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The impacts of the fast fashion industry on developed and developing nations: An ESG study

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ABSTRACT

Fast fashion is a rapidly expanding global industry, driven by low-cost production and high consumer demand. However, even though its growth has made clothing more accessible, it has raised concerns regarding environmental pollution, and labor exploitation. Most existing research emphasizes environmental impacts, frequently overlooking governance and social dimensions. This paper addresses that gap by applying the ESG (Environmental, Social, and Governance) framework to assess the industry's impacts across developed and developing countries. Through company case studies and secondary data, it emphasises the industry's benefits and broader ethical and ecological consequences.

Introduction

Fast Fashion can be defined as the rapid production of inexpensive clothing, to constantly meet even changing consumer trends. Its origins can be traced back to the industrial revolution, which allowed for mechanized production, which allowed reduction of costs and laid the foundation for mass production of clothes (Nizzoli, 2024). Our notion of the fast fashion model, however, began in the 70s, when retailers started outsourcing production to developing countries, to reduce costs, and by the 90s companies started to accelerate output to keep up with consumer trends (Kelleher, 2025).

The fast fashion industry has constantly been expanding, with market size increasing from approximately $90 billion in 2021 to a projected $185 billion by 2027. This projected growth is due to the rise of platforms like Shein, which have a wide global digital reach, that fuel the industry's rapid expansion. Research from Ellen MacArthur Foundation shows that global clothing sales nearly doubled between 2000 and 2014, while clothing utilization declined significantly, dropping 20% from 2000's value. This portrays a very important trend in consumer behavior: people are buying more, but discarding items more swiftly.

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

Environmental pollution has been well documented, such as in Crasnitchi (2024) and Salume (2024). In particular, the fast fashion industry has been said to cause textile waste, water usage and carbon emissions (Salume, 2024). In addition to these environmental consequences, the fast fashion industry is also associated with significant social costs, particularly labor exploitation in developing countries where regulatory oversight is often limited.

To fully understand the scope of the impacts a more structured evaluation will be made with an ESG (Environmental, Social and Governance) framework. Such an approach offers a holistic view to assess how this business affects society and our environment. As environmental effects have already received significant research, using the ESG lens enables a more comprehensive examination which includes governance practices and social implications as equally critical components. For that purpose, Radzi et al. (2023) provide a strong theoretical foundation, offering ESG as a framework to evaluate corporate responsibility through the lenses of stakeholder and signalling theory (Radzi et al., 2023).

This paper will apply the ESG foundation to the fast fashion industry with a comparative focus on developed and developing countries. It will also use case studies and secondary data analysis to evaluate how ESG principles are implemented or neglected across those regions.

The rest of the paper is structured as follows. Section 2 provides an in-depth literature review of the ESG framework, and the fast fashion industry. Section 3 summarises characteristics of the fast fashion industry, including its market size and regional distribution. Section 4 analyses the fast fashion sector in the ESG framework, and section 5 concludes.

Literature Review

This paper thus fits into 2 branches of the literature: 1) the costs and benefits of adhering to the ESG framework, 2) details about the fast fashion industry

The costs and benefits of adhering to the ESG framework

The body of literature of sustainable business practices has increasingly focused on the Environmental, Social, and Governance (ESG) framework as a method to evaluate corporations. Therefore, for this study on the fast fashion sector, we will use the ESG criteria to analyse the industry's performance.Therefore, this literature review examines the sources that contribute to this research, which fit into three branches: (1) the costs and benefits of adhering to the ESG framework, (2) fast fashion and its impacts, and (3) the differences between developed and developing nations.

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

The Environmental, Social and Governance frameworks began in the early 2000s when the United Nations Global Compact and the International Finance Corporation published the report “Who Cares Win” in 2004 (UN and IFC, 2004). It was the first time the term was used, calling on financial institutions to integrate environmental, social, and governance factors in their investment analysis.

The OECD study states since then, the ESG data and services market has been rapidly growing, having been estimated to have exceeded USD 1.5 billion in 2023. and is expected to grow at 23% annually through 2025 (OECD, 2023). The ESG is not governed by a single authority, but actually shaped by a range of regulatory frameworks from international standards such as which influence reporting requirements. The metrics themselves vary diversely, with over 2000 indicators across eight major rating systems, and therefore have a wide disparity in methodology and focus (OECD, 2023).

Some economic theories provide reasons for why companies should adopt ESG frameworks. The study by Radzi et al. (2023) uses financial economic theories to demonstrate why companies should engage in the ESG framework. For example, the stakeholder theory, created by R. Edward Freeman, an American philosopher and professor of business administration at the University of Virginia. It emphasizes how corporations should serve more than just the shareholders, but also employees, consumers, communities etc, positioning ESG as not a burden, but as catalyst/stimulus for innovation and long-term value creation. Radzi et al. (2023) also demonstrates how the signaling theory was created in the 70s, by Micheal Spence, an American economist and the 2001 Nobel Prize winner in Economic Sciences. It explains how firms should engage in ESG governance practices to commit to ethical conduct, reduce information asymmetry and signal trustworthiness to investors, enhancing stakeholder confidence and potentially improving market value. This has also been agreed with by Tarmuji et al (2016) who demonstrated that ESG variables have a significant positive relationship with economic performance by fostering transparency and promoting sustainable long-term growth.

It is not only the companies that care about the ESG, as there are political implications beyond the corporate sphere. It is emphasised that “government regulations and policies in various countries are starting to adapt to these changes”, demonstrating how ESG frameworks are influencing public governance and policy-making (Warouw et al., 2024). Such regulations not only aim to protect the environment and society but encourage innovation and sustainable growth. Supporting these practices show recognition of the importance of innovation and sustainable economic growth.

However, engaging ESG could also bring detrimental or unintended effects to the company. Using company financial information from 100 Malaysian corporations, Radzi et al. (2023) show

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

using empirical analysis that adhering to this framework could result in sacrificing short-term financial returns, due to increased costs of production and compliance requirements. Specifically, the study indicates that the environmental and social pillars have a negative impact on Return on Assets (ROA) and Return on Equity (ROE), due to high costs associated with social and environmental responsible practices like emission control, labour welfare etc. This suggests that even though ESG may enhance a companies' trustworthiness, it may also burden it financially. It is, so, essential to evaluate whether the increased trustworthiness of a company following ESG commitments outweighs the potential financial burden it may impose on them.

Fast Fashion

Turning to the fast fashion branch of the literature, papers have analysed the economic and environmental impacts.

Fast fashion creates both economic opportunities and challenges in developing nations, but its for developed economies are often overlooked. Crasnitchi (2024), offers an introduction into the economic impacts of fast fashion on both developed and developing countries. It discusses positive consequences such as job creation and economic stimulation in developing nations, while also acknowledging increase in environmental pollution and labour exploitation that usually accompany such gains. However, although it emphasises the burdens on developing nations, it fails to address the economic costs to developed economies. Additionally, while it cites the issue of economic inequality, it does not evaluate how fast fashion exacerbates consumerism driven debt and unsustainable labour practices. It lacks a deep contribution to the governance dimension of the analysis, neglecting issues such as corporate accountability.

Moreover, Salume (2024), offers different perspective, providing a well documented review on the global environmental consequences of fast fashion, covering topics such as textile waste, water usage and carbon emissions, with the use of statistical data to portray the industry's significant environmental footprint, making it a valuable source for understanding the environmental pillar of ESG in fast fashion. On the other hand, the study also has limitations. It treats the consequences as equally globally, without differentiating between developed and developing nations. The report looks at pollution and overproduction worldwide, but it ignores how those issues could potentially disproportionately impact different countries. Additionally, as its main focus is the environment, it lacks a deep analysis of the governance and social pillars.

However there is the need for a perspective regarding the social impacts. Williams (2022), differently, provides a wider approach not commonly found in earlier literature, evaluating fast fashion from environmental, economic, and social perspectives. The author supports existing research linking fast fashion to pollution and waste, emphasizing its detrimental environmental

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

impact. It details social issues, while also acknowledging the economic arguments which are in favour of the industry. The text uses economic theories to suggest that the fast fashion industry may contribute to poverty reduction and even addresses the social responsibilities of economically developed nations—a new angle in the literature. A value in the article is that it is balanced and contains information for all three areas, however a limitation is that it lacks arguments defending fast fashion which are not economic. Despite this, secondary data analysis builds a strong foundation throughout the article to understand the impacts of fast fashion in the world.

In conclusion, all reviewed articles contribute valuable insights into specific dimensions of the ESG framework, but none provides a full analysis integrating environmental, social, and governance pillars in equal depth. Crasnitchi (2024) and Salume (2024) both emphasize the economic and environmental aspects, but overlook the governance and social impacts. And although Williams (2022) takes a broader approach,it still lacks a balanced evaluation of all aspects.

Context

Given that, fast fashion refers to the rapid, low-cost production of clothing designed to keep pace with shifting consumer trends. While its roots lie in the Industrial Revolution's, which made mechanized production possible, the industry's current model emerged in the 1970s with outsourced manufacturing and accelerated in the 1990s as brands sped up output to meet demand.

The term "fast fashion" was then formally coined by the New York Times, in 1989 to describe Zara's ability to move garments from design to stores in just two weeks. By the 2000s the industry shifted from seasonal collections to constant inventory updates, and with the rise of e-commerce, it grew further, allowing consumers to shop constantly and globally (NSS, 2023). However, while initially praised for making fashion accessible, the industry now faces criticism for its environmental harm, overproduction, and labor exploitation.

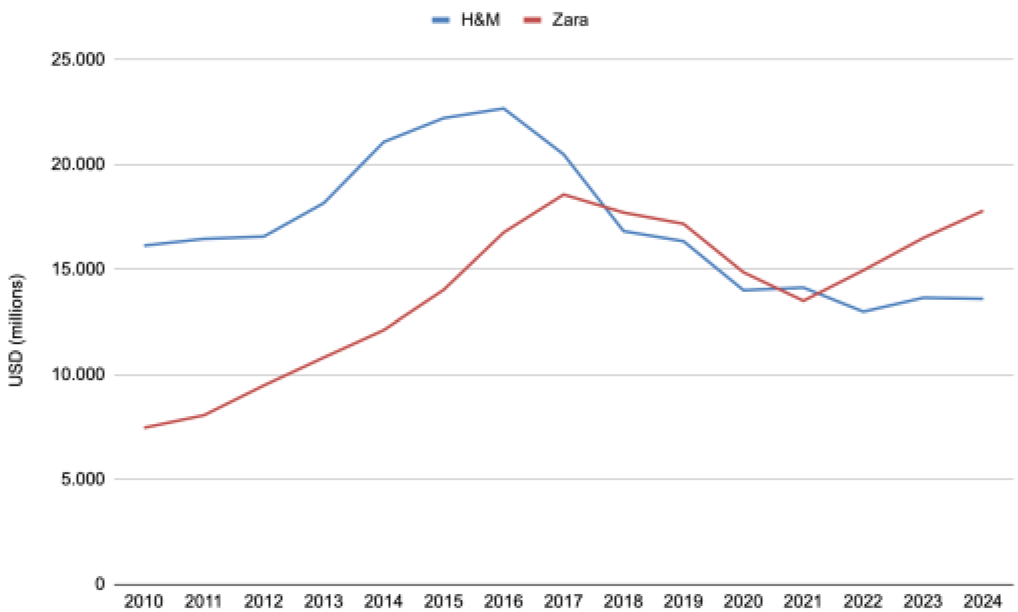
To understand the industry's behavior, it is essential to analyse the trajectory of two of its largest global players, Zara and H&M (observe Fig 1). Their brand value trends reflect broader market forces, consumer behavior changes and adaptations of companies in response to evolving industry challenges.

Figure 1 shows the brand value of both companies from 2010 to 2024. As seen, H&M consistently outperformed Zara, peaking in 2016 at over $22 billion, however Zara exhibited steady growth. However, from 2017 onward, H&M's brand value declined sharply, while Zara's value initially dipped but then rebounded significantly after 2020.

ISSN: 2455-8834

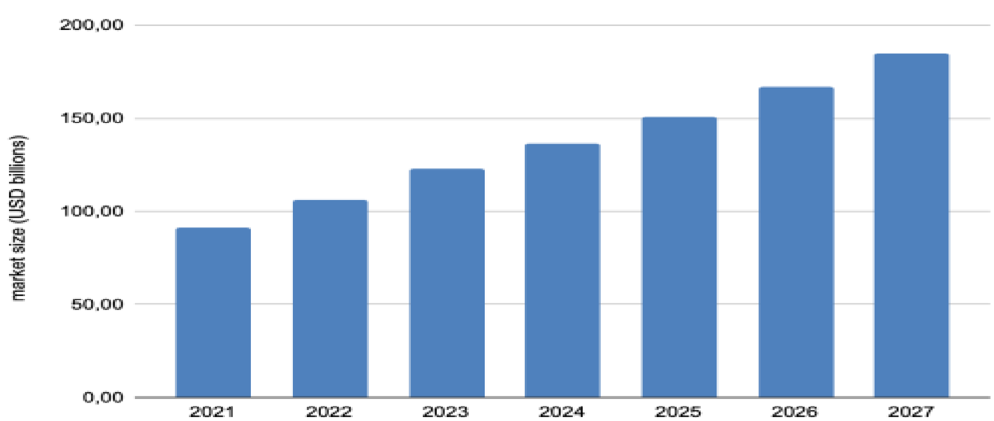
Volume:10, Issue:11 "November 2025"

Figure 1: Global brand value comparison of H&M and Zara. Source: Interbrand; Statista



This trend can be explained by a series of factors. H&M was significantly slower to adapt to e-commerce, and faced issues such as overproduction and inventory surpluses in 2018 (Kent, 2019). Zara's increase, differently, is due to the brand's effective changes, with efforts in aligning to post-pandemic consumer preferences and online platforms. Such trends must be understood within the broader context of the fast fashion market itself. As seen in figure 2, the fast fashion industry has constantly been expanding, with market size increasing from approximately $90 billion in 2021 to a projected $185 billion by 2027 (Statista, 2024).

Figure 2: Forecast of the fast fashion apparel market size worldwide from 2021 to 2027. Source: Research and Markets; Statista; PR Newswire



ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

The growth rate of the market was 16.6% from 2022 to 2023, and 15.5% from 2023 to 2024. Research and Markets department of Statista, however, estimated a continuous increase of 10.7% per year, a rate that underestimates the current growth trend, which may be explained by e-commerce platforms that are now producing and delivering clothing at an unprecedented pace.

This projected growth is due to the rise of "ultra-fast fashion", platforms like Shein, which have a wide global digital reach, that fuel the industry's rapid expansion (Commons, 2023).

Figure 3: Countries with the highest number of Shein-Fashion Shopping Online app downloads in 2024 (in millions). Source: App Magic; Statista

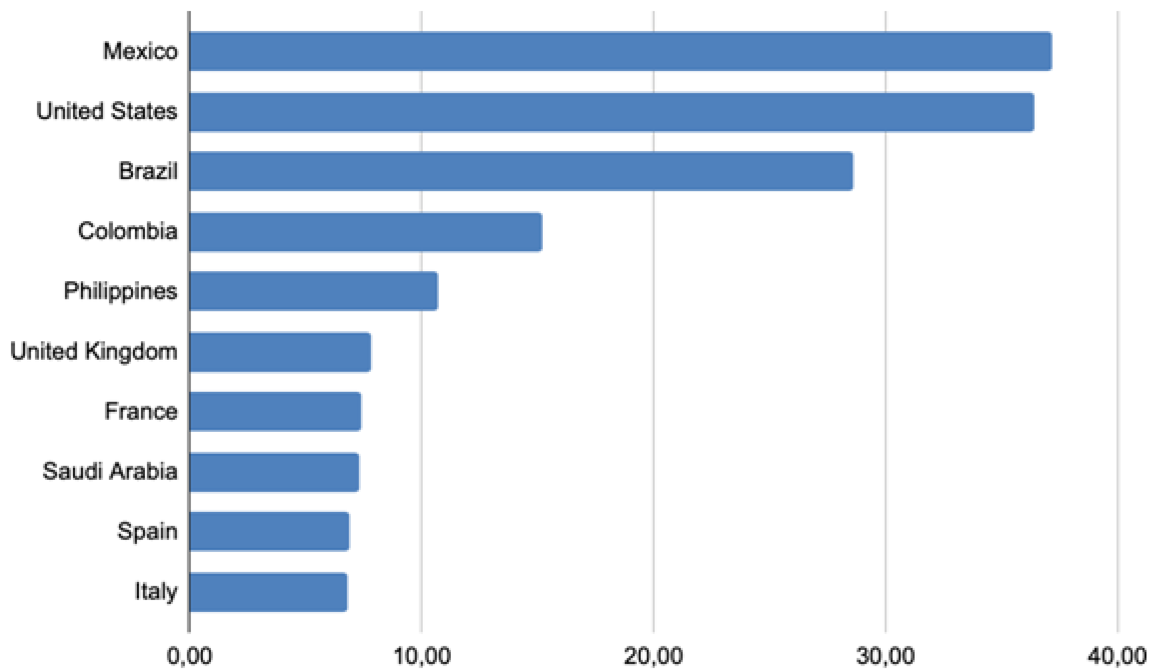


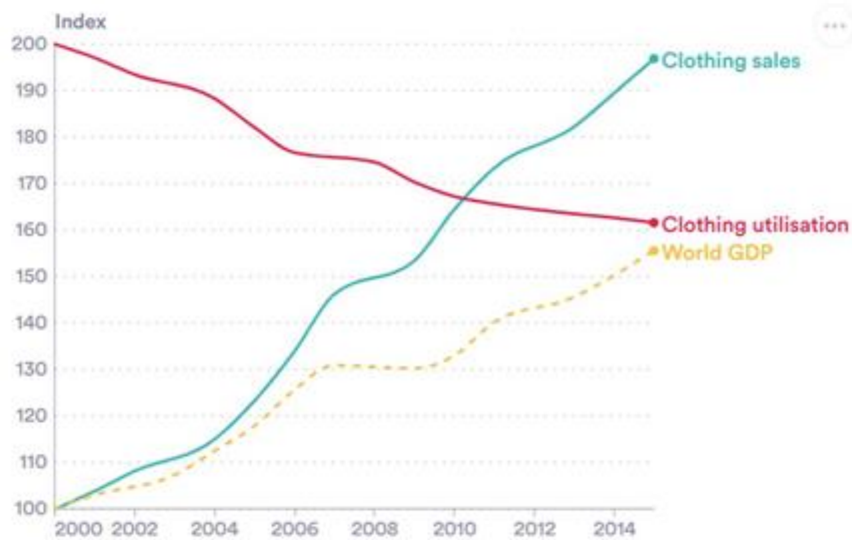
Figure 3 highlights the countries with the highest number of Shein app downloads in 2024. It presents its wide reach, and dominance in Western markets, with Mexico (37.1M), United States (36.3M) and Brazil (28.6M), being at the top of the list and accounting for 62.22% of the market share out of the list (Statista, 2025). Their capability to launch new styles constantly, at low prices, allows those platforms to dominate markets globally, especially among price-sensitive consumers.

However, this very speed and accelerated consumption and disposability of clothing. As shown in figure 4, from the Ellen MacArthur Foundation, global clothing sales nearly doubled between 2000 and 2014, while clothing utilization declined significantly, dropping 20% from 2000's value (Ellen MacArthur Foundation, 2021).

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

Figure 4: Growth of clothing sales and decline in clothing use, 2000-2015



Source: Ellen MacArthur Foundation

It portrays a very important trend in consumer behavior: people are buying more, but discarding items more swiftly. The fast fashion industry thrives on this cycle, prioritizing volume and immediacy at the expense of durability and sustainability. Zara takes only 2 weeks from design to retail, H&M 8 weeks, and Shein just 10 days (Earth.org, 2022). In essence, fast fashion is "fast" because it accelerates every stage of the product life cycle, from design and production to consumption and disposal.

In conclusion, the growth of fast fashion has reshaped the whole fashion industry into one defined by speed, accessibility and constant change. From Zara's early innovation towards a fast production model to Shien's digital model, this market has expanded swiftly, attracting global demand through its low prices and immediate accessibility. This context helps to create a deeper understanding of the industry, which allows for a more informed evaluation of it through an ESG lens.

Analysing the fast fashion industry in the ESG framework

The analysis section will evaluate the Environmental, Social, and Governance impacts of the fast fashion industry with a comparative focus on developed and developing countries. Each pillar will be examined individually to clearly highlight how impacts differ across countries.

Environmental Impacts of fast fashion

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

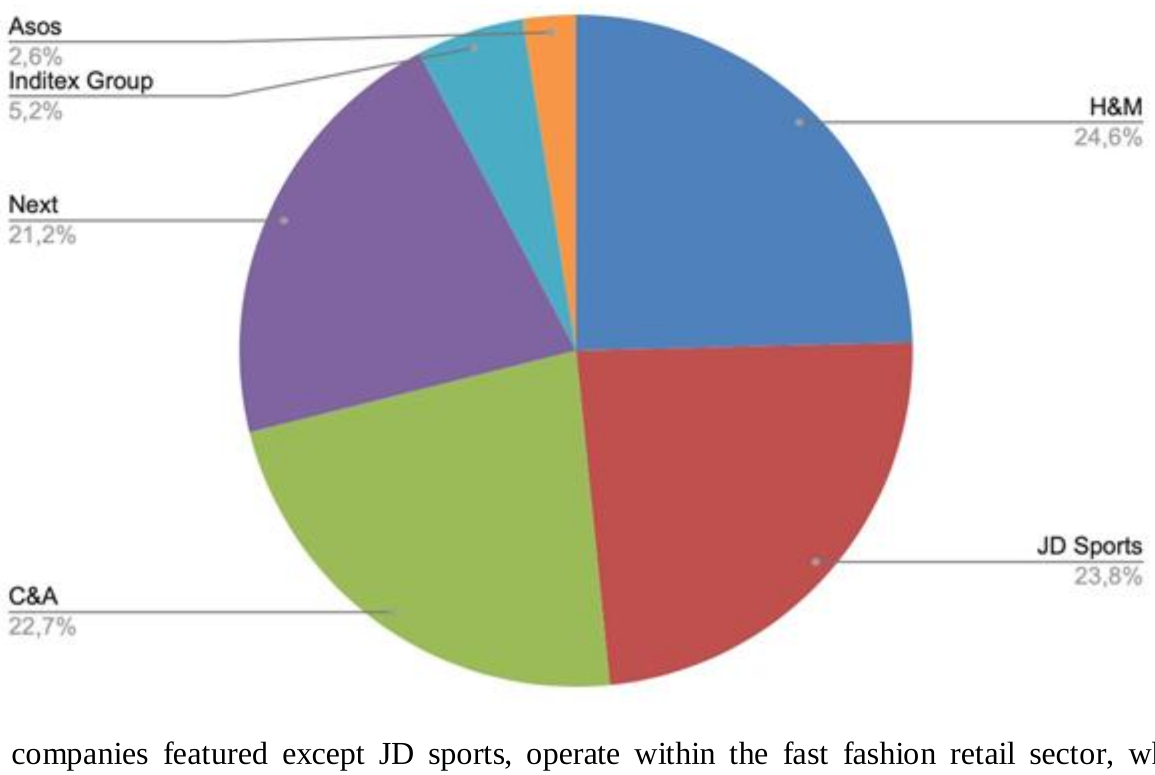
The fast fashion model has emerged as one of the most environmentally damaging industries in the world, but while its impacts are global, its environmental consequences are unequally distributed.

Firstly, according to Fordham (2025), the fashion industry is responsible for 2% to 8% of global greenhouse gas emissions, with projections estimating a 50% increase by 2030.

Fast fashion's greenhouse gas emissions can be categorized into three scopes. Scope 1 includes direct emissions from operations, Scope 2 includes indirect emissions from purchased electricity, and Scope 3 are indirect emissions that occur in the value chain, such as fabric production, shipping (Bernoville, 2025).

In developed countries, Scope 1 and 2 emissions are relatively low, as most fashion brands outsource manufacturing. This can be seen in Figure 5, which shows the annual Scope 1 and Scope 2 market-based carbon emissions released by leading European apparel retailers in 2023.

Figure 5: Carbon footprint of leading European apparel brands 2023 (Annual scope one and two market based carbon emissions released by leading European apparel retailers in 2023 (in metric tonnes of carbon dioxide equivalents)



All companies featured except JD sports, operate within the fast fashion retail sector, which indicates that within the fashion industry, the fast fashion sector is already the one most

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

responsible for carbon emissions. Among the brands, H&M, C&A, and JD Sports report the highest direct emissions. This is because these companies manage extensive physical retail networks, large distribution centers, and high volumes of production and logistics, leading to higher energy use in their business models.

However, the graph does not account for scope 3, where most environmental damage actually occurs and is mostly present in developing countries which manufacture such clothes. This limitation can be observed when analysing the data for Inditex, as even though it is one of the world's largest fast fashion brands, it has lower scope 1 and 2 emission. This is because most of Zara's emissions are in scope 3 (e.g., supply chains, shipping, raw materials), as evidenced in figure 6. Another example of trend is SHEIN, which operates with over 96% of their emissions classified as Scope 3, because production, packaging, and shipping happen abroad (Iluminem, 2025).

Table 1: Scope 1,2 and 3 GHG emissions (tCO_2eq) for indirex. Source: Inditex

GHG emission	2023	2022	2028
Scope 1	11,512	11,232	19,172
Scope 2 market-based	0	0	41,9446
Scope 2 location based	427,885	451,430	651,266
Scope 3	16,418,450	15,607,245	16,389,372

Table 1 shows the company's greenhouse gas (GHG) emissions across Scope 1, 2, and 3 categories for the years 2018, 2022, and 2023, measured in tons of CO_2 equivalent. It can be seen that scope 1 and 2 emissions have decreased significantly over time, however, scope 3 emissions remain high, increasing slightly from 15.6 million tons in 2022 to 16.4 million tons in 2023.

While these emissions are generated in developing countries, they are a product of the demand from consumers, which are mostly in developed nations (Uniform Market, 2024). For example, German consumers alone are linked to 38 million tonnes of CO_2 annually, 90% of which occurs outside of Germany, mainly in producer countries like China (GFC Report, 2022). This highlights a critical dynamic: while the majority of emissions originate in developing countries, from scope 3, they are largely driven by consumption patterns in developed nations.

Another environmental impact from the industry in developing countries is water waste. The fast fashion industry consumes approximately 79 trillion liters of water per year, 20% of the industrial

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

water pollution (Fordham, 2025; Earthorg). Such a burden falls almost entirely on developing countries, where textiles production, cotton farming and fabric dyeing occur.

In India, producing just one kilogram of cotton consumes up to 22,500 liters of water. A single pair of jeans uses 3,600 liters of water and 3 kg of chemicals (Miranda & Roldán, 2025). Cotton farming alone accounts for 44% of the industry's total water use (Fordham, 2025). These processes strain already scarce water sources and often rely on fossil fuel electricity, generating further emissions too (Changing Markets, 2024).

When discussing developed nations, the environmental impacts of fast fashion on their end is actually from the waste created by overconsumption. The US, for example, discarded 11.3 million tons of clothing in 2018 alone, yet only 15% was recycled. The remaining 66% went to landfills and 19% was incinerated, often without energy recovery (Fordham, 2025). In the UK, over 350,000 tonnes of clothing are discarded each year (WRAP, 2025).

Fast fashion garments are on average only worn seven to ten times, and are mainly made of synthetic fibers. which make up 57% of global fiber use. These materials are fossil-based, non-biodegradable, and release microplastics during laundry. An IUCN report estimates that 35% of all microplastics in the ocean come from the laundering of synthetic textiles (IUCN, 2017). Globally, 500,000 tons of microfibers, equivalent to 50 billion plastic bottles, enter oceans each year (Earth.Org, 2025).

Beyond climate and water impacts, toxic chemical exposure is another problem. In landfills, synthetic garments emit methane and CO_2, and their decomposition pollutes groundwater used for drinking and agriculture, especially in low-income areas (Fordham, 2025).

In conclusion, while fast fashion is a major source of environmental pollution, its consequences are disproportionately shouldered by the developing nation. While developed countries fuel the industry, being drivers of demand results in them generating waste due to overconsumption. However, it is the developing world that absorbs the real ecological cost of the production process: in emissions, water pollution, chemical exposure, etc.

Social and Governance Impacts of fast fashion

This section will explore the social and governance impacts of the industry, using ASOS and SHEIN as case studies. As two influential players on the fast fashion market, analysing these companies operations allows us to infer the impact of fast fashion on the labour market (social dimension) and their implementation of governance practices.

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

The social impact of fast fashion in developed countries is mainly visible through generation of employment in the logistics and service sector. Both ASOS and SHEIN have localized service networks, which have created jobs in sectors such as transport, warehousing, logistics and customer care. Shein's activity alone created over 2000 jobs in the UK in 2023, including 17% in transport and storage, 19% in wholesale and retail, and 34% in business services (Oxford Economics, 2025). Similarly, ASOS's report shows heavy expenditure in areas like Barnsley, Gateshead, and Leeds where their logistics and customer care hubs operate (Oxford Economics, 2022). Their procurement strategy aligns with the UK Government's Levelling Up Fund, aiming to direct spending towards economically disadvantaged areas, with 21% of ASOS UK procurement coming from priority regions in need of regeneration and investment support (Oxford Economics, 2022).

These roles reflect a creation of a workforce segment dependent upon e-commerce, which may have helped the UK's economic geography. Warehousing has become one of the UK's fastest-growing sectors, concentrated mainly in the "golden logistics triangle" of the Midlands (Hawkins, 2022). The fast fashion industry's growing demand for rapid delivery increased the need for logistics and warehouse jobs, but while these roles provide employment opportunities in deprived regions, they are criticized for their often poor working conditions and limited long term job security. ASOS, for example, has increasingly invested in automation and AI-powered logistics systems, which may raise concerns about the potential displacement of warehouse jobs in the long term (Taylor, 2025).

Moving on to the social impacts in developing countries: they are particularly visible in the supply chain of those companies. ASOS was able to generate 134,000 jobs internationally in 2019–20, outside of the UK (Oxford Economics, 2022). However, 90% of these jobs were located in what is termed the "Rest of the World," which includes developing countries such as China and other Asian manufacturing hubs. However, this region is only 62% of ASOS's international GDP footprint, showing that even though these countries produce most of the value through labour, they still receive a smaller share of economic output (Oxford Economics, 2022). Differently from developed regions like the EU and US, which accounted for 38% of the GDP but only 11% of employment, it can be inferred that the developing countries provide the majority of labour demands, often even under precarious conditions, reflecting a trend where companies externalize labor to emerging countries in order to lower costs, but retain profits and consumers markets in developed countries (Oxford Economics, 2022). Therefore, the social impact needs to take into account not only about employment quantity but also about quality.

Fast fashion companies also play a significant role in governance practices which may influence institutional and community development.

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

In developed countries, the governance impacts of fast fashion brands like ASOS and SHEIN increasingly engage in shaping social and institutional frameworks. For example, ASOS has Marketplace charity boutiques, where proceeds go to organizations like Cancer Research UK and Save the Children (Oxford Economics, 2022). This reflects a model where the company attempts to support needed members of society beyond its supply chain. Moreover, ASOS has apprenticeship schemes and online employee training, to invest in long-term workforce development. Moreover, SHEIN shows governance influence through its SHEIN X program, which aims to remove barriers for young and independent designers in the UK fashion industry (Oxford Economics, 2025). The program funds production and distribution, enabling participants to begin selling designs they otherwise could not afford to launch.In doing so, SHEIN helps promote the entry of newcomers into the fashion market, promoting digital innovation, customer reach, and the chance to develop portfolios and business strategies. These examples show that in developed countries, fast fashion companies increasingly participate in governance functions which help not only charitable institutions but individuals, increasing access to opportunity, aiming for inclusion and diversity.

In developing countries, ASOS's governance-related activities extend beyond its immediate supply chain and aim for community engagement and institutional support. For example, ASOS funds the operations of a Migrant Resource Centre in Mauritius, which helps educate supply chain workers on their rights, increasing awareness of governance responsibilities in areas with weak labor protection rights and helping promote corporate transparency and better working conditions (Oxford Economics, 2022). In addition, ASOS also collaborates with IndustriALL Global Union, which has resulted in notable governance improvements, like the publication of a workers' rights handbook in Bulgaria and the launch of a workers' rights app in Turkey, materials which help increase awareness and empower all workers (Oxford Economics, 2022). Even though Bulgaria and Turkey are not specifically categorized as developing countries, ASOS's actions show their attempt in helping all labour forces. Lastly, the ASOS Foundation operates in countries like India and Kenya, offering education, training, and infrastructure to support socially and economically disadvantaged youth. Governance policies suggest that even though fast fashion companies may fail to account for their negative externalities, they can attempt to mitigate their social impact through initiatives aimed to improve communities, workers rights, and other institutions.

Overall, analysing ASOS and SHEIN helps understand the complex and multifaceted social and governance impacts of fast fashion across developed and developing countries. Taking into account both dimensions, it becomes noticeable how important it is to hold fast fashion companies accountable not only for their environmental impact, but also their social impact and influence across regions.

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

Conclusion

Overall, the paper highlights the dual nature of the environmental, social and governance (ESG) impacts of the Fast Fashion industry, and how they are distributed between developed and developing nations.

On one hand, fast fashion companies can contribute positively to both developed and developing economies, by creating employment, as illustrated by the ASOS and SHEIN case studies, where their operations have generated thousands of jobs. In developed countries, the growth of the sector is especially advantageous in economically disadvantaged areas, while in developing nations, fast fashion has become a significant source of employment. Moreover, fast fashion makes clothing more accessible, as with low costs of production, companies make fashion more affordable and inclusive, by enabling consumers, especially low-income ones, to also engage with current trends.

In parallel, governance policies adopted by these firms portray a growing corporate responsibility and commitment to reduce their negative externalities. Even though these measures do not fully diminish the impacts, they demonstrate that companies are starting to recognize their responsibilities not only to shareholders, but also to workers, communities, and the environment.

Nonetheless, these benefits are frequently overshadowed by the industry's significant environmental costs, especially in developing nations. The industry promotes overproduction and its supply chain generates immense pollution. Beyond emissions, the industry also produces massive textile waste, landfill overflow and is a major contributor to ocean pollution due to microplastics. Furthermore, there are social impacts, especially in developing nations, as although jobs are created, they are frequently characterized by low wages, with poor working conditions, and limited labor rights.

To address these issues, the market must continue to introduce governance strategies, but ones that not only address social welfare but also enforce environmental accountability. While current practices, like community education initiatives, show an initial attempt, if evaluating fast fashion through ESG lenses, significant changes still must occur in the market's business model.

To reduce negative externalities, there should be increased regulations and programs especially in the supply chain. For example, governments could enforce disclosure of Scope 3 emissions, incentivize the adoption of sustainable raw materials, and incentivize certification schemes for ethical labor practices, promoting transparency but also pressuring companies to internalize their environmental and social costs. Firms could also adhere ESG frameworks into their core operations, with policies like committing to sourcing only certified sustainable materials or integrating third-party audits.

ISSN: 2455-8834

Volume:10, Issue:11 "November 2025"

These practices could provide benefits, as seen in the literature review, not only by improving the reputation of the industry, but by potentially attracting socially conscious investors, and strengthening consumer loyalty. By aligning their business models with ESG principles, companies position themselves for long-term resilience and competitiveness in a market increasingly shaped by sustainability expectations.

However, the limitations of this study also needs to be taken into account. Firstly, the ESG framework itself lacks standardization: by having over 2,000 indicators used across different rating systems, it is increasingly complicated to measure and compare company performances (OECD, 2023). Additionally, quantitative methods were not utilized in this paper, making it more difficult to clearly evaluate the impacts of the fast fashion industry. Furthermore, the analysis was based on secondary data, which, although informative and contextually detailed, may limit the broader applicability of the findings.

In conclusion, evaluating the fast fashion industry through ESG lenses indicates the need for a stronger commitment to introducing sustainable production practices and enforcing ethical labor across global supply chains.

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Volume:10, Issue:11 "November 2025"

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