

SUSTAINABILITY

Global Fashion Agenda Addresses Sustainability's Struggles

- Industry leaders came together for the annual conference, grappling with rollbacks, but remained hopeful on materials and consumer behavior shifts.

BY RHONDA RICHFORD

COPENHAGEN – Does sustainability stand a chance in a world where it is being increasingly de-prioritized amid shifting government policies, mounting tariffs and more conservative political climates? That was the question attendees grappled with at this year's Global Fashion Agenda conference in Copenhagen.

Organizers acknowledged the mood was "somber," reflecting rising uncertainty. Attendance was lighter, as brands cut budgets and pivoted toward contingency planning in response to legislative delays and economic headwinds.

In Europe, the European Commission's conservative pivot has led to a rollback of key legislation, most notably the Corporate Sustainability Due Diligence Directive. The directive, which required large companies to identify and address human rights and environmental impacts across their supply chains, is now partially on hold, leaving many companies in limbo.

"The EU has given the world a political signal that we, too, are going to do things differently, and I would even call it a sort of 'Trump lite,'" said European Parliament member Lara Wolters.

Though the EU's upcoming changes are being framed as simplifications, "it's far too soon...to make a harsh policy move like this. And yet that's been done and everybody is now scrambling to try to do damage control," said Wolters.

The likely outcome will be more paperwork on imports and burdens on small businesses, with less scrutiny at the source of production.

In the U.S., new tariffs under the Trump administration have further complicated sustainability strategies. Companies investing in decarbonizing their supply chains now face uncertainty around future production costs and sourcing locations.

"It's hard to convince your CFO to make that decision," said Chelsea Murtha, senior director of sustainability at the American Apparel and Footwear Association. "[Companies are] operating in confusion."

Meanwhile, states that once led on climate action are facing rising costs and

cross-border partnerships, such as U.S.-Canadian collaborations on recycling and sorting systems, are now under threat due to the new fees and increased shipping complexity.

USAID had long funded many NGOs and programs that U.S. brands relied on to monitor human rights and labor conditions in sourcing countries. That support is now cut, and brands are being asked to fill the gap.

"As much as the brands would like to, they're also getting squeezed by the tariffs," said Murtha. "So there's this sort of paralysis happening right now where everyone's trying to figure out what on earth can we continue to hold on to?"

Claus Teilmann Petersen, Bestseller's head of sustainability and human rights, urged brands to channel this uncertainty into "productive paranoia." He believes that while the EU battle "is kind of lost," legislators should regroup to implement simplified due diligence based on global OECD guidelines.

GFA's vice president of public affairs María Luisa Martínez Díez added that geopolitical instability is adding to the uncertainty. "Wars and conflicts [are] also disrupting the industry, with brands having to reassess production locations and loans due to the risky conflict zones."

Financing is also impacted, with banks less inclined to fund factory upgrades that set out to reduce carbon emissions or water use. "The focus on sustainability has been left behind, fading into the background, to the favor of competitors," she noted.

Adding to the challenge is the compliance burden of data collection and upcoming circular economy regulations. Brands are navigating varying rules from the U.S., EU, China and pending new laws in India, South America and Mexico.

AI as a Potential Game-changer

Amid the gloom, some companies see a silver lining in artificial intelligence. One promising use case is to modernize the outdated wholesale model.

"The system relies on the traditional system of bulk ordering," said MannyAI



cofounder and chief executive officer Shruti Grover. AI, she suggested, could optimize inventory, reduce overstock, and cut costs.

The system relies on the traditional method of bulk ordering. Brands have to front the stock then absorb the cost of any items that are returned. Revamping the system could be especially beneficial for small brands, but this would break longstanding business practices and is resisted by existing players in the industry.

"So brands need to take a really brave decision for this," she said.

But while AI has potential, so far it has not paid out, according to research from BCG. Arti Zeighami, partner and director at the consulting group's tech design division BCGX, shared that only 4 percent of CEOs implementing AI have seen measurable return on investment, highlighting a gap between hype and tangible value.

Still, smaller brands see opportunity. Mudd Jeans CEO Jolanda Brink said AI could enable her 12-person team to compete at scale. "Everybody's talking like people are scared about AI, but I'm actually thinking this can tremendously help me," she told WWD. "It used to be large team, large results. So now this can be small team, large results."

Brink hopes to build a product lifecycle management system and launch targeted paid ads built with AI tools, especially to reach "light green" consumers who value style but consider sustainability a bonus.

She sees this possibility as a win-win.

"That is really good for retailers also, because that means they don't have to invest a lot in us, because they can see if it sells, and then they can order from us," she said.

StyleDNA cofounder and CEO Elena Volkova echoed the hype vs. value gap in AI, this time from the consumer perspective. Her research found that while 82 percent of users want AI-assisted shopping, many haven't acted on its suggestions.

It will take time for consumers to develop trust in a new system and to see any personal value in using it, she said.

Closing the Consumer Intention Gap

This disconnect between intention and action was a recurring theme.

Visa Europe's vice president of impact and sustainability Katherine Brown said their Behavioral Insights Lab found 87 percent of consumers want to shop sustainably, but only 27 percent follow through. The lab partners with retailers such as Selfridges, Cos, and John Lewis to test messaging and to nudge strategies that drive more sustainable choices.

For Gen Z, framing sustainability as community-driven behavior raised sales at Cos by 22 percent. Pre-purchase nudges promoting refillables were also successful in a Charlotte Tilbury case study, she told WWD. These "nudges" are less about hard-hitting sustainability messaging and more about a few key words that appeal to style or make economic sense to consumers in a softer way.

Visa is also exploring "agentic AI," which autonomously searches and shops for products based on a consumer's personalized preferences. Yet trust and fraud prevention remain critical, especially in resale.

"There is just so much financial fraud at this moment in time, so people really do want to know that if I'm buying something, I want to know that it's from a real source," she said. "Trust and security is not yet robust in the resale market."

Visa is supporting digital passports to ensure the authenticity of goods as well as ensure the payments systems behind secondhand transactions.

The lab, focused on Europe, plans to expand into global markets and new sectors, including travel and home goods. "The fashion industry has been a brilliant starting point because the industry just so vastly needs to understand how to move people away from fast fashion," said Brown.

Devon Leahy, global head of sustainability at L Catterton, stressed the business case for bridging the gap. "Closing the consumer gap is tangible financial value," she said, urging brands to present sustainability as a co-benefit, not the primary purchase driver.

Florence Bulté, chief sustainability officer at Chalhoub Group, discussed efforts to shift secondhand perceptions in the Middle East, where the group operates. When the group launched a jewelry rental program, she knew it would appeal to expats in the region. But to her surprise, it performed better than expected with local communities. The group is working to extend this kind of change with handbags and shoes as well.

A Quieter Event Focused On Connections

GFA CEO Federica Marchionni acknowledged the global moment. "This time was a very different feeling...we were anxious of the time and the situation we are living in, and it's hard to tackle all of these barriers that are growing every day," she said, highlighting the event's theme of "Barriers and Bridges."

"I always say that sustainability can really be the uniting bond," she said.



Many attendees noted that this year's conference felt smaller, whether due to overlapping events, tighter travel budgets, or broader fatigue. SXSW London was scheduled at the same time, where one attendee was due to be a panelist before she realized the dates conflicted, and the Textiles Recycling Expo was happening in Brussels.

As a result, "all the recyclers are there and the brands are here," the attendee said.

Though fewer CEOs were visible, C-level sustainability leaders from brands like Chanel and Kering participated in closed-door roundtables. Kering even brought along its first "sustainability futurist," who is focused on studying long-range transformation a decade out.

One returning attendee, attending for the sixth time, said they had hoped for more "actionable" content given how "people have backed down on messaging."

Nonetheless, the networking was strong. "It's good to meet people we only see on Zoom," one attendee said. "In that aspect, it is doing its job."

Product Launches and Innovation Award

A standout moment of the week was the

debut of Lycra EcoMade with Qira – a corn-based stretch fiber containing 70 percent renewable content. The drop-in replacement for petroleum-based Lycra delivers the same performance, making it possible for activewear such as yoga pants to go bio-based. There's no difference in appearance or feel.

Both CEOs were on hand to unveil the fiber at the event, Lycra's Gary Smith and Qira's Jon Veldhouse.

The fiber has been in development for seven years, and already piloted by brands like A-Golde. The material is being produced at a factory in Iowa and will scale to 65 tons a year, with the first large-scale shipments expected this fall for inclusion in spring collections.

Leather alternative pioneer Modern Meadow also revealed its newly rebranded material, Innovera, with CEO David Williamson on hand to discuss the future of bio-designed material innovations.

To close the week, Refibered was awarded the GFA Trailblazer prize. The startup uses AI to identify textile compositions, helping recyclers and boosting resale authentication and traceability.



From left: Queen Mary of Denmark, GFA CEO Federica Marchionni on the opening day of the summit in Copenhagen.