

Enhanced Social and Environmental Performance

Why Footwear Supply Chains Need Sustainability

The fashion industry is the second most polluting industry in the world. A shift in consumer behaviour and politics towards more sustainability on all levels of the value creation chain alongside with a more stringent legislation compel the footwear industry to clean up its act on both the social and the environmental fronts. Despite the great willingness of many companies to develop more sustainable business practices, the transformation process is complex. This is where experienced allies such as PFI can provide invaluable assistance. With joint forces we can enhance social and environmental performance.

Environmental and Social Sustainability

Materials primarily associated with footwear manufacturing can be energy and water intensive as well as toxic to both humans and the environment. Leather – if not produced according to state-of-the-art tanning technology standards – bears the risk of containing toxic chemicals (including poisonous heavy metals). Textile-based shoes are resource-intensive because textile production require huge amounts of water. Shoes made from synthetics use a lot of plastic.

Social sustainability of supply chains has become a topic of broad public concern since Rana Plaza in 2013, an incident in Bangladesh, where over 1132 textile workers lost their lives and 2438 were injured due to the gross disregard of factory health and safety. When it emerged that well-known fashion retailers and brands had garments manufactured in the Rana Plaza factory, this triggered a vast consumer movement, predominantly on social media, to demand a better understanding of the systems and sources responsible for delivering their garments. But even before Rana Plaza and up until today serious concern is rising on all levels (local, national, global as well as in science and politics) about the health, safety, ethics and environmental impact of garment manufacturing.

Pressure from Sustainable Policy Shifts

International policy shifts are placing increasing pressure on the industry to clean up its act on both the social and the environmental front. Sustainability and climate change issues are at the forefront of all global environmental accords, such as the [Paris Agreement](#), the [Sustainable Development Goals](#) and the [UN's Fashion Industry Charter for Climate Action](#). The latter includes a commitment to attain a 30 percent reduction of greenhouse gas emissions along the pledged brands' value chains by 2030.

Data released by the Ministry of Environmental Protection in China revealed that the [textile industry is the third largest source of industrial wastewater](#). Such polluting behaviour has not gone un-noticed by the Chinese government, who in 2018 established the [Environmental Protection Tax Law of China](#).

The law charges industrial polluters in four main categories: air pollution, water pollution, solid waste and noise.



The 17 UN Sustainable Development Goals (Credit: UN)



Water sampling in the Chinese province of Zhejiang (Bild: Xinhua)

National governments have launched new initiatives set to impact the fashion industry. Germany's Federal Ministry of Economic Cooperation and Development (BMZ) has created national sustainability assurances for consumers in the shape of a new label called "Grüner Knopf". It is the first state-supervised certification mark that sets requirements for both products (e.g. fashion and household textiles) and companies and is currently in its pilot phase with German brands such as Aldi, Lidl, Kaufland and Tchibo.

Rise of Supply Chain Traceability

In addition to a more stringent environmental legislation, raw material supply chains are being tracked closer than ever. For instance, the [Timber Regulation](#) established by the EU requires the collection of sourcing data along timber supply chains (suppliers, customers, certifications of origin to proof that the timber was harvested legally). These data then have to be submitted to the authorities for monitoring. Brands are under more pressure than ever to scrutinise their value chains and manufacturers increasingly pressured to shift to more sustainable practices.

PFI Supply Chain Management Reduces Environmental Impact and Increases Social Compliance in the Supply Chain

PFI's experts are committed to sustainability. Our consulting team consists of professionals in the technical, environmental and health and safety field. They assist our customers in finding the root causes of non-compliance and provide guidance on sustainability topics. This includes the replacement of hazardous chemicals, correct management of air emissions, waste management and workplace safety measures.

PFI supply chain management services include:

- **Green Production Processes:** By verifying the safe purchasing, handling, storage and disposal of chemicals, our Chemical Management Audit helps to eliminate restricted substances from your supply chain. We strive for greener production processes and finished products. Our audit checklist is aligned with ZDHC and Detox requirements. PFI has over 60 years of experience in chemical testing of footwear. We test chemicals, water and sludge in our ZDHC accredited laboratory and upload the test reports to the international ZDHC Gateway and the Chinese IPE platform.



- **Environmental Compliance Standard:**

Our Environmental Management Audit verifies the environmental compliance of your factories with laws and regulations and helps to reduce your environmental footprint. We are well-known for our longstanding expertise in environmental matters. Our laboratory provides ZDHC certification for waste-water testing. Our experts can test air emissions, wastewater and sludge and provide guidance on improvement measures.



- **Compliance Standard:** Our social audit service ensures that you are sourcing from trustworthy ethical suppliers. Our highly qualified auditors assess facilities' performance according to PFI standards or customer codes of conduct. Our social audit checklist aligns with internationally recognized social audit schemes (BSCI, ETI, WRAP). We help you make your supply chain entirely transparent and provide advice on improvement measures.



- **Sustainable Material Certification:** PFI Hong Kong provides a sustainable material certification that verifies the usage of recycled PET bottles from marine plastic debris in yarn production. The certification ensures that social and environmental standards in the supply chain as well as chemical restrictions are upheld. The aim of the certification is to prevent plastic from entering the ocean and to increase the amount of recycled material in newly produced footwear and textiles.



For more information on PFI Hong Kong's social and environmental auditing services, factory consultancy for greener processing, sustainable material certifications and more, click the following link:

<https://pfi.hk/supply-chain-management-services/manufacturing-consultants/>

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