

# Manufacturers Face Pressure on Sustainable Practices

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Posted TUESDAY OCTOBER 13, 2009

From [WWD ISSUE 10/13/2009](#)



Michael Lavergne  
Photo By Graham Uden

**HONG KONG** — Manufacturers will continue to face pressures to implement responsible business practices, as they balance cost controls and profitability with environmental and consumer awareness.

Speakers at the first Sustainable Fashion Forum held here last week, which coincided with other events highlighting the issue, stressed its importance and complexity. Organized by APLF to coincide with the Fashion Access trade show, the event drew speakers and attendees from across the supply chain spectrum.

Bruce Bergstrom, vice president of vendor compliance for sourcing giant Li & Fung, said sustainability is a focus for vendors and retailers. However, it's as difficult to understand as it is to put in practice.

"It's a great concept, like liberty or justice, but difficult to define," he said.

Bergstrom views sustainability as having three main dimensions — economic, social and environmental — and that implementing best practices in all of these fields needs to be company policy.

"First, you have to align sustainability into corporate strategy," he said. "The values have to be woven into the organization's fabric."

Bergstrom stressed the need for industrywide collaboration as well.

"Today's problems can't be solved with one company alone," he said. "It needs partnership with shareholders, concern groups, academia and the supply chain."

The three sessions of the Sustainable Fashion Forum last Wednesday touched on topics such as profitability, consumer demand and the likelihood of increased legislation and regulations. The sessions became part of what shaped up to be a green week in Hong Kong, running concurrently with the second annual International Conference on Climate Change, and while textile trade show Interstoff Asia dedicated two days of its seminars to sustainability in the textile industry.

Hong Lee, Asia Pacific manager for Control Union, which certifies organic cotton and sustainable practices, said the impetus to implement sustainability is coming from the retail side.

"The retailers and brands are pushing the manufacturers to get certification," he said. "[Retailers and brands] need to show the manufacturers that they can save money in the long run. Manufacturers need to see the benefit."

In a world of fast fashion, brands and retailers are wary of longer lead times or higher costs associated with sustainable practices that can range from retrofitting factories and changing lightbulbs to recycling fabrics and minimizing water use. But the forum's attendees agreed the trend toward implementing such practices is gaining momentum, especially on the design end.

"The creative component is ahead of mass production at this point," said Michael Lavergne, Asia director of Worldwide Responsible Accredited Production, or WRAP.

Lavergne noted the growth in sustainable practices comes down to the bottom line, not big hearts.

"It's a matter of risk aversion and protecting the brand identity. This is a business decision to mitigate and lower risk," said Lavergne, adding that as in other aspects of manufacturing, mass market retailers hold the most sway.

"The mass market retailers are looking at how to use their might to decrease cost and drive down lead time, while looking at making sustainable products their core offering," Bergstrom said. "Wal-Mart used to be 'Everyday Low Cost,' now it's 'Living Well.' They are willing to accept a cost premium and delays in production, which will impart greater changes in the marketplace."

Carolina Rubiasih, vice president of sourcing and product development for The Sak, which supplies handbags to retailers across the U.S., said her company is implementing as many sustainability practices as it can. The company is doing so with the full knowledge it won't be able to pass on the costs to its customers. Instead, the company cuts costs by maintaining tight inventory control, improving design to reduce waste, reducing packaging, maximizing container load and paying close attention to U.S. tax codes and tariffs.

"Any suggestions we make [to our customers] that add efficiency and reduce costs will find cooperation," Rubiasih said. "I can increase the cost of a bag with a big piece of hardware or special lining and the perceived value is higher so I can charge more, but if I pass along the cost of a cornstarch poly bag or recycled nylon lining, that would be difficult."