

## 'C3' - Conscience Catalyst Consultants

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
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**Advisor(s):** Michael Fricke

**Topic Title:** Transparency and Traceability in Fashion

**Audience:** H&M's senior leadership and Board of Directors

### Sustainable Development Goal

SDG 12 – Ensure sustainable consumption and production patterns

SDG 13 – Take urgent action to combat climate change and its impacts

### Executive Summary

In the stark, sun-scorched expanse of Chile's Atacama Desert, a disconcerting testament to the global fashion industry's unsustainable practices has emerged: towering mounds of discarded apparel, including garments from H&M's vast consumer base. This waste serves as a potent symbol of the urgent need for sustainability reform within the apparel sector, especially in the fast fashion space. The environmental implications are dire, with the Atacama dump contributing to soil degradation, pollution, and broader ecological disturbances. Moreover, the presence of H&M apparel amidst the waste has sparked consumer skepticism, challenged the brand's green credentials, and raised concerns over greenwashing. Recognizing its share of the responsibility for the Atacama predicament and the growing imperative for transparent ESG commitments, H&M is positioned to enact decisive change.

Our consultancy proposes a comprehensive suite of solutions. A pioneering take-back program lies at the heart of this strategy, inviting not only customers but also distribution and franchise partners to return H&M garments. To reinforce this effort, we suggest the adoption of blockchain technology to establish an unambiguous and accessible record of every garment's journey. This traceability, crucial for overcoming greenwashing accusations, will showcase H&M's sustainability commitment and progress towards ESG objectives throughout the product life cycle. We propose implementing a Buyback Rewards system that extends to H&M's network of partners, encouraging the return of clothing to combat post-consumer waste. This initiative incentivizes recycling, upcycling, or resale of garments, fostering sustainable habits among stakeholders. Additionally, we suggest establishing a "Conscience Cloth" rating framework to ensure transparency throughout the garment's lifecycle. The comprehensive evaluation covers carbon footprint, labor practices, and transparency at each stage, with a focus on end-of-life considerations to prevent environmental harm, caused by situations like the crisis in the Atacama Desert. By aligning its operations with the values of circular economy and climate action, H&M is primed to not only mitigate its environmental impact but also to cultivate a resurgence in brand integrity, an efficient and transparent supply chain, and industry leadership.