia and Egypt, considered longer time periods and relied heavily on long-term planning, while rejecting immediate gratification from the exhaustion of available resources, see e.g. Genesis

41:29-36 about the seven years of plenty and seven years of hunger and famine. Therefore, it can be safely stated that the concept of sustainability linked to justice emerged in the continental law setting, was strongly marked by the Roman law and Christianity (MacGregor Pelikánová *et al.*, 2021a) and gradually has become linked to business ethics and even beyond, meaning the general direction for the future (Zikic, 2018). It has been significantly shaped in the context of the Hanseatic tradition and the resulting German concept of *Nachhaltigkeit* reflecting the wood and mining industry as expressed by Hans Carl von Carlowitz and Emil André in 17th and 18th century (MacGregor Pelikánová *et al.*, 2021a). The industrial revolution in the 19th century demanded more productivity and caused massive social and ecological damage, which raised concerns (Schüz, 2012).

The modern era of sustainability heralded by the United Nations (“UN”) was launched in 1948 with the UN General Assembly resolution 217 A “Universal Declaration of Human Rights (“UDHR”) and followed by emphasizing the need to reconcile available resources and needs of the increasing world population (Meadows *et al.*, 1972). Consequently, it embodies value judgments about justice in the distribution and use of resources (Marinova & Raven, 2006). It clearly took on the environmental dimension in 1987 with the UN Brundtland Report Our Common Future (“Brundtland report”) with the recognition of the three pillars sustainability structure: economic (profit), environmental (planet), and social (people) pillars (Purvis *et al.*, 2019). The move towards the transposition from the International policies and laws into national policies and laws while taking advantage of a public-private multi-stakeholder initiative and commitment model was confirmed in 2005 with the UN Global Compact’s governance framework (“UN Global Compact”). The last milestones occurred in 2015 with the UN Paris Agreement on climate change (“Paris Agreement”) and the UN Agenda Transforming our world: the 2030 Agenda for Sustainable development (“2030 Agenda”) with its 17 Sustainable Development Goals (“SDGs”) and 169 associated targets, which were adopted and/or endorsed by almost 200 states (MacGregor *et al.*, 2020a).

The private law concept of CSR has Anglo-Saxon roots of more than 100 years, going back to Senator John Sherman’s battles against cartels and then lessons learned from the Great Depression, and it mirrors a shift in the understanding of accountability and responsibility in the context of the industrial revolution. It was further magnified in the context of the modern global society (Hála *et al.*, 2022) with consumption styles marked by inter-

nal diversity projected in two mutually opposing trends — consumerism and green consumption (Kita *et al.*, 2021). In addition, the inherent nature of sustainability implies the need of the employment of the multi-stakeholder model across industries (Van Tulder & Keen, 2018) with the engagement of the entire society (MacGregor Pelikánová & MacGregor, 2020). Since corporations, especially large and multi-national corporations, are powerful players with large resources, they should be accountable for the consequences of their actions and omissions. Consequently, their rights should be matched with duties and their operation should be perceived as an obligation entailing their commitment. Plainly, they are accountable not only to their shareholders, but also to the entire society, i.e. they carry corporate social responsibility aka CSR (MacGregor *et al.*, 2020b). In contrast to the conventional and not necessarily unethical belief that the social responsibility of a business is to increase its profits (Friedman, 1970; Jahn & Brühl, 2018), CSR is not only about profit maximization (Berman *et al.*, 1999), but also about the incorporation of sustainable and ethical principles and practices (Sroka & Szántó, 2018) under the auspices of the multi-stakeholder model and cross-sector partnership (Van Tulder & Keen, 2018). In academia, CSR is defined as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance (Pisani *et al.*, 2017). Pursuant to the European Commission, CSR is “the responsibility of companies for the effects they have on society”, i.e. CSR is about setting up a multi-stakeholder dialogue while taking into account the expectations of stakeholders and allowing for a better understanding of the link between the company and society, see COM (2011) 681 final, Corporate Social Responsibility: a new EU strategy for 2011–2014. In contrast to Friedman’s approach, which prioritizes individual freedom (Jahn & Brühl, 2018), the EU Commission and EU law perspective prefers the stakeholder theory and integrative social contract theory and progressively moves towards a matching legislation (MacGregor Pelikánová & Rubáček, 2022). CSR means a set of social responsibilities: economic, legal, ethical, etc. (Sroka & Szántó, 2018) while generating duties to adhere to in a certain manner, because it is either morally or legally right or at least expected (MacGregor Pelikánová & MacGregor, 2020). Responsibility, as such, has Latin roots, see “*respondere*”, and means that someone has to answer for the effects caused by him to an authority and this authority evaluates its damages (Schüz, 2012). If this regime is incorporated into the legal system and this

authority is a judge, we deal with a special type of responsibility called liability (MacGregor Pelikánová & MacGregor, 2020). CSR goes through evolution phases (Phillips *et al.*, 2019): from CSR cultural reluctance over the CSR cultural grasp to CSR cultural embedment (Li *et al.*, 2019), which should be both effective and efficient (Lii & Lee, 2012), pro-innovation and pro-competitiveness (Gallardo-Vázquez *et al.*, 2019).

The modern era of CSR was launched in 1953 with the publication of the book *Social Responsibilities of the Businessman* by Howard R. Bowen in 1953 explaining that businesses are accountable to the entire society since they touch the lives of all (Carroll, 2016). It was cemented in 1979 by the four-part definition of CSR — “CSR encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time” (Carroll, 2016). The recast in the CSR four-layer pyramid occurred in 1991, but soon it became clear that ethics permeates the pyramid and are not restricted to merely one layer (Carroll, 2016). This new trend is not reduced merely to the level of academia, indeed businesses themselves are getting more and more engaged with the ethical dimension (MacGregor Pelikánová *et al.*, 2021a). Further, in 2006, the pioneering idea about a win-win in relation to CSR emerged, i.e. that “CSR can be much more than a cost, a constraint, or a charitable deed — it can be a source of opportunity, innovation, and competitive advantage” (Porter & Kramer, 2006). Such CSR can be convincingly justified and four arguments have been used in particular to support CSR — moral obligation (ethical dimension), sustainability (continuity of all three pillars: economic, environmental, social), license to operate (Faustian deal between the society and the corporation) and reputation (pleasing to the large public) (Porter & Kramer, 2006). Exactly this leads to CSV.

The concept of CSV emerged along with the revelation that CSR is semi-imposed on businesses and they have the choice of how they will address it. They can either reject CSR (Kathayat, 2022) or endure CSR (Porter & Kramer, 2006) in a reactive manner or embrace it in a proactive manner — to go for a profitable win-win higher form called CSV (Porter & Kramer, 2011, 2019). A systematic and consistent integration of CSR should boost the competitive advantage (Fuchsová, 2022). The proposed six CSR categories (environmental protection, care of employees, focus on the community, fight against corruption and bribery, advancement of human rights and drive for innovations via research and development aka R&D) represents a list (MacGregor Pelikánová & MacGregor, 2020) from which businesses

are selecting — it is not about the menu, but about à la carte (Hála *et al.*, 2022). Ideally, this selection matches the stakeholders' expectations and leads to the synergy of economic and societal responsibility via CSV (Porter & Kramer, 2006, 2011, 2019), while making the ethical dimension penetrate all layers of Carroll's pyramid (Carroll, 2016). At the same time, an ill-conceived and/or poorly communicated CSR at any price is a disrespectful waste, and thus ultimately a perfect example of an anti-CSV (MacGregor Pelikánová & Hála, 2021). It causes unnecessary costs, cripples financial results (Barnett, 2007) and destroys an otherwise promisingly developing competitive advantage (Ting *et al.*, 2019).

The current perception of CSV avoiding any trade-offs and creating a unified pro-sustainable stakeholder setting (Carroll, 2016) and bringing the competitive advantage potential (Salonen & Camilleri, 2020) suggests that CSV should “*unlock the next wave of business innovation and growth*” and at the same time “*reconnect company success and community success*” (Porter & Kramer, 2011). CSV is portrayed as a pro-active and profitable variation of traditional CSR (Salonen & Camilleri, 2020), resulting from an open dialogue transparently supporting sustainability in a collaborative manner. CSV is not about personal values nor about sharing pre-existing values nor about altruism avoiding profits (Porter & Kramer, 2011). CSV is about together created values and profits, but not whatsoever profits at whatsoever price. Instead, it is about “*the right kind of profits*” (Porter & Kramer, 2011), see Table 1.

Thus, the juxtaposition and mutual exclusion of CSR and CSV is artificial, as CSR and CSV concepts do not conflict and are rather complementary and pro-sustainability. They both aim for „a more sophisticated form of capitalism“ (Porter & Kramer, 2011). In sum, two archetypical pillars of management are entrepreneurship and innovations (Křečková Kroupová, 2015) and they are both linked to marketing (Drucker, 2015) and CSR based on CSV (Porter & Kramer, 2011). The concept of a competitive advantage with a competitive target while engaging in „*capturing the core and broadening without diluting*“ (Moon *et al.*, 2014) should be fully compatible with the concept of sustainability with the SDGs and CSVs as projected in all CSR categories (MacGregor *et al.*, 2020a). Businesses from certain industries should reveal it, in particular businesses from industries benefiting by sufficient financial resources and committed employees (Czapran, 2023) and enjoying high consumer's interests, traditionally expected to go above and beyond conventional expectations and, at the same time, having a tainted

reputation, such as the tobacco (Chandler, 2017) alcohol (Sroka & Szántó, 2018) or fashion industries (Cerchia & Piccolo, 2019).

Fashion industry and its pre- or anti-disposition for CSV — the cradle or coffin?

Textile and fashion industries can be perceived as hallmarks of the transition from traditional to new production and even business conduct. The industrial revolution meant the transition from production by hand to manufacturing based on automatization and innovations. This created a dramatic increase in effectiveness of production and there followed an unprecedented growth in population. Interestingly, the textile industry became the flagship of this evolution, because the textile industry was one of the first industries fully going for such a production and at the same time the exponentially growing population needed clothing and had different resources to do so. Indeed, the invention of textile machinery in the UK in the 18th century and the extended diversity of the materials used (wool, cotton, silk, etc.) were used for the production of Rococo long shirts, coats and dresses, while the upper class and lower class wore similar outfits, i.e. the lower class had almost the same quality, but much smaller quantity, of these outfits. Working-class people in 18th century England and America often wore the same garments as fashionable people—shirts, waistcoats, coats and breeches for men, and shifts, petticoats, and dresses or jackets for women. However, the French revolution and the Enlightenment era led to the Empire fashion, influenced by ancient Greece and the Victorian aesthetic and the resource difference was clearly projected in the selection of materials. Consequently, in the 19th century, rich people wore fashions made from more costly materials and used more expensive accessories. Even today, the term ‘Beau Brummel’ still signifies a ‘fashion plate’, in memory of the first man to become the arbiter of men’s fashions in England. At least the middle class attempted to wear similar outfits as the upper middle and top classes even if this meant having fewer garments. Two world wars and other critical events of the 20th century have shaken this setting and led to a tremendous mass fashion production, despite the emergence of new sustainability trends. This culminates in a paradox marking the 21st century, as on one hand the sustainability as advanced by the United Nations via 17 sustainable development goals (“SDG”) is endorsed by states and recognized massively by business and their stakeholders. At the same time, the fashion industry is labelled as wasteful, pol-

luting and socially toxic (Hála *et al.*, 2022), and it is emphasized that it leads to a mass over-production with horrible social and environmental consequences (Bick *et al.*, 2018).

The data is clear. The fashion industry is the second most polluting industry in the world, after the oil industry, being responsible for 10% of the production of global CO₂ emissions and 20% of global water waste (Gupta *et al.*, 2019). In addition, the fashion industry is blamed for recklessly and inefficiently wasting and/or polluting water, energy, trees, etc., while manufacturing products with extremely short life cycles and advancing quantity and fashion over quality and durability (MacGregor *et al.*, 2020a). At the global level, clothes consumption is projected to increase from 62 to 102 million tons from 2015 to 2030, so +63% (CleanClothes, 2023). Cotton production has been increasing by polluting the environment and drying out valuable sweat water resources, see the grim picture of the vanishing Aral Sea. Polyester production has increased from 20 million tons in 2000 to 60 million tons in 2018 and is expected to exceed 90 million tons by 2030 (CleanClothes, 2023). It's estimated that, in 2015, polyester production alone was responsible for over 700 million tons of carbon dioxide equivalent, about the same annual greenhouse gas emissions of 180 coal-fired power plants. The total greenhouse gas emissions from textile production are at 1.2 billion tons annually, and are more than those of all international flights and maritime shipping combined (Ellen MacArthur Foundation, 2017). At the same time, clothing utilization went down, i.e. the average number of times that a piece of clothing is used has decreased by 36% compared to 15 years ago (Assoune, 2023), causing a missing out on USD 460 billion of value each year for throwing those clothes away. In 2016, the number of times the average piece of clothing was worn happened to be about 120 times globally, while in the US it was under 50 times and in the EU around 100 (Assoune, 2023). This is bad, but even worse is the global trend. While the US and EU basically remain consistent with their numbers (50 times and 100 times), other countries where a garment was used 200 times or more have been witnessing a dramatic drop in such usage, see e.g. China.

A very disturbing fact is that less than 1% of the material used to produce clothing is recycled into new clothing, causing a loss of more than USD 100 billion worth of materials each year. This is so bad, and such a great deal of ostracism has emerged that legislation on this point is almost redundant and obsolete. Plainly, the fashion industry got the message

and its businesses, regardless of whether engaged in luxury fashion, slow fashion or fast fashion, reacted to it. To put it differently, external stakeholders, in particular the attitude of investors and customers, force these businesses to “do something about sustainability” (MacGregor Pelikánová & MacGregor, 2020). Ideally this “something” should match their mutual preferences and expectations — CSV. Indeed, all three fundamental segments of the fashion industry — luxury, fast and slow — address it, but each of them in a different manner.

Luxury fashion builds upon the concept of prestigiously lavish beauty (Kapferer, 2012) and the concept of limited access to such an illustrious quality (Olšanová *et al.*, 2018). Undoubtedly, well-known luxury fashion businesses are businesses which are not only economic, but social and political actors as well (Bunn, 2004). They have sufficient resources to support sustainability (MacGregor *et al.*, 2020a) and are expected to do so, i.e. to respond for their actions and omissions to the entire society (Olšanová *et al.*, 2018) and to pay any possible damages (Schüz, 2012). For luxury fashion businesses, the key values and competitive advantage determinants are linked to their luxury brands and are subject matter of their marketing *par excellence* (MacGregor *et al.*, 2020b). Luxury brands sell products that are and shall remain rare (Kale & Öztürk, 2016) and so go directly against massive consumption and indirectly for the sustainability (MacGregor *et al.*, 2020a). Consequently, the luxury fashion management should reconcile, or even synergistically support, the drive for exclusive scarcity with fancy inventions while advancing values shared with the society, or at least key stakeholders such as employees, investors and customers (Olšanová *et al.*, 2018). However, luxury fashion, with its inherent drive for sustainability via CSV has two massive competitors competing with it both in the market as well as in the sustainability and CSR arena — fast fashion and slow fashion.

Fast fashion is typically understood as the readily available and inexpensively made fashion of today (Bick *et al.*, 2018). It is a result of a revolutionary change in the fashion industry by *prêt-à-porter*, see Didier Grumbach and Yves Saint Laurent endeavors in 1967, leading to a swift mass-production and mass-consumption model (Castro-López *et al.*, 2021) dominated by a low cost, efficiency over effectiveness, quantity over quality, immediate financial profit regardless of the exploitation of the work force, and environmental pollution. The fast fashion segment grew during the late 20th century as the manufacturing of clothing became less expen-

sive — the result of more efficient supply chains and new quick response manufacturing methods, and greater reliance on low-cost labor from the apparel manufacturing industries of Asia (Bick *et al.*, 2018). The environmental and social consequences of fast fashion, including massive abuses, have been often underplayed or even overlooked by the scientific literature, research, and discussions surrounding environmental and social justice (Bick *et al.*, 2018).

Slow fashion is about sustainable and responsible behavior which avoids mass production and reduces waste. It is an outcome of the increased awareness of the detrimental side of the fashion industry (Spellings, 2019) and the “greening” of the approach of consumers to their lifestyle and consumption practices (Castro-López *et al.*, 2021). Interestingly, the slow fashion movement started in North America in the context of hippies, the ecology movement and anti-capitalist trends and the launch of vintage and second-hand shopping almost around the same time as the emergence of fast fashion based on *prêt-à-porter*. Slow fashion represents the fashion industry segment intimately linked to a circular economy (Didi & Yan, 2019), while sustainability is often perceived as the intersection of concepts of a circular economy and shared economy (Henry *et al.*, 2020). It is about slowing down, going for conservation and being local and eco-friendly with the goal of preserving crafts and the environment which, ultimately, provides value to all, slow fashion brands, consumers and retailers (Staniforth, 2010).

Arguably, in recent decades, the entire fashion industry at large has negatively influenced the consumer’s well-being by advancing “wrong” values and creating a feeling of artificial necessity, novelty and obsolescence (Gupta *et al.*, 2019), which is driven by mass production processes typical of the *prêt-à-porter* paradigm (Castro-López *et al.*, 2021). In the light of the above described criticism and newest trends, as well as legislation and social changes, recently fashion businesses have been considering, engaging in, or pretending to engage in, a new sustainable business model which tries to reconcile the aesthetic aspect of fashion apparel with financial feasibility, ethics and all three sustainability pillars (Gupta *et al.*, 2019). This can be done either by completely rejecting the idea of mass production (luxury fashion industry) or by decreasing the mass production and increasing reuse, social and environmental concerns (slow fashion industry) or by addressing certain CSR aspects and at the same time reducing costs (not adding the sustainability premium to the price), so customers can even

support sustainability directly (fast fashion). Hence, all three sub-industries are (allegedly) aiming towards sustainability via CSR based on CSV, but they use (allegedly) different pathways. In particular, they all endorse or pretend to endorse values which are allegedly both pro-sustainability and endorsed by the society at large (Hála *et al.*, 2022). However, there is a vacuum in academia as well as in practice regarding the endorsement of values by various fashion businesses in a sustainable manner for sustainability. In particular, there are numerous reported prior studies about the systematic and individual CSR (Pisani *et al.*, 2017), the (in)significance of sustainability in the fashion industry, about the pros and cons of sustainability, CSR and CSV proclamations (Hála *et al.*, 2022) and practices in the fashion industry (Gupta *et al.*, 2019). However, there is a large gap about their categorial intra-relation by fashion businesses (MacGregor Pelikánová, 2021). Regarding the fashion industry and related studies, propositions about SDG oriented governments, CSR and CVS committed management and employees, investigating customers, responsible investors and other pro-sustainability devoted stakeholders are mushrooming with the same speed as propositions about the massive use of greenwashing and the manipulatively misleading use of references to sustainability, SDGs, CSR and CSV (MacGregor Pelikánová & Rubáček, 2022). However, a deep understanding bridging these gaps and targeting internal perspectives is missing, i.e. a lot of ink has been spent on reporting about the tip of the iceberg while being silent about what is under the water's surface. Let's take a plunge and see what is there and, in particular, what are the underlying preferences of internal, decision making stakeholders and how this is projected above.

Pro-sustainable EU and EU law and their framework for CSR and CSV in the fashion industry

Sustainability has been, for decades, a hot topic and subject matter of international law, see the vigorous and persistent endeavors of the UN, in particular the 2030 Agenda. However, CSR and CSV are left up to states and the consistently pro-sustainability-oriented EU (Borchardt *et al.*, 2022) has been strongly advocating for their inclusion in strategies, policies and laws- of both the EU and EU member states. The evolution goes from soft declarations over compulsory reporting to a strict mandatory duty per se, and naturally starting with CSR.

Currently, from the EU legal perspective, the CSV is still out of the reach of direct legislation, but CSR is already deeply in. The regime of CSR combines (i) systematic and visionary features reflected by soft law and self-regulation and (ii) rather normative and moral features reflected by national positive or natural law (Bansal & Song, 2017), i.e. regionally and culturally dependent (Taušer *et al.*, 2015). The EU has been following trends regarding both sustainability and CSR induced by the United Nations and the pendulum has swung from proclamations and policies towards progressively a more developed legal regime with mandatory elements, especially regarding CSR reporting of certain large businesses and/or in certain industries (MacGregor Pelikánová & MacGregor, 2020). In particular, the EU fights against malpractices such as greenwashing via taxonomic standardization and broadens the non-financial reporting duty by advancing Environmental Social Governance (“ESG”). In addition to that, there are specific EU measures covering the fashion industry in the context of the European Green Deal strategy and of the restriction measure packages against the Russian federation (“Sanction Packages”) — see the policy on recycling or the law limiting dealing with luxury fashion. Table 2, below, provides a chronological overview of selected EU measures having impacts on the fashion industry and its CSR and CSV.

In the particular wording of COM(2022), 141 EU Strategy for Sustainable and Circular Textiles is discerned a strong impulse, if not an order, regarding CSV and their strong endorsement by the fashion industry. Arguably, by 2030, fast fashion should be ‘out of fashion’ in the EU, while slow fashion with circularity will be entirely ‘in fashion’ and luxury fashion should learn to live without being able to export into regions attacking EU values. The EU, and allegedly all Europeans, expects the fashion industry to be pro-CSV. Therefore, it is highly instructive and enlightening to research, analyze and critically gloss how this works at the fashion industry end. Namely, how CSV is perceived by archetypical fashion industry businesses from all three segments in a four- step manner. Which are these businesses, how do they identify their CSV, how do they really endorse CSV and how does this fit into the EU framework? Indeed, it is worth revealing the trends and preferences, categorial patterns and, most importantly, the truthfulness, effectivity and efficiency of the sustainable creating of shared values in the fashion industry based on the performed pioneering case study.

Research method

Since the purpose of this article is to research, analyze and critically gloss how CSV is approached by archetypical fashion industry businesses from all three fundamental segments (luxury, fast, slow) and how this fits in the EU law framework, the employment of a triangulated case study is appropriate (Royo-Vela & Cuevas Lizama, 2022). Thus, the raw data needs to be collected in a cross-sectorial manner from the internal and external Internet sources. Pursuant to the design of such a study, this data has to be processed while using a content analysis (Krippendorff, 2013), empirical field observation, qualitative manual Delphi approach (Okoli & Pawlowski, 2004) and critical juxtaposition with glossing and Socratic questioning (Yin, 2008). Hence, the format of a case study built upon the exploration of internal websites of selected businesses and confronted with the exploration of external websites about them is relevant and suitable. This search needs to target businesses from all three segments of the fashion industry, i.e. who they are, what their websites declare about their CSV and what the websites of other subjects say about it, and how all this fits into the EU framework. This is a highly individual and complex content analysis (Krippendorff, 2013) which is not suitable to be performed by artificial intelligence instruments, such as the automatic linguistic assessment for content analysis of various types of documents, aka LIWC-22 (Boyd, 2017; Tausczik & Pennebaker, 2010). Instead, a triangulated case study with a manual Delphi approach by a micro-team of specialists following set guidelines and correction rounds needs to be employed (Royo-Vela & Cuevas Lizama, 2022) and the results put in comparative tables in order to take advantage of visual persuasion (Miller, 2007) and visual synthesis (Finke & Slayton, 1988).

Considering the lack of identical studies and implied lack of pre-existing confirmed or rejected hypotheses, and in order to maintain an open-minded approach, no prior assumptions are to be imposed, i.e. this case study is not conclusively confirming or rejecting any hypotheses. Instead of speculatively setting some random hypotheses, a rigorous exploration is done about CSVs declarations and the reality regarding each of the selected businesses and results are visually put in tables to allow the emergence of what kind of CSVs are allegedly endorsed, what the reality is and how it fits in the EU law framework. Such a methodological format allows for depicting the holistic and meaningful characteristics of CSR-CSV real dynamics (Yin, 2008).

The first step is based on the literature and framework review and Internet search by the Authors regarding the fashion industry and its three segments. Well-known businesses for the luxury, slow and fast fashion segments are identified and immediately businesses without freely available Websites are excluded. In order to maintain the clarity and the comparison potential, the list for each of these 3 segments is narrowed down to, first, the ten most extensively covered by the media and academia. Hence, in total 30 well known fashion businesses with freely available websites are selected, i.e. 10 from luxury fashion, 10 from slow fashion and 10 from fast fashion. Three comparative tables are created, each with 10 rows for each of the 10 businesses in order to put into columns the information about the declared and materialized CSV and that (mis)matching with EU framework.

The second step is based on the exploration of the internal websites of these 30 businesses by a panel of experts identifying what CSV is proclaimed by each of these 30 businesses via its website. The relevancy of internal websites as sources of such information has been already established (MacGregor Pelikánová, 2021). The extraction and interpretation of such a data is to be completed via a qualitative content text analysis (Kuckartz, 2014). The performance of such a holistic thematic analysis of this fresh data (Silverman, 2013; Vourvachis & Woodward, 2015) is to be performed via manual Delphi by a micro-team of 3 experts, each with college degrees and an expertise in the field (Okoli & Pawlowski, 2004). The experts are not authors of this article and they are one man (RKM) and two women (LM, ZFL). Their exploration of internal Websites is done by using the three-level Likert scale scoring (---/0/++) and coding system (Allen & Seaman, 2007) by following guidelines set by the authors and with two rounds of review to avoid discrepancies. This triangularity boosts the accuracy of this case study, i.e. each of these three experts has their own perspective and the two rounds of review are used to perform cross-checking (Royo-Vela & Cuevas Lizama, 2022). The results are to be put in comparative review tables, i.e. for each fashion industry segment one table is created.

The third step is about the verification of these CSVs in order to confirm or reject the genuineness and lack of greenwashing. Exclusively external Websites are used along with the Fashion Transparency Index from Fashion revolution, see <https://www.fashionrevolution.org/about/transparency> plus <https://directory.goodonyou.eco>, and the same micro-team of 3 ex-

perts using the same methodology as for the 2nd step is to be used. Since this triangulated case study deals with the identification, perception and materialization of CSV, particular attention is paid to established CSR – CSV key words : trust/honesty, transparency, collaboration and respect, (no) waste, communication/dialogue, consciousness (Porter & Kramer, 2006; 2011) as well as newly proposed key words: pragmatism, survival, peace, respect, no waste, constructive dialogue, consciousness, meta-effectiveness, meta-efficiency, ambassadorship (see Table 1). The results are to be put in comparative review tables in columns next to the columns about declared CSV as revealed in the second step.

The fourth step is based on the literature and framework review and information about declared and materialized CSV as figured out by the experts and summarily visualized in the comparative review tables. Namely, the authors critically compare and gloss the compliance of the revealed information about CSV, in particular the (in)appropriateness and implied (in)effectiveness and (in)efficiency. During this process, the EU law and strategies are interpreted following the EU methodology – the teleological approach complemented by purposive, literate and golden rule approaches (Brittain, 2016), juxtaposed to the CSV of fashion businesses as indicated in Tables 3-5 and critically commented on.

This triangulated four-step format of a multi-spectral, multi-disciplinary and multi-jurisdictional data extraction and processing and quasi meta-analysis constitutes both strengths and weaknesses. Namely, it was performed in August 2023 and it brings relevant pioneering propositions and recommendations regarding CSV in the EU, which are to be further processed. Indeed, this format and offered proposition and recommendation invites future longitudinal triangulated studies with a larger pool of observed fashions and even other sector's businesses while gathering data from more heterogenous sources and exploring it both manually and automatically with Socratic questioning (Areeda, 1996) and glossing, along with multi-spectral field observations (Gold, 1958).

Results and discussion

Although sustainability, CSR and CSV mean different things to different people (White, 2013) and are worshiped by some and hated by others, they are not ignored. In particular, the fashion industry appears strongly

marked by them and it is often used to demonstrate the various aspects of CSV (MacGregor Pelikánová *et al.*, 2021b). The indicated research was performed while using the described four steps and the analysis to explore the CSV by businesses from each of these three segment was visualized by the juxtaposition, i.e. by contrasting CSV for the luxury segment, fast segment and slow segment, see Tables 3-5.

Luxury fashion businesses — partially matched reconceiving

Luxury fashion businesses should be the visionary driving force for sophisticated CSV and against waste — resources are available and should be used lavishly only for common goals. Well, the four steps regarding the luxury fashion segment demonstrate both a number of particularities related to each of these businesses as well as common factors, such as a problematic transparency and a large focus on reconceiving products which meet only partially customers' needs (low meta-effectiveness), see Table 3.

Although luxury fashion businesses attain dramatically different Fashion Transparency Index scores and a slightly different intensity of a rather good compliance with the EU setting and framework, they clearly advance far more the societal needs regarding emissions reduction than worker welfare. A focal point is animal welfare, while avoiding waste or recycling is underplayed. This leads to the artificial fur paradox (replacement of animal fur by hardly dissoluble synthetics and animal welfare) and cultural misunderstanding (e.g. Dante Inferno scandal). It should be emphasized that recently published studies have revealed that there is a correlation between the fashion and the eco-friendliness perceptual attributes of a brand and that this correlation is far stronger for luxury brands than for high and fast fashion brands (Blasi *et al.*, 2020). The data regarding these 10 luxury fashion businesses suggests a genuine drive for values by these businesses, but these values are not really shared by customers and are absolutely rejected by the indexation authorities providing a surprising low sustainability and transparency ranking for the majority of luxury fashion businesses. In sum, the luxury fashion segment is pro-values oriented and compliant with the EU framework, but not for CSV. This proposition is compatible with recent findings about the EU charging investors, banks and large financial players to assist in the fight against greenwashing (Balcerzak *et al.*, 2023) as well as with the described audience (MacGregor Pelikánová *et al.*, 2020b) and its preferences (Hála *et al.*, 2022). At the same

time, it must be admitted that the importance of the intensity of the general environment commitment is far from being established — see some discrepancies between this study and prior findings (Blasi *et al.*, 2020).

Fast fashion businesses — less greenwashing than expected

Fast fashion businesses are the primary culprits causing the fashion industry to be the 2nd largest polluter and a symbol of wasteful, irrational behavior, greenwashing mastering and the lack of any values or common goals. The four steps regarding the fast fashion segment demonstrate both a number of particularities related to each of these businesses as well as common factors, such as the shift from recklessness and greenwashing. It can even be suggested that fast fashion businesses are somehow trying to redefine productivity (be at least partially meta-efficient), see Table 4.

Although fast fashion businesses reach dramatically different Fashion Transparency Index scores and a slightly different intensity of a rather good compliance with the EU setting and framework, they attempt to go for CSV and, despite their bad reputation, these endeavors are predominantly genuine. Indeed, the cliché that the fast fashion industry is the cradle and platform par excellence for greenwashing is no longer true for the majority of fast fashion business. This perfectly matches with recently published findings about the relevance of environmental aspects even in the fast fashion industry (naturally less than in the luxury fashion) (Blasi *et al.*, 2020) and about a strong influence of CSR on fast fashion store loyalty, but not store satisfaction (Dabija *et al.*, 2022).

However, a few bad sheep remain, see H&M, Shein, and Victoria's Secret. Nevertheless, even they are more to be blamed for overproduction than for massive attacks on the environment or social matters. This demonstrates a shift — the fast fashion industry is working hard to depart from the picture of a cheap and reckless producer. In sum, the fast fashion segment is getting at least slightly pro-values oriented and compliant with the EU framework and search for CSV.

Slow fashion businesses — evangelization of less consumption

Slow fashion businesses should be the direct opposite of the fast fashion businesses. They should focus on avoiding waste and over-production and should be the ambassadors of modesty and longitude. The CSV should be

their alpha and omega ... and indeed, it is! Slow fashion businesses genuinely search and apply CSV and manifestly rely on the trust and support of customers open to share the vision about producing and consuming less, holding on to products longer and focusing on environmental and social justice, fairness and perhaps even equality above and beyond local clusters, see Table 5. This proposition is compatible with recently published findings about various methods employed by businesses, including slow fashion businesses, to establish a relationship with customers, either by traditional showrooms (Arora *et al.*, 2020) or by more modern digital (Bartók *et al.*, 2022) or unconventional methods (Blasi *et al.*, 2020). In particular, the importance of the reparability and mending option (tools against waste) has been observed by prior studies (Diddi & Yan, 2019).

With only one exception (Sézane), slow fashion businesses are absolutely consistent with expectations from the large public about producing less and caring more. They are genuinely pro-sustainability, pro-CSV and fully in compliance with the EU setting. Their key points are avoiding waste, being respectful, not over-producing, sharing and caring in a global manner. They go not only for meta-effectiveness and meta-efficiency, but even for the CSV ambassadorship by respectful open-minded dialogues in local clusters and even above and beyond them. However, perhaps skeptically, it must be pointed out that, unlike luxury fashion businesses, slow fashion businesses often do not have an EU provenience and might look more as a common law correction of the pendulum which went too far with the materialist consumption in the USA and Canada. A common law drive for slow fashion might be influenced by these excesses and the remoteness of luxury fashion typically considered as European, i.e. having a European origin. Consequently, the space for the growth of slow fashion is slightly reduced in Europe. Finally, on both sides of the Atlantic, fast fashion businesses gradually turn from the mass and reckless cheap production to more socially responsible models and ultimately even to CSV. As has been already established, that CSR influences customer loyalty both directly and indirectly through co-creation and customer trust and that co-creation has a direct effect on customer trust (Iglesias *et al.*, 2020). Therefore, a sustainable CSV in all segments of the fashion industry with a focus on waste reduction should be a key for customers' loyalty and trust.

Conclusions

The overview of published academic literature and studies along with the author's own research and analysis of 30 archetypical businesses from all three fundamental fashion industry segments (luxury, fast and slow) show that CSV is a reality not only fully endorsed by the EU, but also across the entire fashion industry in the EU. Namely, a categorial reflective triangulation study in four steps with a content analysis, empirical field observation, qualitative manual Delphi approach and critical juxtaposition with glossing and Socratic questioning demonstrates what kind of CSV is allegedly and really endorsed in the fashion industry. Businesses from the luxury fashion segment added to their traditional lavish and opulent high cost approach a touch of social responsibility with some CSR concerns (emissions reduction, animal welfare), but not very much with others (fair working conditions). They have always advanced values, but they do not excel in both respectful communications and searches for CSV in the co-operation with the public-at-large. Businesses from the fast fashion segment have the reputation of being reckless materialist over-producers trying to be cheap "at any price" and not hesitating to use greenwashing to boost their sales. However, it looks like that this is more in the past than the present, because surprisingly fast fashion businesses genuinely want to (at least partially) change and become "less bad". They take perhaps rather small steps but these small steps are closely glued to the expectations of the public-at-large, so we can see genuine CSV attempts. Businesses from the slow fashion segment are a radical and contrasting answer to over-production and over-consumption, especially in the common law setting. Their strongly global CSV is very close to the preferences of the current European Commission, but it is questionable whether they have a sufficient support by Europeans. Their way of CSV is extremely heavily dependent upon the global multi-stakeholder model, perhaps even partnership.

In sum, the performed categorial reflective triangulated study in the EU has revealed that fashion businesses from all three segments (luxury, fashion, and slow) genuinely addresses sustainability and even they engage with the CSV, but in each segment there prevails a different strategy to do so and consequently each has a different sustainability potential. Therefore, the question whether the creation of shared values, and the resulting CSV is sustainable in the fashion industry does not have a universal assessment and answer. Fashion businesses made their choices and each fashion indus-

try segment selected a different pro-CSV strategy — luxury fashion goes conservatively for the lavishness card embellished by CSV, fast fashion wants to change the bad and greenwashing image and pulled out a new, at least moderately, pro-CSV card and slow fashion puts all on one CSV card.

Obviously, the performed study has inherent limits due to the size of the sample (only 30 businesses), the industry (fashion) and the jurisdictional definition (EU), the instantiate of its performance (within a few months), the exploitation and measurement challenges implied by the nature of the sources, data and CSV as such and the manifest prevailing of qualitative aspects. Nevertheless, it appears that they all fight against the same “mortal sin” against sustainability, the waste, but each of them presents a different strategy how to avoid such waste. Now, the consumers get to deal the cards and it is up to them how they will play this game and what cards they will draw, pick and place.

Therefore, future longitudinal triangulated studies with a larger pool of observed fashions, and even other sector’s businesses from various EU and even out-of-EU jurisdictions, need to be performed, while gathering data from more heterogeneous sources and exploring it both manually as well as automatically. In sum, CSV is neither an ephemeral chimera, nor an altruistically destructive CSR, nor a possible bonus to be genuinely or fictively (greenwashing) affixed to products, nor a pre-fixed set of rules to be exactly followed by all. Instead, CSV is basically an integral part of business conduct in the current EU and each business needs to make its own particular adjustments to make it sustainable. It is not a massive fit-all *prêt-à-porter* sustainability, instead it is rather an individual and artisanal *haute couture* sustainability. Like a dress, it needs to fit perfectly its customer.

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Annex

Table 1. Public sustainability – private CSR – meta CSV

Public Sustainability and its 3 pillars (The society - they)	
Economic (profit)	The society needs to generate profits and a good life style → compliance, proper governance and risk management → PRAGMATISM
environmental (planet)	The society needs to protect the world that supports the society → SURVIVAL
Social (people)	The society operates based on a social contract with terms, including rights → PEACE
Private CSR and its 4 justifications (A corporation - You)	
moral obligation (ethical dimension)	A corporation has a duty to be a good citizen and to “do the right thing” → “honor ethical values and respect people, communities and nature” → RESPECT
sustainability (environmental and community stewardship)	A corporation has to meet present needs without compromising the future” → continuity of all three pillars: economic, environmental, social → NO WASTE
license to operate (deal)	A Faustian deal between the society and the corporation → for its operation, a corporation needs tacit or explicit permission from government, community and other stakeholders → CONSTRUCTIVE DIALOGUE
reputation (image)	A corporation needs to please the public at large → CONSCIOUSNESS
Meta CSV and three ways to it (We all)	
By reconceiving products and markets	Dynamically identifying all societal needs, benefits, and harms → meeting true needs of customers → META-EFFECTIVENESS
By redefining productivity in the value chain	Working on synergy of societal progress and productivity, direct and indirect benefits → recognizing true and even hidden costs → META-EFFICIENCY
By enabling local cluster	The success of one effects all around → spreading effectiveness and efficiency → AMBASSADORSHIP

Source: Prepared by Authors based on the academic literature: Porter and Kramer (2006, 2011, 2019); Salonen and Camilleri (2020).

Table 2. Selected EU measures with impacts on the fashion industry and its CSR and CSV

Year	Measure	Comments
1992	Maastricht Treaty	Art. B <i>economic and social progress</i> <i>The Union shall set itself the following objectives: - to promote economic and social progress which is balanced and sustainable, ...</i> ...
1997	Amsterdam Treaty	Art. B <i>balanced and sustainable development</i> <i>The Union shall set itself the following objectives: - to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development, ...</i>
2000	Lisbon Strategy of European Council	2000-2010 Economic, social, and environmental renewal and sustainability – „to become the most dynamic and competitive knowledge-based economy in the world, capable of economic sustainable growth...”
2001	COM(2001) 366 GREEN PAPER. <i>Promoting a European framework for CSR</i>	CSR is „a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholder on a voluntary basis.”
2009	Ecodesign Directive 2009/125/EC	Art. 14 eco-information <i>manufacturers shall ensure, in the form they deem appropriate, that consumers of products are provided with: (a) the requisite information on the role that they can play in the sustainable use of the product ...</i>
2010	COM(2010) 2020 final Europe 2020	2010-2020 Smart, sustainable, inclusive growth.
2011	COM(2011) 681 final, Corporate Social Responsibility: a new EU strategy for 2011-2014	The Commission puts forward a new definition of CSR (instead of the definition from 2001) – “the responsibility of enterprises for their impact on society.”
2013	Directive 2013/34/EU on the annual financial statements, ... (“Accounting Directive”),	Article 19 Contents of the management report <i>1. The management report shall include a fair review of the development and performance of the undertaking’s business and of its position, together with a description of the principal risks and uncertainties that it faces.</i>
2014	Directive 2014/95/EU updating Accounting Directive	Art.19a non financial reporting duty to certain large public interest companies... <i>average number of 500 employees during the financial year shall include in the management report a non-financial statement containing information ...environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including: ...</i>
2019	Regulation (EU) 2019/2088. ... (“SFDR”)	Sectorial duty to publish transparent information, including about environmental aspects – financial services sector
2019	Political Guidelines of President elect Ursula von der Leyen: Political guidelines for the next Commission (2019-2024) (“Political Guide-lines”) ’	‘A Union that strives for more: My agenda for Europe’ which sets six priorities (“six priorities”): (i) A European Green Deal - Striving to be the first climate-neutral continent, (ii) A Europe fit for the digital age - Empowering people with a new generation of technologies, (iii) An economy that works for people – Ensuring social fairness and prosperity, (iv) Protecting our European way of life – Protecting our citizens and our values, (v) A stronger Europe in the world stronger –Reinforcing our responsible global leadership, and (vi) A new push for European democracy –Nurturing, protecting and strengthening our democracy.

Table 2. Continued

Year	Measure	Comments
2019	COM(2019) 640 Final Communication from the Commission - The European Green Deal	This strategy should transform “the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use” (European Green Deal at 1).... EGD1-EGD9.
2020	COM(2020) 98 final New circular economy action plan for a cleaner and more competitive Europe (“CEAP”)	EGD3 3.1. The new Circular Economy Action Plan (CEAP) sets out a series of new initiatives covering the entire cycle of product design and lifespan, to enable individuals and businesses to participate fully in the circular economy. 3.2. As part of the EU’s industrial strategy, measures are proposed to :- make sustainable products the norm in the EU, with legislation to be introduced on sustainable product policy, to ensure that products placed on the EU market are designed to last longer, -empower consumers, with access to reliable information, and a true ‘right to repair’, Article 3 Criteria for environmentally sustainable economic activities <i>For the purposes of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable where that economic activity: (a) contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16; (b) does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17;</i>
2020	Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ka Taxonomy Regulation (“Taxonomy Regulation”)	Art. 2 Climate-neutrality objective 1. ... by 2050, thus reducing emissions to net zero by that date, and the Union shall aim to achieve negative emissions ... Article 4 Intermediate Union climate targets 1. ... the binding Union 2030 climate target shall be a domestic reduction of net greenhouse gas emissions (emissions after deduction of removals) by at least 55 % compared to 1990 levels by 2030. NextGenerationEU is the EU’s €800 billion temporary recovery instrument to support the economic recovery from the coronavirus pandemic and build a greener, more digital and more resilient future. Article 19a Sustainability reporting 1. Large undertakings, and small and medium-sized undertakings..., which are public-interest entities ... shall include in the management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position. The information ... shall be clearly identifiable within the management report, through a dedicated section of the management report.
2021	Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality (“European Climate Law”)	
2021	COM(2021) 250 on a new funding strategy to finance NextGenerationEU	
2022	Directive (EU) 2022/2464 which updates Accounting Directive with NFRD (“CSRD”)	

Table 2. Continued

Year	Measure	Comments
2022	COM(2022) 141 EU Strategy for Sustainable and Circular Textiles	EGD8 + mandatory ecodesign requirements, stopping destruction, reducing microplastic pollution, digital product passport By 2030 textile products placed on the EU market are long-lived and recyclable, to a great extent made of recycled fibres, free of hazardous substances and produced in respect of social rights and the environment. Consumers benefit longer from high quality affordable textiles, fast fashion is out of fashion, and economically profitable re-use and repair services are widely available.... Trade restrictions for iron, steel and luxury goods Against circumventing EU sanctions
2022	4 th Sanction Package	
2023	11 th Sanction Package	

Source: prepared by the Authors based on EurLex.

Table 3. Luxury fashion businesses and their CSV – partially matched reconceiving

1 st step businesses	2 nd step declared CSV	3 rd step verified CSV	4 th step Consistency / compliance with EU framework
Alexander McQueen	Transparency, no discrimination (gender).	Fashion Transparency Index 41%-50%. At McQueen's suicide, the company had debts of £32 million despite posting profits .	- / +
Bulgari aka BVLGARI	Ethics, Respect, Equality, Diversity.	Fashion Transparency Index 21%-30%. RJC COP Certification.	+ / ++
Chanel	Humanity, Uniqueness; Inclusion, Reduction of emissions.	LIFE in 2020 environmental roadmap. Fashion Transparency Index only 11%-20%. No animal welfare.	-- / ++
Christian Dior	Protection of natural resources, reduction of emissions.	Fashion Transparency Index 21%-30%. Major labor violations in a factory located in Guanlan, Shenzhen (China) such as violence against women or excessive overtimes.	- / ++
Dolce & Gabbana	Authenticity of sustainability strategy. Promotion and encouragement of usage of innovative materials and introduction of friendly production processes.	Fashion Transparency Index only 0%-10%. No animal welfare.	-- / +
Givenchy	"Dare to reinvent" – transparency, environment protection.	Fashion Transparency Index 21%-30%. Underpaid workers. Poorly treating animals.	- / +
Gucci	Equilibrium – positive change for people and planet.	Fashion Transparency Index 71%-80%.	++ / ++
Louis Vuitton	Long term commitment and humility.	Fashion Transparency Index 21%-30%. Waste minimization.	+ / ++
Prada	"Moving forward with purpose" – climate change, circularity, diversity, culture debate	Animal welfare- Fashion Transparency Index only 11%-20%. Underpaid workers.	+ / ++
Versace	Eco-conscious. Water saving.	No animal welfare. Fashion Transparency Index only 11%-20%. Underpaid workers.	+ / +

Source: prepared by the Authors based on websites of the selected luxury fashion businesses, www.fashionrevolution.org/about/transparency/ and www.goodonyou.eco, expert panel's information from March 2023 .

Table 4. Fast fashion businesses and their CSV – less greenwashing than expected

1 st step businesses	2 nd step declared CSV	3 rd step verified CSV	4 th step Consistency / compliance with EU framework
C&A	Use of bio cotton, recycled and recyclable materials (Cradle to Cradle Certified fabric). Unite&Inspire, Renew&Restore, Innovate&Lead. Circularity. No plastic.	Fashion Transparency Index 61%-70%. Use of Global Organic Textile Standards (GOTS) cotton. Reduction of CO2 emissions. Biodiversity. No evidence of living wages payment	++ / ++
GAP	Women empowerment creation of opportunities based on equality enriching communities protection of natural resources and ensurement of healthy communities	Fashion Transparency Index 41%-50%. USAID Gap Inc. Women +Water alliance Partner with the Hong Kong Research Institute for growing cotton.	++ / ++
H&M	target of reducing emissions across their value chain by 56% by 2030 and reaching net-zero by 2040. Restoration of biodiversity. Circularity. Energy efficiency.	Fashion Transparency Index 71%-80%. Overproduction - 3 billion garments each year. No payment of living wages and huge disproportion with the salaries of various levels of the chain. 96% of H&M's sustainability claims are misleading or false	-- / --
Lindex	UN's SDCs: Empowerment of women. Commitment to HRs. Climate neutral by 2023. Using less water. Fair to workers.	Fashion Transparency Index 41%-50%. Consciousness of necessity to address every step of the production and the supply chain. Second hand services.	++ / ++
Mango	choice of more respectful materials encouragement of process with lower environmental impact promotion of circular design practices reduction of footprint goal of 100% sustainable fibres by 2030 traceability and transparency	Fashion Transparency Index 41%-50%. No evidence of reduction of carbon or greenhouse gas emissions in its supply chain, in water reduction.	+ / +

Table 4. Continued

1 st step businesses	2 nd step declared CSV	3 rd step verified CSV	4 th step Consistency / compliance with EU framework
Old Navy	100% of their cotton WILL be Better cotton by the end of 2022 no more plastic shopping bags by 2023 85% of the fibers used will be sustainable by 2025 100% of their denim will be made with water-saving techniques by the end of 2022 60% of their polyester will come from recycled sources by 2025	Fashion Transparency Index 41%-50%. no evidence of minimization of textile waste science-based target for reduction of emissions no certification for ensuring labour standards or health and safety to workers or living wages	+ / +
Primark	Recycling materials and even making products to be recycled. Halve carbon emissions across its value chain Pursue a living wage. "Fair pay for all". Production efficiency. Collaboration with governments, civil society and NGOs to drive systemic change. 17 th SDG.	Fashion Transparency Index 31%-40%. Reducing waste. Charity Delivering Good "buy once wear once" model Fashion Transparency Index only 0%-10%. "Shein hauls" over-consumption. Horrible working conditions. IP (design) violation.	+ / + -- / --
Victoria's Secret	Energy-efficiency. Recycling. 70% cleaning technology carbon reduction	Fashion Transparency Index only 11%-20%. Workplace culture with racism, profiling, discrimination and harassment from top manager gender pay gap of 13.8%	- / -
Zara	2001 signatory to the UN Global Compact. 100% of renewable electricity, 100% free of single use plastics for all costumers, 100% more sustainable cotton. Circularity.	Fashion Transparency Index 41%-50%. Overproduction. Repair and reuse program Closing the Loop recycled packaging. No evidence of meeting the declared targets.	+ / +

Source: prepared by the Authors based on websites of the selected luxury fashion businesses, www.fashionrevolution.org/about/transparency/ and www.goodonyou.eco, expert panel's information from March 2023.

Table 5. Slow fashion businesses and their CSV – evangelization of less consumption

1 st step businesses	2 nd step declared CSV	3 rd step verified CSV	4 th step Consistency / compliance with EU framework
Able	Stopping stop the cycle of poverty by producing slow fashion and paying a living wage to women who have faced extraordinary circumstances.	Waste reduction. Welfare of animals. Social welfare. Helping local communities	+++ / +++
Aday	Doing more with less.	Recycling. Renewable energy.	+++ / +++
Fair Indigo	Fair trade clothing from organic cotton to craft high quality garments.	Organic cotton. Saving water. Long-lasting products. Giving back to the Fair Indigo Foundation.	+++ / +++
Kotn	Better for the people, better for the planet. Our products are made with the principles of considered design, relentless quality, honest value, and positive impact.	Kotn is a fashion basics brand focusing on quality and timeless designs. is 'great'. It has a mission to improve social condition for cotton communities in Egypt.	+++ / +++
Levi's	Managing water use. in its supply chain.	Not taking adequate steps to ensure payment of a living wage for its workers.	+++ / +++
Patagonia	Start a repair.	Fashion Transparency Index 31%-40%. Patagonia uses lower-impact materials and has good policies to monitor its supplier.	+++ / +++ Perfect match with EU "right on repair"
Quince	Quince brings luxury products like Mongolian cashmere, Italian leather, and Turkish cotton to everyone at reasonable prices.	There is no evidence it reduces its carbon and other greenhouse gas emissions. There is no evidence it has taken meaningful action to reduce or eliminate hazardous chemicals. There is no evidence it implements water reduction initiatives.	+++ / +++
Reformation	Being naked is the #1 most sustainable option. We're #2. Circularity.	Reformation uses lower impact materials and has good policies to monitor its suppliers.	+++ / +++
Sézane	3/4 of the materials used in all our collections are eco-friendly. 3/4 of our pieces are certified.	Sézane is not taking adequate steps to ensure payment of a living wage for its workers	+ / +
Tentree	Circularity. Ethics. Responsible packaging.	Planting trees for every item purchased.	+++ / +++

Source: prepared by the Authors based on websites of the selected luxury fashion businesses, www.fashionrevolution.org/about/transparency/ and www.goodonyou.eco, expert panel's information from March 2023.