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Navigating New Standards: CSRD Adoption and Its Impact on Transparency and Sustainability in Fast Fashion

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"No one who achieves success does so without acknowledging the help of others. The wise and confident acknowledge this help with gratitude."

Alfred North Whitehead

Resumo

Para fornecer roupas de forma ágil e a baixo custo, o setor de *fast fashion* depende de cadeias de abastecimento globais complexas. Essa dependência ocorre às custas do meio ambiente e das sociedades onde opera. Os consumidores, cada vez mais conscientes do impacto das práticas corporativas, exigem maior transparência das empresas. A Diretiva de Relatórios de Sustentabilidade Corporativa (CSRD), introduzida pela União Europeia, tem o objetivo de reforçar a responsabilização corporativa através da padronização e verificação dos relatórios de sustentabilidade. O objetivo desta dissertação é determinar se as empresas que aderiram à CSRD demonstraram práticas de transparência e sustentabilidade mais consistentes em seus relatórios de sustentabilidade de 2024, em comparação com aquelas que não aderiram. Relatórios de sete empresas foram categorizados de acordo com seu nível de conformidade com a CSRD e, através de uma análise qualitativa de conteúdo, identificou-se se o grau de conformidade corresponde a práticas de divulgação mais eficazes. Foram utilizadas notícias para identificar diferenças entre as práticas relatadas e a perceção pública. Os resultados indicam que empresas que alinham total ou parcialmente o seu relatório à CSRD apresentam divulgações estruturadas, mensuráveis e auditáveis. Em contrapartida, empresas não conformes frequentemente recorrem a uma linguagem ambígua e carecem de dados mensuráveis. Embora a CSRD pareça incentivar melhorias, inconsistências entre os relatórios e os artigos de jornal sugerem que a conformidade não garante uma implementação honesta das práticas declaradas. Esta dissertação contribui para a literatura oferecendo uma análise aprofundada sobre como empresas de *fast fashion* respondem a estruturas regulatórias.

Palavras-chave:

CSR; *Fast Fashion*; Sustentabilidade; Transparência; CSRD; Conformidade regulatória

Sistema de Classificação JEL:

- M14: Corporate Culture, Diversity, Social Responsibility
- Q01: Sustainable Development

Abstract

In order to deliver garments rapidly and at a low cost, the fast fashion industry relies on complex global supply chains. This reliance often comes at the expense of the environment and the societies in which they operate. Consumers have become more aware of the impact corporate practices have and, demand greater transparency from companies within the industry. The European Union introduced the Corporate Sustainability Reporting Directive (CSRD) to improve corporate accountability by exercising standardized and verifiable sustainability reporting. The goal of this dissertation is to explore whether fast fashion companies that adhered to the CSRD demonstrated more transparent and sustainable practices in their 2024 sustainability reports compared to those that did not comply with the directive. The 2024 sustainability reports of seven fast fashion companies were categorized by their level of CSRD compliance, and through a qualitative content analysis, it was determined if the compliance level corresponds to better disclosure practices. News articles were used to identify discrepancies between self-reported practices and public perception. Findings suggest that companies that fully and partially align with the CSRD present structured, measurable, and auditable reportings. In contrast, non-compliant companies often rely on ambiguous language and lack measurable data. While the CSRD appears to encourage improvement, inconsistencies between the reports and news articles suggest that compliance does not guarantee transparent implementations. This dissertation contributes to the literature by offering an in-depth analysis of how fast fashion companies respond to regulatory frameworks.

Keywords:

CSR; Fast Fashion; Sustainability; Transparency; CSRD; Regulatory compliance

JEL classification system:

- M14: Corporate Culture, Diversity, Social Responsibility
- Q01: Sustainable Development

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1. Introduction

“Governments have a duty to effectively regulate business activity.”

- Human Rights Watch

1.1 Background of the Study

A business’s primary objective is to generate profit while ensuring financial sustainability and growth in the interest of its stakeholders, considering its success depends on it (Miller, 2020). Since companies usually operate in competitive markets, maximizing their revenue and increasing their shareholder value often drive decision-making, strategy formulation, and target setting. Nevertheless, by expanding and globalizing, companies must increasingly learn to not only adapt to new markets and political environments but also address social and environmental challenges while maintaining their reputation. While profit remains essential to expand their global reach, they must learn to consistently align their business objectives with socio-economic responsibilities and sustainable development. To enable this shift and achieve a balance, the primary business objective, that is, financial goals, must be integrated with environmental and social considerations beyond solely economic matters (Wołczek, 2014). These business aspects fall under what is known as Corporate Social Responsibility (CSR). Freeman defines the CSR concept as the incorporation of ethical considerations into a company's strategic vision (Freeman, 2010). According to the United Nations Industrial Development Organization (UNIDO), CSR is regarded as a business model that integrates social and environmental considerations into business operations and stakeholder interactions, which, from a long-term perspective, strengthens a company’s own business environment, reputation, and market acceptance, thus ultimately enhancing its profitability (United Nations Industrial Development Organization, 2025).

In recent years, both an increase in access to information provided mainly by social media and improved efforts in the field of investigative journalism have led to an increase in consumer awareness, subjecting fast fashion companies to tremendous scrutiny over their practices (M. Li et al., 2025). Concerns rely largely on labour rights violations, negative environmental impacts, and unethical sourcing. These issues fall under the broader scope of the CSR concept, which has become an essential component of modern business practices. CSR emphasizes the importance of ethical, environmental, and social concerns in corporate decision-making, as companies are increasingly held accountable for their impact not only on society but on the environment as a whole. Resulting in new frameworks being developed and promoted to guarantee and safeguard responsible corporate behaviour.

The fast fashion industry is notorious for its very complex supply chains with high production rates, which lead to considerable negative environmental and social impacts. Characterized by its rapid production cycles, low-cost manufacturing, and the promotion of mass consumption, the fast fashion industry contributes to problems such as excessive carbon emissions, textile waste and pollution, exploitative labour practices, as well as resource exhaustion (Human Rights Watch, 2016). As pressure for corporate transparency and sustainability continues to considerably grow, fast fashion companies are increasingly encouraged to highlight the relevance of social-environmentally friendly attitudes and prioritize sustainability while maintaining their products' quality as well as ethical work and production standards throughout their supply chains (Aakanksha & Aravendan, 2023). Furthermore, in response to these concerns, different regulatory initiatives have been implemented to promote transparency and sustainability within the sector.

In an attempt by the government to regulate business activity, in 2021, the European Commission proposed the Corporate Sustainability Reporting Directive (CSRD), which aims to enhance corporate accountability and improve transparency in sustainability and social responsibility practices. The CSRD was introduced on January 5th, 2023. This directive represents a major step towards holding companies accountable by mandating more comprehensive sustainability disclosures (Directive (EU) 2022/2464, 2022). CSRD reporting is founded on the model of double materiality, which obliges companies to assess and report on sustainability matters from two perspectives: financial materiality and impact on materiality (Faqih & Kramer, 2024). This means that within the report, companies should account for both how sustainability issues affect the company's financial performance and how the company's activities impact the environment and society in general (S. C. Y. Wong, 2023).

1.2 Research Problem & Question

According to *The Guardian*, the exact number of garments produced each year remains indefinite, and therefore it is impossible to identify how many garments remain unsold in warehouses, ultimately destined for landfills or destruction. However, the available statistics indicate that global annual production fluctuates between 80 billion and 150 billion garments, with an estimated 10% to 40% thereof never being sold (Tonti, 2024). Despite fashion being one of the oldest manufacturing sectors in Western countries, its current production relies primarily on emerging markets. Today, the industry is considered one of the most polluting in the world (Bertola & Colombi, 2024). So, how can we be sure that we are not contributing to the problem by purchasing a piece of clothing from our favorite store?

Ensuring ethical sourcing, fair labour practices, and sustainable production can be challenging within the fast fashion industry due to its previously mentioned complex global supply chains, which in several cases span multiple countries, cultures, and legal jurisdictions. Investigations by *Human Rights Watch* have documented numerous violations within global supply chains of the garment and footwear industry, including human rights abuses as well as environmental harms concerning excessive waste production, pollution, high carbon emissions, and resource depletion. The lack of accountability has led to catastrophic disasters such as the 2013 Rana Plaza building collapse in Bangladesh, which killed 1,134 workers and injured more than 2,500 people (Chowdhury, 2017). Unsafe working conditions have been registered, causing massive factory fires in Argentina, the Dominican Republic, Chile, Vietnam, Mexico, and Peru (Clean Clothes Campaign, 2023). The United States of America (USA) Department of Labour has also reported evidence of child labour within the industry in Argentina, Bangladesh, Brazil, China, India, Indonesia, the Philippines, Turkey, Vietnam, among other countries (Maiti, 2025). These case examples reveal significant gaps in CSR strategies adopted by the fast fashion industry worldwide, highlighting the failure to ensure safe working conditions and uphold labour rights, despite the existence of CSR frameworks.

As a result of these exposures, pressure for transparency and sustainability has intensified considerably. Consumers, investors, and regulatory bodies are increasingly demanding greater corporate accountability. Ensuring compliance and fulfilling sustainability standards remains challenging due to the industry's inherent operational complexities. Subsequently, fast fashion companies tend to engage in practices such as greenwashing, creating a misleading perception of sustainability to enhance their reputation while assuring their profits. Greenwashing refers to the practice of making false or misleading claims about the environmental benefits of a product or practice, allowing companies to continue benefiting from the trust of sustainably minded consumers, while maintaining their harmful practices (Lindwall, 2023).

In an effort to address these concerns, a range of directives and regulations has been introduced, and their implementation by companies is expected to enhance corporate accountability. In 2014, the Non-Financial Reporting Directive (NFRD) was introduced, aiming for large companies to disclose how they managed environmental, social, and governance (ESG) challenges (Faqih & Kramer, 2024). In 2021, the European Union replaced the NFRD through the introduction of the Corporate Sustainability Reporting Directive (CSRD). This sustainability omnibus represents a new regulation proposition that aims to enhance corporate accountability and improve transparency in sustainability and social responsibility practices (European Commission, 2025). As a result, companies with a significant presence in the European Union (EU) are now obliged to comply with this directive. The CSRD mandates thorough and detailed reporting on ESG issues, including human rights and climate-related impacts (Directive (EU) 2022/2464, 2022).

Adjusting to the CSRD's requirements presents both challenges and opportunities for fast fashion companies. Aligning with and enforcing these standards may require companies to embrace and implement better sustainable and ethical practices, leading to meaningful outcomes such as improved labour conditions and reduced environmental impacts across their supply chains. However, the financial and operational burdens of implementation could simultaneously discourage compliance or even incentivize superficial reporting, increasing the risk of greenwashing, particularly for companies relying on supply chains in emerging markets.

While 2025 is the first official year of CSRD implementation (on the 2024 fiscal year), ongoing discussions about potential delays, such as the proposed "Stop the Clock" mechanism, have resulted in varying levels of compliance among fast fashion companies. The omnibus initiative seeks to facilitate the introduction process while facilitating the reporting process (European Commission, 2025). As a result, some companies have fully aligned their reports with the directive, others have only referenced it, and again, others do not mention it at all. This dissertation, therefore, seeks to explore whether **the level of CSRD adopted in the reports of fast fashion companies corresponds to more transparent and sustainable practices.**

To aid in guiding this research, the following descriptive and explanatory questions should be answered:

1. How are the quality and consistency of sustainability disclosures influenced by varying levels of engagement with CSRD's guidelines?

2. How do the terminology and indicators used in sustainability reporting vary across different levels of CSRD's adoption?

3. How has the implementation of the CSRD influenced changes in sustainability and transparency practices among fast fashion companies?

The main objective of this dissertation is to assess whether the adoption of the CSRD has a tangible impact on the sustainability and transparency practices of fast fashion companies, or if it risks becoming a directive that enables greenwashing rather than genuine change.

1.3 Methodology

To answer the research questions and achieve the objective of this dissertation, a qualitative content analysis approach was adopted on companies' 2024 sustainability reports. This method was chosen since it allows for an in-depth exploration of textual data, making it particularly suitable for investigating and evaluating different corporate sustainability practices.

The analysis focused primarily on a range of sustainability reports from selected brands with varying levels of adherence to the CSRD, and secondarily on diverse media reports to gain insight into the societal and environmental impacts of these companies. The level of adherence to the CSRD was assessed based on the content of the companies' sustainability reports. Brands were classified according to whether they explicitly acknowledged the CSRD in their disclosures or made no reference to the directive. By merging and comparing corporate self-reporting with diverse independent media perspectives, this research aimed to assess whether the sustainability commitments made by companies in their official reports aligned with external assessments from different media outlets. This comparison provided a deeper understanding of corporate transparency and accountability within the fast fashion industry, enabling the identification of whether following the CSRD led to more sustainable and transparent practices.

The companies selected for this study included Adidas AG, ASOS, H&M Group, Inditex, Mango, Puma, and Primark. These companies were chosen based on their significant presence in the fast fashion industry and their relevance to sustainability discussions. The selection of these companies was funnelled through diverse criteria, including that brands had to be widely recognized by European consumers, they had to be European-based companies, and their sustainability reports had to be available. These criteria will be discussed in more detail in Chapter III. To compare different levels of adherence to the CSRD, it was necessary to select companies that clearly represented the three categories: full compliance, partial alignment, and no adherence to the CSRD. All these companies had, in some way, faced scrutiny in the past regarding their ethical and environmental practices, providing this research a balanced perspective.

As previously mentioned, the data collection consisted of two main components: official sustainability reports contrasted with external media assessments. On the one hand, the sustainability reports were analysed to understand how the companies disclosed their sustainability efforts and transparency measures. On the other hand, news articles were assessed to weigh external opinions, controversies, and criticisms related to each company's sustainability and transparency initiatives. These articles were chosen based on specific keywords including "pollution", "waste management", "sustainable materials", and "human rights violations". This twofold approach enabled the evaluation of whether companies aligning with the CSRD demonstrated more robust sustainability and transparency outcomes compared to those that did not, or if the findings suggested that CSRD alignment had little to no impact in practice. The study applied a thematic analysis to identify key patterns or discrepancies between corporate disclosures and media perspectives. This approach aimed to critically evaluate whether companies aligning with the CSRD demonstrated stronger sustainability and transparency practices than those that did not, and to assess whether their stated commitments translated into meaningful actions.

1.4 Significance and Delimitations of the Study

This study addresses the growing global concern surrounding the environmental and social impact of the fast fashion industry, revealing its significance. By analyzing sustainability reports, this dissertation aims to assess how companies are adapting to new regulatory requirements and to what extent their level of commitment translates into tangible sustainability practices. The findings of this research aim to contribute valuable insights for policymakers, industry stakeholders, and consumers, fostering more responsible corporate behaviour and supporting the transition towards a more sustainable fashion industry.

As a researcher, I am driven by a strong interest in corporate ethics. Consequently, I chose to focus on the fast fashion industry due to its significant environmental and social impact. Growing up in developing countries, I have witnessed firsthand the harsh realities of the fast fashion industry in these contexts. High poverty, few job opportunities, and dreadful conditions in which people live force them to accept any job opportunities available, even when those opportunities do not respect human rights. The markets in which these large fashion companies operate are often characterized by high growth potential and weak regulatory standards paired with high levels of corruption and significant socio-economic challenges, such as poverty, inequality, and environmental degradation. My academic background in political science and international relations has therefore also encouraged me to further explore these social and environmental challenges from a business administration point of view.

For different reasons, this research is subject to several delimitations. To begin, it is essential to note that this analysis is limited to a small number of companies within the broader fast fashion industry. This resulted from the selection criteria. Additionally, the research is constrained by the timing of the CSRD implementation. 2025 marks the first year in which companies were required to adhere to the new CSRD's guidelines when publishing their annual and sustainability report. However, ongoing discussions and regulatory adjustments at the EU level have led to delays in the implementation timeline for subsequent company groups, which affects the availability and comparability of data across the fast fashion sector. As a result, there is no prior data for comparison. Furthermore, due to time limitations inherent to the process, the study could only consider sustainability reports published up to May 2025, which may exclude some companies that release their reports later in the reporting cycle. Moreover, no interviews were conducted as part of the data collection process in order to avoid potential bias, which may have limited the depth of insight into company practices.

2. Literature Review

2.1 Corporate Social Responsibility in Fast Fashion: Sustainability and Transparency

The demand for social responsibility has increased drastically in recent decades. As a result, CSR has shifted from a theoretical concept to a widely recognized and demanded business practice. CSR initially emerged as a critical concept in the discourse that companies should not focus solely on making profit but also emphasize the well-being of society (Rodriguez-Gomez et al., 2020). Collectively, expectations have changed, causing stakeholders to demand greater accountability and transparency from businesses and corporations as a whole. Consequently, CSR has become essential in how companies address ESG concerns, which affect both sustainability and stakeholders (Rodriguez-Gomez et al., 2020). In recent years, CSR has also gained relevance as it demonstrates a strong connection between business success, competitiveness, and long-term sustainability realization, representing a win-win approach between corporations and stakeholders, businesses and communities (Wirba, 2024).

CSR is a complex idea that can correlate with several values and therefore can have several meanings (Wirba, 2024). In 1953, Bowen defined CSR in his book *Social Responsibilities of Businessmen* as “the obligations of businessmen to pursue those policies, make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society” (Bowen, 1953, p. 6). In 1973, Davis described CSR as “the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm” (Davis, 1973, p. 312). Meanwhile, Carroll describes CSR as “the idea that the corporation has not only economic and legal obligations, but ethical and discretionary (philanthropic) responsibilities as well” (Carroll, 1991, p. 40). In 1984, Freeman suggests a stakeholder’s perspective of CSR, implying that businesses have responsibilities towards groups and individuals influenced by business operations (Freeman, 2010). More recently, the European Commission has defined CSR as “the responsibility of enterprises for their impact on society” (European Commission, 2011, para. 2). All definitions can be related to the “Triple Bottom Line” approach, which focuses on profit, people, and planet, also referred to as economic, social, and environmental (Rodriguez-Gomez et al., 2020). According to the Harvard Business School, the “Triple Bottom Line” is a business concept asserting that firms should evaluate the financial return generated by stakeholders, the organization's commitment to generating a positive societal impact, and the company's impact on the natural environment (Miller, 2020).

The notion of CSR began in the late 1930s, but its concept as we know it today originated in the 1950s (Rodriguez-Gomez et al., 2020). It encouraged the idea that companies should not only focus on generating profit, but also show consideration towards their employees, customers, and the general public. Throughout the decades, the idea of CSR continued to evolve in response to growing consumer awareness. As environmental concerns surge and new corporate scandals emerge, the perceptions towards CSR continue to evolve and adapt. In the early 2000s, globalization and public scrutiny brought new awareness to CSR, and throughout the last decades, society has been emphasizing the need for a more open corporate disclosure (Agudelo et al., 2019).

The fast fashion industry has been directly targeted due to its corporate governance, specifically those operating across multiple countries and cultural contexts. Many companies within the fast fashion industry have launched a range of programs and initiatives that emphasize sustainability, transparency, and ethical sourcing. For example, Nike implemented their program "Move to Zero" which emphasizes the company's journey towards zero carbon and zero waste in the future (Nike, 2024). But in order to have a better insight into why fast fashion companies react in specific manners, it is important to understand their business model. Fast fashion refers to a specific business model within the fashion industry, which is characterized by rapid production cycles, low-cost garments, and frequent turnover of trends. In recent years, fashion retailers have aimed to remain competitive by quickly adapting and providing the most recent runway trends to the market (Bhardwaj & Fairhurst, 2010). Considering the current competitiveness within the market, the ongoing demand for a vast product selection, and the constant need for product diversity, retailers have increased the number of planned seasons and the frequency with which they change and update their in-store merchandise.

As a result, the clothing sector now generates over US$3 trillion in annual revenue, produces at least 80 billion garments each year, and directly employs between 60 and 75 million people worldwide (Aakanksha & Aravendan, 2023). Rather than relying on long-term, planned forecasts, retailers are now prioritizing agility and speed, moving the focus away from pricing strategies and towards responsiveness and trend adaptation (Barnes & Lea-Greenwood, 2006). Consequently, the pace at which fashion companies are required to adapt has led to a profound social and environmental impact. Additionally, the conditions in which this industry operates lack transparency and sustainability measures. Therefore, a range of environmental exploitations and human rights abuses have been documented among the garment and footwear industry (Human Rights Watch, 2016).

The constant manufacturing, transportation, and turnover of clothing leads to significant waste accumulation and substantial greenhouse gas emissions, often relying on low-cost labour in emerging countries. Consequently, the drastic increase in production has led the fashion industry to become one of the most polluting industries in the world due to the vast amount of clothing waste it generates (Abbate et al., 2024). On top of the significant environmental impact, the fashion industry is also known for participating in human rights violations throughout supply chains, fostered by a lack of comprehensive and transparent information about how, where, and by whom materials are sourced, processed, and assembled (Aakanksha & Aravendan, 2023).

The increase in demand and consumption within society results in an ongoing need to intensify and grow production, leading the textile, apparel, and fashion (TAF) industry to continuously contribute significantly to global environmental pollution and human rights violations (Abbate et al., 2024). According to Matthews, the global fashion industry produces an estimated 100 billion new garments annually (Matthews, 2024). Meanwhile, globally, 92 million tonnes of textile waste end up in landfills (Igini, 2023), occupying about 5% of all landfill space (Matthews, 2024). Nonetheless, the throwaway culture continues to intensify, with consumers now buying 60% more clothing while (Matthews, 2024) wearing each item only seven to ten times, resulting in a decline of over 35% in usage over the past 15 years (Igini, 2023).

Considering that the industry tries to produce more at a lower cost, the materials used to manufacture most garments have also reduced in quality. Nowadays, over 60% of global apparel relies heavily on synthetic fibres, which take 80 to 800 times longer to decompose than natural fibres (Matthews, 2024). Fast fashion is responsible for emitting 2 billion tons of greenhouse gases annually, representing a 10% contribution of all greenhouse gas emissions (Matthews, 2024). In addition, the industry accounts for around 20% of all industrial wastewater pollution, generating 42 million tons of plastic waste annually, and contributing 10% of microplastics in the ocean (Matthews, 2024).

Because of fast fashion and the growing consumerism trend, every second, a truckload of textile waste is either incinerated or sent to a landfill, with only 8% of old garments reused, 10% recycled, and less than 1% turned into new clothing (Matthews, 2024). This is also the case in the European Union, where continuously less than 13% of textile waste is recycled (Matthews, 2024). Stemming from these statistics, the slow fashion movement, which advocates for ethical, sustainable, and quality-focused clothing choices, advocates for a transformation in the fast fashion industry, arguing that it can no longer function as it has in past decades, without endangering the planet's limited resources (Abbate et al., 2024).

As awareness grows around the fast fashion industry and its impact on society and the environment, consumers, NGOs, and other advocacy groups are demanding more transparency, greater accountability, and improved ethical conduct from brands. There is an increased demand for companies to proactively identify and continuously monitor potential human rights risks within their supply chains, ensuring they are aware of all stakeholders involved and addressing these risks regularly (Human Rights Watch, 2016). Transparent sustainability reporting has shifted from being an optional practice to a vital necessity for a fashion brand's survival, and it can no longer be viewed as a mere "tick-the-box exercise" (Jestratijevic et al., 2024). As the pressure for accountability and transparency increases, while the companies do not uphold standards, consumers often resort to punitive measures, including boycotting brands and leveraging social media to impose reputational consequences (Jiang, 2022). A list of fast fashion brands that should be avoided was created by the public as part of the online challenge "*#NoNewClothes*", spanning from Abercrombie & Fitch to Primark and Zara (Preuss, 2025). Consequently, as a result of the ongoing pressures, numerous fast fashion companies have been compelled to release sustainability reports, adopt ethical sourcing and human rights practices, and invest in initiatives promoting the circular product design, also referred to as the circular economy. "Circular Economy is not merely a preventative approach, reducing pollution, but also aims to repair previous damage by designing better systems within the entity of the industry itself" (Murray et al., 2017, p. 373). The circular economy is identified as a "model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible in order to extend the life cycle of products" (European Parliament, 2023, para. 3).

In response to consumer activism, the disclosure of information by brands within the fast fashion sector constitutes a preliminary step towards achieving greater transparency (Human Rights Watch, 2016). This demonstrates that companies are acknowledging and responding to the public's demands.

2.2 Ethical Consumerism and Its Influence on Fast Fashion

Ethical Consumerism has gained momentum in recent years as consumers have become more aware of the ethical implications behind their purchasing choices. Consumers are now more than ever seeking out brands that demonstrate responsible business practices, which align with their personal beliefs (Jiang, 2022). This growing movement refers to the practice of purchasing products that are produced, marketed, and sold in ways that minimize social and environmental harm, aligning with consumers' values regarding social and environmental issues (Uusitalo & Oksanen, 2004). Ethical consumers base their decisions on a broader scope of factors and influences rather than solely on price and convenience. Their judgment can be influenced through a range of motives, including political, religious, spiritual, environmental, and social factors (Djafarova & Foots, 2022).

This mindset emerged through the globalization of social media and the power these platforms have in promoting activism regarding environmental and social issues (Johnson, 2023). Over the years, social media and the news have played a significant role in holding companies accountable for their behaviour and impact in general. Investigative journalism, NGO reports, and academic research have increasingly raised awareness and educated society regarding the effects of fast fashion. Ethical consumerism is driven by a range of motivations, including growing concerns about environmental degradation, the protection of human rights and fair labour conditions, as well as a desire to reduce waste and overconsumption in the fashion industry (Crumbie, 2024).

Due to the increase in access to information and the growing understanding of global supply chain impacts, ethical consumerism has gained influence on industries such as fast fashion. Nonetheless, this practice also presents challenges. Although many consumers express concern for social responsibility, ethical concerns are often overlooked in favour of factors like price, quality, and brand. Meaning that consumers tend to support and prioritize ethical practices when doing so does not require compromising other preferences (Uusitalo & Oksanen, 2004). Consequently, the ethical consumerist trend tends to apply mainly to developed countries (Pellandini-Simányi, 2014). Due to the influence of price and convenience, consumers continue to purchase fast fashion for its practicality, despite being aware of its ethical shortcomings. Such behaviour reveals a notable inconsistency, while ethical concerns may lead individuals to avoid brands perceived as unethical. They rarely offer positive reinforcement by actively supporting ethical companies (Uusitalo & Oksanen, 2004). This pattern suggests that while many individuals express concern about sustainability, in practice, their purchasing habits do not reflect the same priorities and oftentimes remain unchanged.

This unpredictability in consumer behaviour is further compounded by a lack of accessible and reliable information, which makes it difficult for individuals to identify truly ethical brands and make informed purchasing decisions (Aakanksha & Aravendan, 2023). Some brands have faced criticism for misusing sustainability reporting as a marketing tool, engaging in greenwashing by applying sustainability-related language to mislead consumers, presenting products and production processes as environmentally and socially responsible, even when these standards are not attained in reality (Jestratijevic et al., 2024). Fashion brands have been found to selectively disclose sustainability information that aligns with their interests, highlighting positive aspects and omitting negative traits, contributing to improving the brands' image and increasing competitiveness (Jiang, 2022).

By aligning with ethical consumption, consumers influence the fast fashion industry to adopt more conscientious practices. Simultaneously, it encourages consumers to "buy less, choose well, and make items last" (Sustainability Directory, 2025, para. 6).

2.3 Transparency and Accountability in Global Supply Chains

The fast fashion industry is well known for operating through complex global supply chains, crossing multiple continents and encompassing numerous tiers of subcontractors. As they grow longer and more complex, the distance between stakeholders increases, making it more difficult to monitor compliance with ethical standards and codes of behaviour (Abbate et al., 2024). Therefore, supply chain transparency can be challenging, expensive, and time-consuming (Aakanksha & Aravendan, 2023). Within the industry, multinational corporations often integrate subcontracting into their core business strategies as a means to minimize the resources and effort required to uphold their moral and ethical responsibilities (Chowdhury, 2017). Considering the vast dimensions that supply chains can therefore encompass, companies must be aware of all actors involved to ensure transparency, accountability, and ethical oversight throughout the entire production process (Human Rights Watch, 2016). Companies should manage to detect potential risks within their supply chains and implement continuous monitoring and corrective measures to address these threats effectively. Notwithstanding, some brands fail to track their entire supply chain, limiting traceability and failing to gather all the data necessary, which makes it difficult to achieve meaningful transparency (Jestratijevic et al., 2024).

Fashion companies have increasingly outsourced to developing countries, exploiting cheap labour and weak legal frameworks, which benefits both companies and consumers at the expense of the factory workers and the host country environment (M. Russell, 2020). Through outsourcing, clothing has become more affordable for European consumers due to the cut of costs in production, including sweatshop labour, while furthermore enabling developing countries to generate employment and alleviate poverty through fashion export (M. Russell, 2020). Sweatshop labour refers to the poor circumstances and environments in which workers are employed, involving low wages, as well as unhealthy and oppressive conditions (The Editors of Encyclopaedia Britannica, 2025). However, due to the weaker regulations in place in developing countries, monitoring CSR practices such as labour conditions, environmental impact, and overall ethical compliance is no easy task (S. Li et al., 2010). This lack of visibility enables harmful practices such as worker exploitation, inadequate wages, and environmental harm to continue with minimal scrutiny (Human Rights Watch, 2016). As consumers gain awareness of these problems, the demand for transparency and accountability regarding clear and comprehensive information relating to supply chains and production as a whole has increased (Aakanksha & Aravendan, 2023).

Enhanced transparency fosters trust and credibility by providing consumers with clear, accurate information about products, allowing them to make informed decisions based on ethical and sustainability considerations (Jestratijevic et al., 2022), while non-transparent brands convey a sense of secrecy and dishonesty to the stakeholders. Overall, companies are encouraged to adopt more responsible practices since they are aware their actions are subject to scrutiny, moving away from "window dressing", as well as avoiding greenwashing their products and practices as responsible (Jestratijevic et al., 2024). Britannica Dictionary defines "window dressing" as the misrepresentative and deceiving presentation of something, with the intention of making it look more attractive, aimed to create a favorable impression without any real importance or effect (Britannica Dictionary, 2025). To guarantee accountability and address these shortcomings, there is a need for further supervision. Governments, being responsible for the well-being of their society and playing a crucial role in shaping CSR practices through regulations that foster a culture of responsibility, sustainability, and transparency, should enforce stricter regulations to guarantee ethical standards are being upheld. Nonetheless, due to weak regulatory frameworks, lack of resources, or even political pressures, unethical practices continue unverified (Human Rights Watch, 2016).

In response, a new shift towards mandatory transparency has begun to surge. Directives like the most recent CSRD seek to standardize and regulate the disclosure requirements and determine legal accountability for companies concerning the impact of their supply chains.

2.4 Regulatory Approaches to Corporate Sustainability and Transparency

A major challenge today is fighting the varied environmental and social problems caused by the overproduction and constant consumption of goods, while simultaneously trying to evolve into more sustainable forms of conducting business (Centobelli et al., 2022). The apparel industry, comprised of various retail-market segments such as sportswear, fast fashion, and luxury, among others, presents different challenges for furthering and improving sustainability (Kozlowski et al., 2015). The social pressure on fast fashion companies to improve their CSR has led to an increase in sustainability efforts, such as voluntary sustainability reporting. However, in most literature, sustainability reporting is commonly associated with greenwashing, raising concerns about the credibility and effectiveness of such disclosures. In many circumstances, the discrepancy between the commitments stated and the actual implementation has not coincided.

Meanwhile, it is debatable whether legal frameworks can prevent deceptive and misleading practices. The European Union emphasizes that to attain genuine CSR, enterprises must integrate social, environmental, ethical, human rights, and consumer concerns into their companies' operations and business strategies (Garcia-Torres et al., 2017). Hence, transforming sustainability reporting into an important accountability instrument shall allow companies to measure, monitor, and communicate their progress as well as their setbacks and act accordingly. Consistent with the Global Reporting Initiative (GRI), such reports enable and inspire organizations to set clear sustainability goals, evaluate their implementation and performance in achieving those targets, and manage the required transitions to greater sustainability (Kozlowski et al., 2015). For these sustainability reports to be effective, they must represent reality, including highlighting positive as well as negative impacts of operations. This allows for greater transparency and a more balanced view of the company's efforts towards sustainability, correspondingly enabling the increase of trust among stakeholders as it offers them more reliable information.

Sustainability reporting can be conducted through different channels, including corporate websites, integration within annual operational and financial reports, or the publication of separate and specific sustainability reports (Kozlowski et al., 2015). Throughout time, several regulatory instruments, such as the United Nations Sustainable Development Goals (SDGs), have been instigated as frameworks to aid in guiding companies in their sustainability efforts. The SDGs are also known as the Global Goals. They were adopted by the United Nations in 2015 as a universal request to act to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity (United Nations Development Programme, 2015). Having directives such as the NFRD, the Corporate Sustainability Due Diligence Directive (CSDDD), and now the CSRD promotes greater transparency and standardized reporting, ensuring that companies' reports meet specific criteria and align with global sustainability objectives. Such regulations are vital in promoting accountability.

2.5 The Corporate Sustainability Reporting Directive (CSRD)

The CSRD was introduced by the European Commission on January 5th, 2023, as a regulatory shift in corporate sustainability reporting within the European Union. The directive was presented as part of the European Green Deal and the larger sustainable finance agenda. The European Green Deal is a plan adopted by the European Commission to transform the EU into a resource-efficient and competitive economy with net-zero greenhouse gas emissions by 2050 (European Commission, 2019). The pursuit of a sustainable economy gained global momentum with the implementation of the Paris Agreement on Climate Change in 2015 and the UN SDGs. According to the UN, the Paris Agreement treaty was adopted by 195 parties at the UN Climate Change Conference in December 2015. The goal is to embrace "the increase in the global average temperature to well above 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels" (United Nations Climate Change, 2025, para. 2). Building on these initiatives, the European Union has set ambitious climate objectives, aiming to reduce greenhouse gas emissions by 55% by 2030 and to become the first climate-neutral continent by 2050 (Martinčević et al., 2024). To support these climate goals, along with enhancing transparency and increasing accountability, while addressing greenwashing, and improving comparability, the European Parliament recognized the need for a more robust and transparent sustainability reporting framework that could more accurately inform stakeholders and drive corporate accountability (European Parliament, 2022).

The CSRD is a new regulation built upon the NFRD, which has been criticized for its loss of comparison, clarity, consistency, reliability, and relevance of the non-financial records supplied (Faqih & Kramer, 2024). This new directive promotes elevated sustainability reporting as a practice equal in importance and rigor to financial reporting. According to the European Commission, "reports often omit information that investors and other stakeholders think is important. Reported information can be hard to compare from company to company, and users of the information are often unsure whether they can trust it" (European Commission, 2021, para. 2).

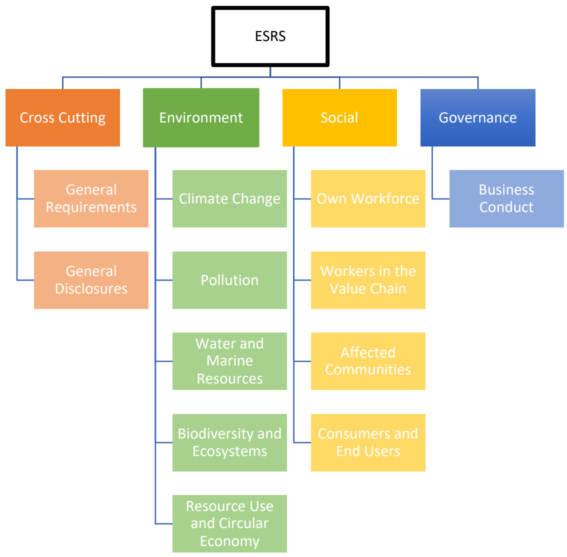
The CSRD introduces several changes to the sustainability reporting landscape. According to the European Commission, inadequate sustainability reporting can lead to significant negative consequences, particularly by undermining the credibility of sustainable investments (Schmidt & Farbstein, 2025). To address this, the CSRD aims to enhance transparency and public accountability by requiring companies to disclose reliable information regarding their societal and environmental impacts. This directive applies to all large companies operating in the European Union, including both EU-based firms and non-EU companies with substantial operations within the EU market (Directive (EU) 2022/2464, 2022).

Specifically, the CSRD applies to large companies that meet at least two of the following criteria: (i) more than 250 employees, (ii) a net turnover exceeding €50 million, or (iii) total assets over €25 million. For non-EU companies, the criteria rely on (i) generating more than €150 million in annual revenue within the EU and (ii) having at least one subsidiary or branch in the region. For these companies, the first reporting is due in 2025 (Directive (EU) 2022/2464, 2022). Additionally, the CSRD extends to all listed small and medium-sized enterprises (SMEs), excluding micro-enterprises, with a transitional period granted to ease their adaption; it applies to those SMEs that meet at least two of the following criteria: (i) at least 50 employees, (ii) over €8 million in net turnover, or (iii) more than €4 million in assets, with the first reporting due in 2027 (Directive (EU) 2022/2464, 2022).

The CSRD presents an assortment of rigorous requirements designed to enhance the quality, comparability, and accountability of corporate sustainability reporting within the EU. One of its primary principles is the theory of "double materiality," which requires companies to assess and disclose on sustainability matters from two perspectives: impact of materiality and financial materiality (Faqih & Kramer, 2024). Impact of materiality refers to how a business or enterprise, positively or negatively, impacts society and the environment. Financial materiality highlights how ESG issues influence the profitability, revenue, expenses, assets, and overall financial conditions of the company (Faqih & Kramer, 2024). This represents a major shift for companies that have traditionally focused solely on one of the perspectives. The directive also requires companies to incorporate sustainability information into their management reports, in addition to using the European Single Access Point database, a centralized database designed to provide public access to a wide range of financial and sustainability-related information about EU companies, or their submissions to improve comparability and accessibility (Schmidt & Farbstein, 2025). The goal is to eliminate inconsistencies and a lack of coherence within the sustainability reporting practices. To ensure reliability and transparency, all presented data is required to undergo a third-party assurance, meaning it must be reviewed and verified by an independent auditor to ensure its accuracy, reliability, and compliance with the required reporting standards (Directive (EU) 2022/2464, 2022).

In addition, a key change embraced by the CSRD on July 31, 2023, requires reports to be compliant with the European Sustainability Reporting Standards (ESRS), as visualized in Figure 1. These standards offer a comprehensive and detailed framework for reporting on sustainability impacts, risks and opportunities across the entire value chain, covering a broad spectrum of ESG issues, including climate change, greenhouse gas emissions (Scopes 1, 2, and 3), biodiversity, labour practices, human rights and anti-corruption measures (Directive (EU) 2022/2464, 2022). The Greenhouse Gas Protocol defines the scopes. Scope 1 refers to the direct emissions from the company's operations, scope 2 encompasses all indirect emissions from purchased energy, and lastly, scope 3 refers to the indirect emissions from the value chain, including upstream and downstream emissions (Wu, 2025).

Figure 1: ESRS twelve sets of disclosure standards (B. Russell, 2024)



The implications of the CSRD are particularly significant for the fast fashion industry, which has faced mounting criticism for its environmental and social footprint (Jestratijevic et al., 2024). The fast fashion industry is constantly condemned due to its overproduction and turnover of inventory, its resource-intensive supply chains, and labour rights violations (Bick et al., 2018). Hence, the directive possesses both challenges and great opportunities in the promotion of transparency and accountability within this sector. Considering the industry's dependence on complex global supply chains and its history of limited and imperfect transparency, the CSRD plays a vital role in improving accountability for social and environmental impacts, encouraging and assisting towards more conscientious, responsible, ethical, and sustainable business practices. Consequently, fast fashion brands operating within the EU, which meet the above-mentioned criteria, are now required to actively report on human rights and environmental risks throughout their supply chains. Moreover, they are also required to prioritize strategies to reduce textile and clothing waste, promote through these initiatives a circular product design, and ensure that all sustainability claims are accurate and verifiable (Jestratijevic et al., 2024).

Despite its aspiring and ambitious aims and objectives, the CSRD has also encountered some criticisms. As businesses adapt to the newly implemented CSRD, emerging challenges lead to the "Stop-the-Clock" Directive, which aims to simplify existing legislation regarding sustainability (Council of the European Union, 2025). A primary concern regarding the CSRD relates to the implementation burden, specifically regarding smaller companies that rely on limited resources and expertise needed to fulfil the complex directive requirements and who may face difficulties in gathering, interpreting, and reporting the necessary data accurately and within the mandatory timeframes (Foley, 2025). Further concerns relate to the effectiveness of the directive. Experts argue that the CSRD presents a valuable opportunity for organizations to gain competitiveness by leading in sustainability and creating long-term value (Husain, 2024), however, it is debatable if companies may focus on merely ticking the box and meeting formal requirements without making meaningful changes to their sustainability practices, further encouraging the habit of greenwashing (Jestratijevic et al., 2024). These challenges raise concerns about whether the CSRD is capable of driving meaningful changes with regard to corporate behaviour. These contradictions resulted in a delay in the implementation of the CSRD by companies, including those within the fast fashion industry.

2.6 Theoretical Framework

To explore and assess the relationship between CSR, sustainability, and transparency practices in the fast fashion industry and the CSRD, this study focuses on four interconnected theoretical frameworks: stakeholder theory, legitimacy theory, institutional theory, and motivation theory. Understanding these perspectives will allow for a better comprehension of why and how companies engage with CSR and respond to regulatory changes such as the CSRD.

The first perspective is the stakeholder theory, which argues that corporations have responsibilities not only to the shareholders but also to stakeholders, including employees, consumers, suppliers, communities, and the environment (Freeman, 2010). This theory refers to the interconnected relationship between shareholders and stakeholders, arguing that a firm should aim to create value for all parties involved, rather than focusing solely on shareholders. When discussing fast fashion, stakeholders play a crucial role due to the industry's well-documented environmental impact and human rights violations. CSR can create goodwill in the societies in which it functions, recover and mend public perception of the enterprise, and promote encouraging attitudes towards the companies (Wirba, 2024). The CSRD reinforces the stakeholder perspective by mandating companies to report on their environmental and social impacts, as well as how companies interact with stakeholders throughout their entire supply chain. Therefore, the application of the CSRD by fast fashion companies can be interpreted as a response to the collective demand from stakeholders for greater accountability and transparency from within the industry (Morsing & Schultz, 2006).

Second, the legitimacy theory implies that companies develop their behaviours in harmony with what is sought and expected by the community (Rodriguez-Gomez et al., 2020). This theory suggests that organizations engage in CSR to maintain societal approval, inferring that companies might adopt certain sustainability practices to provide legitimacy in the eyes of the public. In exchange for their compliance and as a result of societal approval, companies are allowed to operate through a so-called "social license" (Rodriguez-Gomez et al., 2020). Therefore, reports that follow the CSRD can be seen as a strategic effort of companies to strengthen their legitimacy or as a tool for securing their place within the global market. This is particularly relevant for the fast fashion industry, given that their activities involving unethical practices and environmental harm may quickly lead to bad publicity.

Third, the institutional theory highlights the influence of external pressures, explaining how companies are influenced by rules, norms, and values of the setting in which they function

(DiMaggio & Powell, 1983). It defends the concept that companies adapt their behaviour in order to operate in the market and survive within its environment (Rodriguez-Gomez et al., 2020). As fast fashion companies expand their supply chain across diverse borders, more criticism emerges focusing on the environmental harm and poor labour conditions associated with manufacturing processes. This puts pressure on companies to try to demonstrate that they are acting responsibly within these different environments. The CSRD plays a vital role as it legally obliges companies to follow specific predetermined standards in their reporting practices, keeping them accountable regardless of distinguished contexts. However, the institutional theory risks that while some companies may genuinely integrate sustainability into their operations, others may respond only superficially in response to certain expectations, to avoid repercussions (Campbell, 2007).

Fourth and finally, the motivation theory proposes that shareholders are either driven by intrinsic or extrinsic motivation. Motivations can vary between financial strategies, eco-efficiencies, competitive advantages, image, pressure from stakeholders, and many others (Grimstad et al., 2020), and they can be classified into two groups. Intrinsic motivation implies companies are motivated by real and genuine sustainable goals, while extrinsic motivation derives from external factors such as regulatory compliance and reputation management (Ryan & Deci, 2000). It is arguable that in many scenarios extrinsic factors often represent the initial trigger for corporate action, while intrinsic motivation embodies the necessary commitment to act and integrate the required sustainable practices into a company's core strategy. Understanding the balance between these two types of motivation is vital in order to assess the effectiveness of any initiative or directive, including the CSRD.

Through these theories, it is possible to understand the ambition behind the diverse CSR activities fast fashion companies partake in and their motivation to align with the CSRD standards. These theoretical frameworks allow us to gain a better understanding, from a different perspective, of fast fashion companies' response to the new CSRD. While the stakeholder and the legitimacy theory focus on the external pressures as well as social expectations, the institutional theory highlights the structural and regulatory environment. Subsequently, the motivational theory concentrates on the internal demands. Through these perspectives, it is possible to critically analyse whether the company's application of the CSRD encourages real improvement or whether its compliance is purely figurative.

3. Methodology

3.1 Research Design

This dissertation addresses issues related to sustainability and transparency within the fast fashion industry. The main objective is to identify whether the application of the recently introduced CSRD has a noticeable positive impact on fast fashion's sustainability and transparency reporting and practices. To recognize and comprehend how fast fashion companies engage, or not, with the CSRD and how this relationship can translate into their sustainability and transparency communication efforts, this study adopts a qualitative content analysis. This method allows the identification of topics, patterns, phrases, and concepts related to the presentation of sustainability practices (MAXQDA, 2025). The analysis focuses on 2024 sustainability reports from a variety of fast fashion brands, with different levels of CSRD compliance and fulfilment. Subsequently, media sources are used to evaluate and understand whether the commitments made by the companies are transparent or merely instances of greenwashing aimed at improving public image.

Qualitative content analysis is a method used to analyze written, verbal, or visual communication messages and is commonly recognized as a technique for examining documents (Elo & Kyngäs, 2008; Krippendorff, 2013). As it allows for an in-depth examination of textual data, it is particularly suitable for analysing how companies communicate their efforts through sustainability reports, by recognizing recurrent themes and their frequency (Raimo et al., 2025). This method allows for an understanding of both explicit, directly stated messages, and implicit, rather implied communications (Heaton, 2018). Therefore, it provides the flexibility to explore how and why the message is alleged, allowing a valuable insight into companies' engagement with the CSRD and other sustainability and transparency issues.

The companies in the study were selected through specific criteria, allowing for a more in-depth qualitative analysis of each case. Bearing in mind that the directive only came into effect in 2024 for the first time, reporting practices are still in the early stages of development, and not all companies are required to adhere to the directive straightaway. Stages of adherence were previously explained in the literature review chapter. Additionally, the directive has faced certain challenges, which led to the introduction of the "Stop-the-Clock" Directive, also formerly clarified in the literature review chapter, resulting in delays in its implementations. Subsequently, fast fashion companies that, in theory, should have applied the CSRD in their

2024 sustainability reports showed varying levels of compliance. While some fully incorporated the directive, others only addressed it partially or ultimately omitted it altogether.

3.2 Data Collection Method and Selection Criteria

The data collection consists of two main components of secondary data: 1) Sustainability Reports and 2) Media Sources. To conduct this analysis, the first step was to collect the primary data, which consists of the newly published 2024 sustainability or non-financial reports, most of which are incorporated within companies' Annual Reports. These documents represent the companies' formal communication of their sustainability practices and risks, including strategies to achieve determined goals.

The reports were carefully collected from a selection of fast fashion brands based on specific inclusion criteria. One of the main criteria was that the brands chosen had to be widely recognized by European consumers, ensuring relevance and visibility within the fast fashion market. A way to measure recognition is social media. Social media is largely responsible for shaping trends and influencing cultural consumerism. Unlike traditional advertising methods, nowadays, the fast fashion advertising relies heavily on collaborations with content creators, whose opinions often carry more weight than conventional brand marketing (Jin et al., 2019). Therefore, social media was used as an indicator of popularity and recognition by EU consumers. Second, only European-based companies were selected to maintain consistency in the regulatory context. This criterion was based on the CSRD being an instrument aimed at encouraging sustainability and transforming Europe into "the first climate-neutral economy by 2050" (Martinčević et al., 2024, p. 318). The company's headquarters vary from Germany, England, and Spain, among others. Third, it was important to analyse reports with different levels of compliance towards the CSRD, to understand if applying the framework leads to different results (Raimo et al., 2025). Also, it allows for a better understanding of whether the CSRD presents a positive impact on reporting and transparency practices. Fourth, it was necessary to consider the availability of the report, since many brands had yet to release their 2024 sustainability reports at the time of data collection. For the reports to be admitted for analysis, they had to be published by the end of May 2025. This was determined to conclude this study within the required time frame. As a result, the following companies were selected for analysis:

- Adidas
- ASOS
- H&M
- Inditex
- Mango
- Primark
- Puma

Once the most common and relevant brands were identified through social media, the sustainability reports were collected online through their individual company websites. After successfully collecting the reports, these were then categorized according to their compliance with the CSRD. This categorization was conducted according to the degree to which each company reported on whether and how they were aligned with the directive. The selected reports were then categorized into three groups according to their level of engagement with the CSRD: full adopters, partial adopters, and non-adopters. These categories came from an initial process of analyzing and comparing the reports. Some patterns of how companies addressed the directive in their reports became evident. The full adopters explicitly claim to structure their reporting according to CSRD guidelines and clearly refer to the directive in their reporting. The partial adopters refer to or align with some of the CSRD principles, but do not fully implement the framework. Finally, the non-adopters are the companies that do not apply or refer to the CSRD in their reports. According to these criteria, the brands chosen were classified as follows: Adidas, Inditex, and Puma fall under the 'full adopters' since they explicitly referenced the CSRD in their 2024 sustainability reports and demonstrated a clear alignment with its reporting standards. The 'partial adopters', H&M and Mango, acknowledge the directive; however, they do not explicitly claim full compliance with the CSRD as of this moment. They acknowledge that the impact of materiality analysis has been prepared to align with the format of the CSRD reporting requirements; however, they do not claim any compliance with the CSRD or the ESRS. Finally, Primark and ASOS fall under the 'non-adopters' since they make no reference to the CSRD. Through these categorizations, a comparative analysis of how different levels of engagement with the CSRD influence sustainability and transparency practices was achievable.

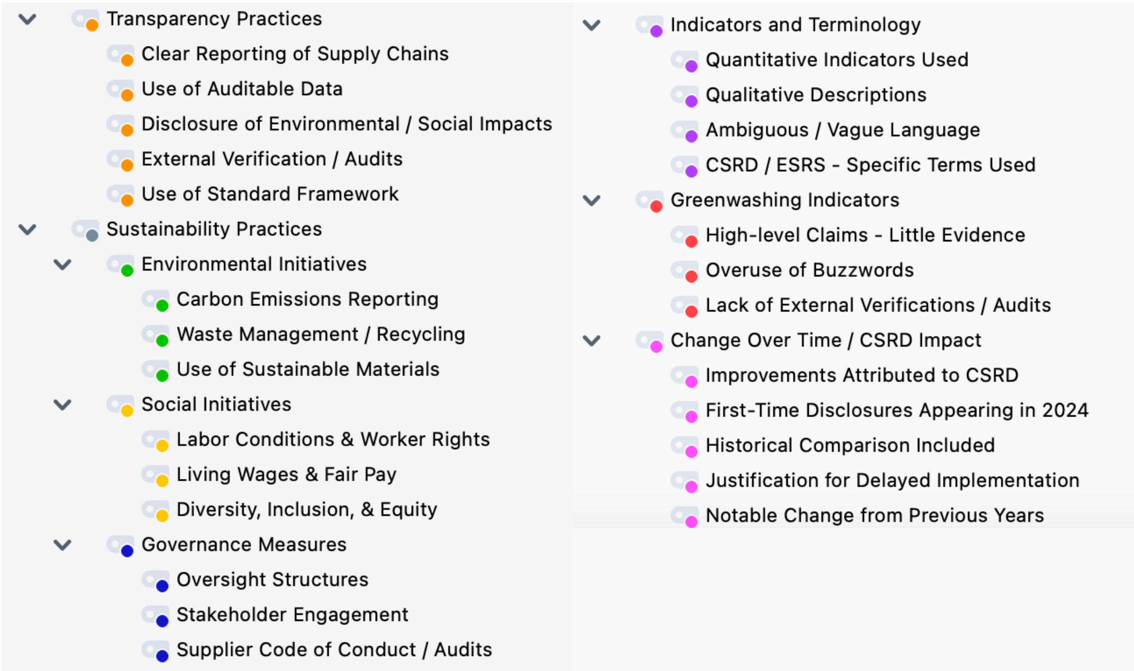
The secondary data consists of several media articles. The articles were selected through a general search on Google News regarding fast fashion coverage. The choice of Google News was deliberate, as it's one of the most commonly used engines publicly and provides access to a large range of news outlets (Weaver & Bimber, 2008). Its widespread use by the public provided a suitable platform to gain an insight into how fast fashion is represented publicly and internationally. The selection criteria included articles discussing the negative impact of fast fashion on society or the environment. News articles that specifically discussed exclusive companies that were not included in this research were not considered for this study. There were no geographical restrictions applied; however, only articles available in English, Portuguese, or German were chosen, considering the necessary comprehension abilities for comprehension and analysis. Taking into account that fast fashion companies tend to produce and discard their garments outside of Europe, it was appropriate to acknowledge articles from different countries. "The hazardous working conditions that attracted regulatory attention in the United States and European Union have not been eliminated, but merely shifted overseas" (Bick et al., 2018, p. 1). "Keywords including "pollution", "sustainable materials", "recycling", and "human rights" were used to gather the articles subject to analysis. These terms aligned with the principal topics discussed within the literature review chapter. They also helped contextualize and assess the credibility of the companies' self-reported practices related to sustainability. This secondary data offers a different perspective on the impact of the fast fashion industry compared to the annual sustainability reports.

3.3 Qualitative Content Analysis

3.3.1 Sustainability Reports

Once the reports had been collected, a qualitative data analysis software, MAXQDA, was employed in order to methodically code and then examine the content. The use of qualitative data analysis software enables a structured and organized management of large volumes of data, and assists in graphically representing the results (Kaefer et al., 2015). A coding framework based on recurring themes and categories identified in the literature review chapter and in the ESRS, relevant to transparency and sustainability, was developed (Figure 2) (B. Russell, 2024). This framework was consistently applied across all reports individually. The process involved a thorough and detailed reading of each document, during which recurring phrases, terminology, and patterns associated with sustainability and transparency discourse were identified and tagged. Specific consideration was given to certain groups of words and expressions such as "sustainable materials", "carbon footprint", "greenhouse gas emissions", "value chain", "supply chain", "living wage", "fair labour", "workers' rights", "transparency", "third-party verification", and "audited". The analysis also focused on how these terms stood in relation to their context. This allowed for a better understanding of whether the terms were measurable, backed by audited data and statements, or merely used as vague or promotional language.

Figure 2: Coding Framework applied to MAXQDA analysis software



The coded data primarily consisted of sentences or phrases. When quantitative data was included, a predetermined code under "indicators and terminology" was applied to distinguish it as numerical data. By using this coding system, it was possible to identify patterns and discrepancies between different companies. An advantage of using software for this process is that it allows for coded segments to be retrieved easily while maintaining the link to the original passage (Kaefer et al., 2015).

As a follow-up, by applying the framework on Figure 2, particular attention was given to distinguishing between the use of positive or promotional language and the presence of measurable, audited data as previously mentioned. Establishing this distinction was crucial to evaluating whether companies were substantively reporting on their sustainability performance or merely employing sustainability rhetoric as a form of greenwashing (M. Li et al., 2025). Statements backed by clear metrics, third-party audits, or compliance references were accordingly coded. The coded data were then used to identify patterns, as well as differences across companies, considering their different levels of CSRD compliance.

Table 1: Examples of sustainability practices coded segments in Inditex 2024 Annual Report (Industria de Diseño Textil, S.A., 2025)

Color	Document name	Code	Segment	Page
●	Inditex 2024	Sustainability Practices > Environmental Initiatives	We have set targets for water consumption in the supply chain, use of lower-environmental-impact raw materials and circularity services that help us progress towards our goals of reducing emissions and fighting climate change.	p. 163
●	Inditex 2024	Sustainability Practices > Environmental Initiatives > Carbon Emissions Reporting	The introduction of cleaner energy sources, along with the improvements in energy efficiency, are key to minimising GHG emissions associated with textile manufacturing processes. These measures are aligned with our Sustainability Policy and Energy Policy and help us comply with out targets of reducing our GHG emissions by 53% by 2030 as compared with 2018, and reaching net-zero emissions by 2040.	p. 160
●	Inditex 2024	Sustainability Practices > Environmental Initiatives > Waste Management / Recycling	Initiatives to extend product life cycles: Zara Pre-Owned: garment repair and care guide	p. 126
●	Inditex 2024	Sustainability Practices > Environmental Initiatives > Use of Sustainable Materials	total textile fibres used, 39% was made up of recycled fibres, 23% was made up of organic and regenerative fibres and a further 10% was made up of other lower impact fibres.	p. 81
●	Inditex 2024	Sustainbaility Practices > Social Initiative > Labor Conditions & Workers Rights	ensures dignified working conditions for all the workers of suppliers and manufacturers.	p. 28
●	Inditex 2024	Sustainbaility Practices > Social Initiative > Labor Conditions & Workers Rights	Our Human Rights Policy, in line with all other corporate policies, including our Sustainability Policy, expressly prohibits forced and child labour. Furthermore, we do not tolerate any form of modern slavery or human trafficking in our organisation or in our supply chain.	p. 222
●	Inditex 2024	Sustainbaility Practices > Social Initiative > Diversity, Inclusion & Equity	more than 3,100 people with some type of disability employed in Inditex	p. 81
●	Inditex 2024	Sustainbaility Practices > Social Initiative > Diversity, Inclusion & Equity	Mindful of the challenge posed by attracting and retaining female talent with technological profiles, since 2020 we have been actively working to boost the professional careers of women in technological areas so as to promote the value of diversity and inclusion and have an impact on the Company and society.	p. 231

●	Inditex 2024	Sustainbaility Practices > Social Initiative > Living Wages & Fair Pay	To continue to guarantee equal pay for equal work.	p. 227
●	Inditex 2024	Sustainbaility Practices > Governance Measures > Oversight Structures	The Social Advisory Board is the expert advisory body on sustainability, both social and environmental, and provides support and advice to the Board —through the Sustainability Committee— and to the Management on these matters. The Social Advisory Board also arranges and institutionalises dialogue with those spokespersons considered key in the civil society in which we develop our business model and plays, in addition, an important role in our double materiality assessment.	p. 108
●	Inditex 2024	Sustainbaility Practices > Governance Measures > Stakeholder Engagement	Partnerships with organisations and institutions are paramount for Inditex, as they enable us to deepen our understanding of our stakeholders and join forces with key players to move inexorably towards a positive transformation of our sector, industry, society and planet.	p. 131
●	Inditex 2024	Sustainbaility Practices > Governance Measures > Supplier Code of Conduct / Audits	The Group updated and added new commitments to the Code of Conduct that governs our activity, always grounded upon five essential principles: Respect, Honesty, Integrity, Transparency and Responsibility.	p. 99

3.3.2 Media Articles

In addition to the findings from the reports, a targeted search on Google News was conducted on June 30th, 2025, in order to collect news articles spanning from the beginning of 2024 until the end of June 2025, discussing the societal and environmental impacts of fast fashion companies. Articles published after this data were not included in this study, in order to conclude the research within the required timeframe.

These external sources were then compared with the coded findings from the sustainability reports. The analysis of the news articles focused on how fast fashion brands are perceived regarding their sustainability practices. Once the articles were collected, the following organization was determined according to the publishing dates (as presented in Table 2) and introduced to MAXQDA accordingly.

Table 2: News Articles Analysed

	Article Title	Author	News Paper	Publishing Date
Article #1	'It's the industry's dirty secret' - why fashion's oversupply problem is an environmental disaster	Lucianne Tonti	The Guardian	18 Jan 2024
Article #2	H&M and Zara owner use "dirty cotton" from Brazil, report alleges	Nicolau Ferreira	Público	11 Apr 2024
Article #3	Zara and H&M's jeans linked to deforestation in Brazil's Cerrado	Juliette Garnier	Le Monde	11 Apr 2024
Article #4	Zara, H&M: The European retail giants tied to land grabbing and deforestation in Brazil	Euronews Green	Euro News	11 Apr 2024
Article #5	So Last Season: The Environmental Impact of Fast Fashion and Textile Waste Exports - The National Wildlife Federation Blog	Carmen Berry	National Wildlife Federation	19 Nov 2024
Article #6	Fast fashion and luxury brands shift orders in hunt for cheaper labour, impacting thousands of garment workers	Business & Human Rights Resource Centre	Business & Human Rights Resource Center	11 Dec 2024
Article #7	The U.S. Just Released the First Federal Report on the Negative Impact of Fast Fashion	Alyssa Hardy	Teen Vogue	12 Dec 2024
Article #8	Bangladesh must move from 'fast fashion' to 'defashion' to improve human & ecological wellbeing (commentary)	Syed Muntasir Ridwan	Mongabay	8 Jan 2025
Article #9	NGO Slams Fashion's Most Widely Used Sustainable Cotton Scheme for Failing to Tackle Deforestation	Sarah Kent	The Business of Fashion	20 Mar 2025
Article #10	Fast fashion fuelling global waste crisis, UN chief warns	Vibhu Mishra	United Nations News	27 Mar 2025
Article #11	Why it's hard to recycle clothes and how new techniques might help	Allyson Chiu	The Washington Post	5 Apr 2025
Article #12	The Hidden Crisis of Fashion: Climate, Water and Microplastic Impact	Dianne Plummer	Forbes	18 Apr 2025
Article #13	Sustainable fashion: Second hand against exploitation	Sebastian Sele	20 Minutes	22 Apr 2025

Article #14	‘You sold it – now recycle it’: the protesters mailing worn-out clothes to the shops they bought them from	Fleur Britten	The Guardian	29 Apr 2025
Article #15	Discarded clothes from UK brands dumped in protected Ghana wetlands	Lucy Jordan & Mike Anane	The Guardian	18 Jun 2025
Article #16	Clothes worn in Europe from brands like Penneys and Zara found in huge dumps at Ghana nature reserve	Press Association	The Journal	18 Jun 2025
Article #17	Fast fashion clothes from Zara, Shein rot in Chilean desert	Yuko Kawasaki	The Asahi Shimbun	21 Jun 2025
Article #18	Fast fashion is trying an Earth-friendly makeover. Is it real?	Allyson Chiu	The Washington Post	25 Jun 2025
Article #19	Chile targets fast fashion waste with landmark desert cleanup plan	John Bartlett	The Guardian	26 Jun 2025
Article #20	H&M Group inks multi-year deal with Circulose	Bella Webb & Maliha Shoaib	Vogue Business	27 Jun 2025
Article #21	Fashion influencer slams Kate Moss “overpriced” Glastonbury-inspired Zara range	Danielle Canagasuriam	The Mirror	30 Jun 2025

Thereafter, the articles were examined for key themes that aligned with the categories used previously in the report analysis. This allowed for a meaningful comparison between corporate self-reporting and the media, which influence public views and perceptions. The analysis of news articles centred on recurring phrases and topics such as “pollution”, “waste management, recycling & circular fashion”, “sustainable materials”, and “human rights violations” (Human Rights Watch, 2016; B. Russell, 2024). These terms served as indicators of how different brands’ environmental and social impacts were discussed in the media. By identifying whether news coverage corroborated or contradicted the claims made in the companies’ 2024 sustainability reports, it was then possible to assess the consistency between reported practices and public perception. This comparison also helped identify discrepancies that could be indicative of greenwashing practices.

4. Findings and Analysis

This chapter presents the findings of the research conducted on the seven selected fast fashion companies. It then evaluates sustainability and transparency practices, considering the different levels of compliance regarding the newly implemented CSRD. The data was analysed using a qualitative coding framework applied through MAXQDA. The goal of this chapter is to highlight key differences and similarities in how companies disclose their environmental and social practices, the level of transparency they exhibit, and the extent to which the reported information aligns with external sources. The objective is to understand whether applying the CSRD framework results in a more transparent sustainability report.

To enable a clear framework for the analysis, after a brief characterization of the companies in terms of CSRD compliance, the remainder of this section is structured around five main themes that emerged from the coding process:

1. Reporting practices
2. Transparency and verifiability
3. Sustainability practices
4. Indicators and terminology
5. Consistencies with Media

These themes provide a consistent framework, enabling coherent comparison across companies with varying levels of CSRD compliance.

4.1 Categorization of Fast Fashion Companies according to their CSRD Compliance Level

The selection of fast fashion companies included seven companies: Adidas, ASOS, Inditex, H&M, Mango, Primark, and Puma. They were categorized based on the content and structure of their 2024 Sustainability Reports in relation to the CSRD, resulting in the representation of varied levels of compliance with the directive. Table 3 shows the classification that aided in later assessing whether higher compliance with the directive correlated with better transparency and sustainability practices.

Table 3 – CSRD Compliance Level

Company	CSRD Compliance Level	Description
Adidas	Full Compliance	Adidas voluntarily reports according to the CSRD and follows the ESRS. The report contains a detailed. double materiality assessment.
Inditex	Full Compliance	Inditex meets voluntarily and in advance the requirements of the CSRD directive as well as the ESRS.
Puma	Full Compliance	Puma is formally CSRD aligned, with deep integration of ESRS structure and disclosure. The document also contains tagged content by ESRS topic and shows double materiality analysis.
Mango	Partial Compliance	Mangos' report does not explicitly state CSRD compliance; however, it contains a dedicated double materiality analysis section.
H&M	Partial Compliance	H&M's report and impact materiality analysis has been prepared to align with the format of the upcoming reporting requirements, but as of now, it does not claim full compliance with the CSRD or the ESRS.
Primark	No Compliance	Primark published general sustainability content but did not refer to CSRD standards.
ASOS	No Compliance	ASOS acknowledges the CSRD in their reporting; however, they explicitly say that they do not adopt the framework.

An essential and noticeable aspect regarding full and partial CSRD adopters is the consistency in their reporting structures. While thoroughly reading the reports, it was evident that companies such as Adidas, Inditex, Puma, Mango, and H&M followed a coherent format, organizing information in similar ways, applying standardized terminology, and referring to formally recognized frameworks such as the ESRS or GRI. This alignment allowed for an easier understanding and comparability across the reports.

In contrast to this, the reporting style from the non-compliant companies varied. On one hand, Primark relied on visual elements, such as images of factory workers in order to illustrate its environmental and social initiatives. Even though impactful and promotional, they show little measurable data. On the other hand, ASOS relied on two separate documents: The Fashion with Integrity (FWI) (ASOS, 2024b) report and the Annual Report (AR) (ASOS, 2024a). Both reports were published by ASOS in November 2024. As a result, it was rather difficult to establish an assessment regarding these companies' sustainability practices.

4.2 Reporting Practices

The results are organized thematically according to the coding framework developed in MAXQDA as presented in Figure 3.

Figure 3 – Coding frequency across the 2024 Sustainability Reporting

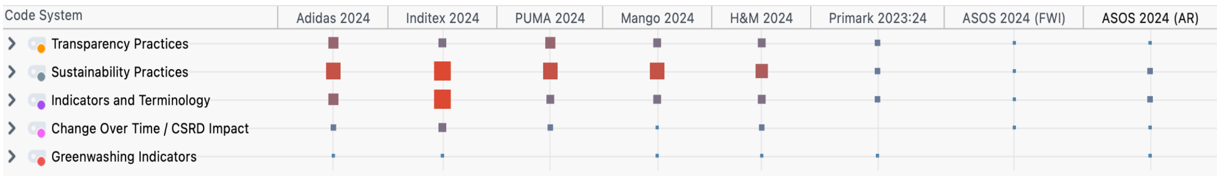


Figure 3 presents the coding frequency of key themes across the 2024 Sustainability Reports of the seven selected companies. It gives a visual comparative overview of how each individual theme is tackled in the different companies' sustainability reports. Companies under the full and partial compliance category display a higher concentration of coded segments under "Transparency Practices", "Sustainability Practices", and "Indicators and Terminology". On the other hand, non-compliant companies like Primark and ASOS show a significantly sparser reporting intensity across most of the key themes. Although greenwashing indicators were not frequently coded, specific patterns, such as the frequent use of ambiguous language, suggest a higher risk of such practices among specific companies. In particular, Primark and ASOS demonstrate lower levels of transparency practices. The lack of auditable data, verifiable metrics, or third-party assurances weakens the credibility of their sustainability claims. They also demonstrate a limited use of standardized indicators or clearly defined terminology.

4.2.1 Transparency and Verifiability

Transparency and measurability are essential components for credible and reliable sustainability reporting. This section assesses how fast fashion companies disclose information in a verifiable, structured, and coherent manner, underlining distinctions in the use of standard frameworks, auditable data, and third-party verification. In total, this code was applied 727 times throughout all the reports. The number of codes applied to each report varied, with Adidas receiving 159 codes, Inditex 125 codes, Puma 150 codes, Mango 126 codes, H&M 87 codes, Primark 46 codes, and ASOS (combining the FWI and the AR), the least amount with 34 codes.

Figure 4 – Transparency Practices Code Frequency across Reports

Code System	Adidas 2024	Inditex 2024	PUMA 2024	Mango 2024	H&M 2024	Primark 2023:24	ASOS 2024 (FWI)	ASOS 2024 (AR)	SUM
Transparency Practices									0
Clear Reporting of Supply Chains	48	37	64	47	31	22	10	6	265
Use of Auditable Data	8	12	9	2	3	3			37
Disclosure of Environmental / Social Impa	39	28	46	29	27	15	4	5	193
External Verification / Audits	14	10	8	11	10	1			54
Use of Standard Framework	50	38	23	37	16	5	3	6	178
SUM	159	125	150	126	87	46	17	17	727

As observable in Figure 4, the companies had different levels of transparency practices, based on five sub-codes: clear reporting of supply chains, use of auditable data, disclosure of environmental/social impacts, external verification/audits, and use of a standard framework. Puma stands out in "Clear Reporting of Supply Chain" with 64 coded sections, showing a big difference in comparison to ASOS (combining the FWI and the AR), which only reported on the matter 16 times. This highlights Pumas' supply chain traceability efforts. Further differences can be observed regarding the "Use of Standard Frameworks". While Adidas reports on this matter 50 times, Primark's codes indicate a maximum of 5 times, and ASOS 9 times. Regarding "use of auditable data" and "external verifications and audits", the companies showed more coherence in their reporting practices.

4.3 Sustainability Practices

This section presents the findings related to sustainability practices, which were divided into three groups focusing specifically on the ESG areas. Through the coding framework, the revision process distinguishes environmental commitments, social responsibility, and governance disclosures. The frequency of coding applied to each company varied significantly. Companies that demonstrate higher levels of CSRD compliance showed more extensive coding coverage across the ESGs. In comparison, non-compliant companies exhibited considerably lower frequency levels of coding, reflecting less detailed reporting practices as presented in Figure 5 below.

Figure 5 – Sustainability Practices Code Frequency across Reports

Code System	Adidas 2024	Inditex 2024	PUMA 2024	Mango 2024	H&M 2024	Primark 2023:24	ASOS 2024 (FWI)	ASOS 2024 (AR)	SUM
Sustainability Practices									0
Environmental Initiatives	17	25	23	23	24	5		3	120
Carbon Emissions Reporting	24	10	20	23	16	7	4	5	109
Waste Management / Recycling	32	20	20	33	21	15	7	4	152
Use of Sustainable Materials	22	13	14	15	12	5	1	3	85
Social Initiatives	34	44	25	55	24	10	1	6	199
Labor Conditions & Worker Rights	19	20	12	17	12	3	1	3	87
Living Wages & Fair Pay	11	5	10	16	5	3	2		52
Diversity, Inclusion, & Equity	34	18	12	34	9	13	6	15	141
Governance Measures	11	21	16	3	13	3		2	69
Oversight Structures	20	48	24	12	13	1		10	128
Stakeholder Engagement	44	45	43	37	25	7	3	23	227
Supplier Code of Conduct / Audits	23	49	27	21	14	8		3	145
SUM	291	318	246	289	188	80	25	77	1514

An initial interpretation by looking at the data in Figure 5 reveals significant disparities in the intensity of reporting among the different companies. The number of codes applied to each report varied, with Adidas receiving 291 codes, Inditex 318 codes, Puma 246 codes, Mango 289 codes, H&M 188 codes, Primark 80 codes, and ASOS (combining the FWI and the AR) 102 codes.

4.3.1 Environmental Initiatives

The findings show that companies that demonstrate higher levels of CSRD compliance reported more specific commitments regarding climate action and material sustainability. For example, Inditex's report offers comprehensive reporting on Scope 1, 2, and 3 emissions, with targets aligned with the Science-Based Targets initiative (SBTi), as well as verified by external auditors. The SBTi is a corporate climate action organization that provides the necessary guidance to companies in order for them to set realistic greenhouse gas (GHG) emission reduction targets (Science Based Targets Initiative, 2025). The company's report emphasizes materials innovation and traceability, highlighting its effort to produce the majority of products from recycled and certified materials. Similarly, Puma, Adidas, and Mango provide a systematic description of their GHG emissions across all three scopes, as well as presenting well-structured and organized circular economy initiatives. While Pumas' report discusses their "Re-Fiber" initiative, Adidas' report discloses their "Made to be Remade" initiative, and Mango's report divulges on several initiatives such as "Give it Back to the Loop", "Extended

Life", and "No Waste". H&M also follows, reporting on their material reuse and waste reduction initiatives, as well as disclosing specific partnerships, such as with "Better Cotton", to promote the use of more sustainably sourced raw materials.

In contrast, non-compliant companies like Primark and ASOS show significantly lower coding frequencies. While they include references to GHG emissions in Scope 1, 2, and 3, and circularity initiatives in their sustainability disclosures, the reporting is notably less detailed and measurable compared to the other analysed companies, thus providing limited information. For example, Primark refers to its participation in the "Better Cotton" initiative, but offers limited insights into traceability or impact measurement. Similarly, ASOS presents a circularity framework divided into three sub-categories: Raw Materials, Design & Production, and Use & Recovery. However, most of their programs are still in early development stages and, therefore, lack measurable outcome data.

4.3.2 Social Initiatives

Moving towards the social initiatives, the sub-codes included "Labor Conditions and Worker Rights", "Living Wages and Fair Pay", and "Diversity, Inclusion and Equity". As shown in Figure 5, Mango and Inditex had the highest coding frequency, with Adidas, Puma, and H&M following, indicating that compliant companies provide more structured information regarding their social practices. Once again, through the coding frequency, it becomes evident that Primark and ASOS report more vaguely regarding social initiatives.

Adidas' report includes internal and third-party audits, grievance mechanisms, and workers' hotlines to aid in monitoring human rights adherence. The company also reports strongly on wage levels across supply chain partners and diversity, inclusion, and equity Key Performance Indicators (KPIs) by geography and gender. KPIs are quantifiable indicators of advancement towards an envisioned result (Harlow, 2022). Similarly, Inditex states its commitment to living wage principles and shares extensive data regarding its diversity, inclusion, and equity initiatives. For example, Inditex states that "at the end of the financial year 2024, the Group comprises a team of 162,083 people employed in 56 markets and representing a total of 170 nationalities" (Industria de Diseño Textil, S.A., 2025, p. 123). As previously presented in Figure 5, Pumas' coding frequency also exhibits strong reporting standards focusing on fair wages and global diversity, inclusion, and equity integration. Even though both Mango and H&M are classified as partially compliant with the CSRD, Mango demonstrates a more robust oversight over its social practices.

Mango reports concisely regarding their workers within the value chain, and shows active steps towards ensuring fair compensation:

> In 2024, Mango has established a collaboration with Wage Indicator, a certified global provider specializing in measuring and analyzing living wages. Through this agreement, Mango has been able to obtain benchmark data on the Living Wages in 37 countries where the company has a presence. (Mango, 2025, p. 194)

Meanwhile, H&M reports strongly on the labour conditions and diversity, inclusion, and equity initiatives, focusing on inclusion plans and adopting non-discrimination programs. However, when discussing fair living wages strategies, the reporting lacks assessable indicators. For example, they state, "wage levels for a regular work week to be sufficient to meet basic needs for the worker and their families", without specifying or reporting any concrete data (H&M Group, 2025, p. 92).

Primark and ASOS had the lowest coding frequency. Nonetheless, Primark offers a solid report regarding factory-level monitoring as they clearly state that "workers who make our clothes have the right to a structurally safe working environment" (Primark, 2024, p. 13). But, looking at the coding frequency, leads to the impression that the implementation of their disclosures remains limited. ASOS also vaguely refers to its efforts towards workers' rights, fair pay, and diversity, inclusion, and equity overall, suggesting a superficial disclosure. For example, by stating within their report that the "aim is to ensure ASOS is inclusive of all demographics, creates economic equity for marginalized and underrepresented communities, and strives towards a more accessible and inclusive fashion industry" (ASOS, 2024, p. 43). While using strong statements, their report fails to present concrete evidence.

4.3.3 Governance Measures

When it comes to governance measures, the patterns remain consistent. Companies fully aligned with the CSRD lead in terms of coded content, suggesting well-defined and structured governance models. They are followed by partially compliant companies, while non-compliant companies register the lowest scores. The number of codes applied to each report with regard to governance measures varied, with Adidas scoring at 98 codes, Inditex 163 codes, Puma 110 codes, Mango 73 codes, H&M 65 codes, Primark 19 codes, and ASOS (combining the FWI and the AR) 41 codes.

According to the coding frequency, fully compliant companies report more on their stakeholder engagement. Partially compliant companies also demonstrate strong stakeholder engagement; however, not as dominantly. Companies that are not yet compliant refer to their initiatives, but not as comprehensively as the others.

All companies analysed made direct reference to their Code of Conduct (CoC). Nonetheless, in Figure 5, it is observable that some make references to the CoC more often than others. These CoC refer to specific perspectives on labour rights, environmental management, health and safety, and ethical conduct across their global supply chain.

4.4 Indicators and Terminology

These previous distinctions are also visualized and recognizable when analysing Figure 6 below. Indicators and terminology are vital for analysing and weighing the credibility and clarity of the sustainability reports. They determine the extent to which companies' reports are based on concrete data and verifiable commitments regarding their social initiatives. Therefore, analysing the frequency with which they are used is essential. The number of codes applied across the sample of reports analysed resulted in Adidas receiving 166, Inditex 307, Puma 130, Mango 102, H&M 120, Primark 60, and ASOS (combining the FWI and the AR) 36 codes.

Figure 6 –Indicators and Terminology Code Frequency across Reports

Code System	Adidas 2024	Inditex 2024	PUMA 2024	Mango 2024	H&M 2024	Primark 2023:24	ASOS 2024 (FWI)	ASOS 2024 (AR)	SUM
Indicators and Terminology									0
Quantitative Indicators Used	113	159	98	92	74	56	1	29	622
Qualitative Descriptions	16	38	8	6	18	2	1	2	91
Ambiguous / Vague Language	4	21	1		6	2		3	37
CSRD / ESRS - Specific Terms Used	33	89	23	4	22				171
SUM	166	307	130	102	120	60	2	34	921

Adidas and Inditex both present extensive quantitative data, including GHG emissions, waste generation, social, and governance metrics. They also present narrative elements to describe their vision and strategies, always backed by measurable data. As displayed in Figure 6, Inditex also presents strong CSRD and ESRS terminology. Adidas, even though with less frequency, also reflects a strong alignment with the CSRD by applying ESRS concepts, while avoiding vague or promotional language. Partially compliant companies also present solid quantitative metrics to validate their reports, while Primark and ASOS lack assessable data to support their claims.

4.5 Consistencies with Media

To assess inconsistencies between fast fashion reports and media news, articles were coded according to “Pollution”, “Waste Management, Recycling and Circular Fashion”, “Sustainable Materials”, and “Human Rights Violations”. These codes were chosen as they represent the persistent themes that appeared consistently throughout the research process. Therefore, they were considered as the most noticeable and outstanding sustainability and ethical challenges the fast fashion industry faces. These topics also appeared repeatedly in articles discussing fast fashion, some specifically referencing Zara, which belongs to the company Inditex, Mango, H&M, Primark, and ASOS, among others. In the following Figure 7, the resulting coding frequency across the news articles can be observed.

Figure 7 – Code Frequency across News Articles

Code System	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	SUM
Pollution		2			1		1	2	1	4		5			4	3	6	3	2			34
Waste Management / Recycling / Circular Fashion	1				1		2	2		1		1	2	2	3	4	2	1	1			23
Sustainable Materials		4	3	4				1	1		1				1	1		2		4	3	25
Human Rights Violations	1			2		2		3		1					1		1				1	12
Σ SUM	2	6	3	6	2	2	3	8	2	6	1	6	2	2	9	8	9	6	3	4	4	94

Despite the ongoing environmental and social initiatives stated within the sustainability reports, news articles are unveiling inconsistent information compared to the reported information by the fast fashion companies. Pollution was strongly addressed in the sustainability reports, highlighting the many efforts to reduce water consumption and GHG emissions, among others. Nonetheless, *The Guardian* raises direct concerns regarding pollution. According to article 15, local people are complaining due to pollution, saying “fishing nets, waterways and beaches are clogged with synthetic fast-fashion garments exported to Ghana from the UK and the rest of Europe” (Jordan & Anane, 2025, para. 3) revealing alarming information such as “before you could drink the river water, now the water is a bit black” (Jordan & Anane, 2025, para. 19). Issues among production have also been raised. In article 12, *Forbes* quotes, “in countries like Bangladesh and India, factories release untreated wastewater laden with toxic chemicals like chromium, lead and mercury directly into rivers” (Plummer, 2025, para. 3).

Matters related to waste management, recycling, and circular fashion were also persistent. Several news articles emphasize significant problems related to the fast fashion industry. Greenpeace UK's plastic campaigner Laura Burley, states in article 16 that "it's heartbreaking to see a protected nature site turning into a waste dump because of our addiction to fast fashion" (Press Association, 2025, para. 13). While sustainability reports focus on their circular fashion initiatives, as well as their efforts to recylce, news articles present powerfull statements, such as in article 17, U.N. Secretary-General Antonio Guterres declares that "Earth is a fashion victim" (Kawasaki, 2025, para. 40), and that a U.N. estimate presented that "every second, the equivalent of a garbage truck full of clothing is incinerated or sent to a landfill" (Kawasaki, 2025, para. 41). Article 16 argues that, "one of the dumps, Glefe, has been established for four years, according to Google Earth historical images, and is taller than a two-storey building in places" (Press Association, 2025, para. 4), highlighting that discarded clothes are rather accumulating in landfills out of the publics sight, instead of beeing properly recycled as claimed in the sustainability reports.

The ongoing use of unsustainable materials has also faced backlash.

Article 4 quotes:

> As part of an effort to clean up their act, the fast fashion giants have signed up to an ethical supply chain certification system called Better Cotton (BC). Most of the firms' products are made with BC-certified cotton, making them the world's biggest users of cotton carrying the BC seal of approval. The problem is that all cotton Earthsight [an UK-registered non-profit], linked to environmental degradation and human rights abuses in Bahia carried the BC label. (Euronews Green, 2024, para. 24)

Article 5 also discusses that "every aspect of the creation of fast fashion garments is unsustainable, from the creation of plastic-derived textiles to the construction of pieces by unpaid and overworked exploited laborers" (Berry, 2024, para. 6). Article 21 emphasizes the use of plastic in Zaras' festival-inspired collection. Sustainable fashion editor Dr. Staniland suggests that "the truth is, plastic weaves its way all the way through this collection" (Canagasuriam, 2025, para. 9).

In addition, news articles also draw attention to human rights violations. In article 1, *The Guardian* quotes Christian Dean, the founder of the anti-waste charity Redress, "there's a lot of human toil that goes into our clothes, from the cotton picking, spinning and weaving to the garment workers and how often they don't see their children because of the hours they work" (Tonti, 2024, para. 11). Article 8 hihglights that "the traditional fisherfolks and farmers had lost their livelihoods, were dispossessed of their lands and became a commodity themselves, that of cheap labor” (Ridwan, 2025, para. 6), all as a result of the fast fashion industry and their excessive waste generation resulting in constant need for more dumping grounds. Article 17 also emphasizes that “locals are suffering” due to “chemicals used to make and dye fabrics” (Kawasaki, 2025, para. 14).

In the discussion section of the dissertation, a thorough evaluation of the analysis was carried out to reach a conclusion that addresses the study's research question.

5. Discussion

As stated by United Nations Secretary-General António Guterres, *“dressing to kill, could kill the planet”* (Mishra, 2025, para. 2). This statement was delivered at an event commemorating International Day of Zero Waste. The message is strong: sustainable change is necessary within the fast fashion industry.

In this chapter, the key findings presented in the previous chapter will be interpreted and reviewed. To determine whether the CSRD is effectively encouraging genuine progress in the fast fashion industry regarding sustainability and transparency reporting practices, this discussion is structured around the key explanatory questions outlined in the introduction. These questions serve to guide the interpretation and evaluation of the findings.

The CSRD is a regulatory framework introduced by the European Union, designed to enhance corporate accountability by requiring companies to report on their ESG practices in a more transparent, comparable, and externally assured manner (Directive (EU) 2022/2464, 2022). The focus of the directive is to enhance reporting standards; however, the effectiveness depends on the companies themselves and their level of adherence.

Theoretical frameworks help assess and evaluate fast fashion companies’ response to the CSRD by offering structured methods to discuss their varied reporting behaviors. Stakeholder theory and legitimacy theory highlight the external pressures and the growing social expectations that may motivate companies to improve their reporting. Institutional theory, on the other hand, focuses on how companies adapt their behavior according to values, norms, and regulatory mechanisms. The motivation theory, however, focuses on internal drivers. These include, for example, leadership commitment and corporate values.

Through these perspectives, a critical discussion can be developed on whether the CSRD represents a substantive shift toward improved sustainability and transparency reporting, or merely a box-ticking exercise aimed at regulatory compliance without considerable impact. This discussion is strucutred as follows: (1) how the quality and consistency of sustainability disclosure are influenced by varying levels of engagement with CSRD guidelines; (2) how the terminology and indicators used in sustainability reporting differ across different levels of CSRD adoption; and (3) how the implementation of the CSRD has influenced changes in sustainbaility and transparency practices among fast fashion companies.

According to Freeman’s stakeholder theory, firms have to care for “employees, special interest groups, environmentalists, suppliers, governments, local community organizations, owners, consumer advocates, customers, competitors, and the media" (Talan et al., 2024, p. 1). With the evolution of CSR, companies are no longer judged solely on their financial performance, but their stakeholder commitment has also increasingly gained importance.

In the words of Inditex CEO Óscar García Maceiras (Industria de Diseño Textil, S.A., 2025):

> The directions the fashion world will take are difficult to predict. Fashion is, by definition, constant change and innovation. That gives us an advantage: our very business forces us to read and listen to our surroundings constantly in order to respond nimbly, adapt and provide our customers with what they want at any moment of time, always living up to the expectations of society. (p.92)

This statement aligns with Freeman's view that sustainable value comes from understanding and considering diverse stakeholder interests. By emphasizing the importance of "listening to our surroundings" and adapting to "the expectations of society", the CEO demonstrates the ability and necessity of engaging with a broader range of stakeholders.

Today, stakeholders want companies to demonstrate more transparency. With the increasing progression of ethical consumerism, consumers are showing greater preference and support towards brands and companies that reflect more precisely and more responsible business practices, which at the same time align with their personal values (Jiang, 2022). Because of these expectations, demonstrating positive CSR practices can help improve and even restore public perception regarding companies and their behaviour (Wirba, 2024). In light of this, the CSRD can be perceived as a key regulatory instrument, capable of guiding companies in producing more unified, standardized, transparent, and accountable data within their sustainability disclosures (Martinčević et al., 2024). Consequently, it is important to comprehend the degree, if any, to which the CSRD has impacted the industry during the first period of implementation.

Sustainability reports were analysed and compared to answer the first research question: How are the quality and consistency of sustainability disclosure influenced by varying levels of engagement with CSRD guidelines? Despite the reduced number of reports analyzed, the results of the reports identify a clear pattern between CSRD compliance and the quality of the information disclosed on the reports.

Through analysing the 2024 sustainability reports, it was determined that fully compliant companies demonstrated a more well-defined, structured, and consistent sustainability report. This means that their reports used standardized terminology and a wide range of quantifiable indicators while delivering a detailed and comprehensive coverage of ESG topics, as visible in Figure 5.

Partially compliant companies presented similar reporting benchmarks. The main difference focused on the intensity of the disclosures. Even though they used standardized terminology and included quantifiable terminology, the amount of measurable detail presented when discussing their ESG practices differed. However, the difference was relatively small compared to fully compliant companies.

Finally, non-compliant companies presented rather superficial statements. These disclosures lacked measurable data, offered limited insight, and presented rather superficial and promotional statements. For example, Primark repeatedly presented its initiatives backed by pictures rather than metrics. This suggests that applying a regulatory framework promotes a higher level of data disclosure and accountability.

The institutional theory can be utilized to discuss the data presented. This theory suggests that societal norms and formal rules have a direct influence on shaping a company's behaviour (DiMaggio & Powell, 1983). As the CSRD is elected as the new reporting standard across the EU, companies start to feel the institutional pressure to adapt to continue to be legitimate in the eyes of the public. Considering that the Stop-the-Clock Directive temporarily delayed legal enforcement, this allowed companies to decide for themselves whether and to what degree they would embrace the CSRD. Therefore, it is arguable that even though no legal consequences will arise, stakeholder trust and legitimacy could be harmed by non-compliance. While some companies chose to proceed as intended and implement the directive voluntarily, others opted to abstain from mentioning it at all. According to the motivational theory, motivated leadership tends to be detrimental as it encourages higher-quality and more consistent disclosures.

This is especially relevant in the fast fashion industry, which has faced significant backlash due to its environmental impact and labour practices. By reporting in accordance with the CSRD, companies demonstrate conformity with evolving societal values regarding sustainability, ethics, and transparency. This aligns with the legitimacy theory's premise that organizations adapt their behaviour to meet societal norms and expectations (Rodriguez-Gomez et al., 2020). Therefore, as a result of the CSRD, companies began to structure and present their sustainability practices in response to societal expectations. These varied, from environmental practices such as waste management and carbon emissions, to societal practices covering diversity, equality, and inclusion initiatives, as well as workers' rights. Through this, companies that followed the CSRD managed to comply with regulatory frameworks while also attempting to improve their relationship with their stakeholders. As a result, the level of engagement positively influences the quality and consistency of sustainability disclosures.

This leads us to our second question: How do the terminology and indicators used in sustainability reporting differ across different levels of CSRD adoption? Despite the integration of a growing number of reporting standards and frameworks, a limited consensus on the specific indicators businesses should use to measure and disclose information remains (Smith et al., 2024).

As phrased by the European Union, “reported information can be hard to compare from company to company, and users of the information, such as investors, are often unsure whether they can trust it” (European Commission, 2023, para. 2). Followed by, “by requiring the use of common standards, the Accounting Directive, as amended by the CSRD in 2022, aims to ensure that companies across the EU report comparable and reliable sustainability reporting” (European Commission, 2023, para. 5).

The use of standardized indicators and terminology mandated by the CSRD aims to improve the consistency, comparability, and reliability of the information being disclosed across diverse companies, encouraging an improvement in the quality of the reports (Faqih & Kramer, 2024).

To answer question two, a relationship between CSRD compliance and specific terminology and indicators was identified. Companies that fully and partially adopted the CSRD guidelines followed the ESRS by using standardized terminology. These reports consistently mentioned specific concepts, including double materiality, value chain, due diligence, stakeholder engagement, and impact materiality. They also presented an extensive use of quantitative indicators, verified and audited by a third-party. Specific and thoroughly clarified metrics backed qualitative information. These indicators were openly applied to discuss GHG emissions, water usage, waste management, workforce diversity, equity and inclusion, and other topics related to ESG. Companies under the non-compliance category, however, were not as thorough or as detailed with the information disclosed. These companies relied heavily on promotional language, including images, to appeal to the emotions instead of the rational side of stakeholders. For example, when Inditex (a fully compliant company) discussed its social initiatives, specific data, including targets and results, was presented. Primark (a non-compliant company), on the other hand, briefly stated their social initiatives; however, repetitively and persistently included photographs, as seen in Figures 8 and 9 below.

Figure 8 – Primark equality initiative (Primark, 2024, p. 29)

Figure 9 – Primark health initiative (Primark, 2024, p. 33)

Providing transparent sustainability reporting in the fast fashion industry is no longer considered an option but rather a core necessity to guarantee the companies' survival (European Commission, 2023). While some companies genuinely report on their sustainability efforts and impacts, others tend to offer more superficial information to try to match external expectations, especially to avoid criticism (Campbell, 2007). Meanwhile, stakeholders become more aware, causing their demands for reliable information to increase. Applying specific frameworks and standards is fundamental in transmitting credible, sustainable ESG disclosures. It is also essential that all information provided be complete, neutral, and not biased or promotional, as well as free from errors (Smith et al., 2024). Because of this, it is detrimental for the companies to guarantee external verification, since it supports and funds these wants.

According to legitimacy theory, organizations strive to align their reporting practices with societal expectations in order to maintain their legitimacy (Rodriguez-Gomez et al., 2020). So, according to this framework, following the CSRD would lead to positive results. Through analysing the 2024 sustainability reports, this indication was confirmed. Companies that applied full or partial CSRD compliance had more reliable indicators and more consistent terminology when compared to non-compliant companies, transmitting more trustworthiness and credibility.

Reports that consistently rely on ambiguous or vague language often raise red flags, leading to scepticism and a loss of trust among stakeholders. This can be particularly damaging for companies, as a lack of credibility in one aspect of the disclosure may prompt consumers to question the reliability of all reported information.

In today's highly connected world, CSR and sustainability have become critical topics in discussions surrounding fast fashion. The constant access to information means that any negative practice is quickly exposed and often met with immediate backlash from consumers and stakeholders. Meanwhile, fast fashion companies are notorious for operating highly complex and extensive supply chains, making it difficult to maintain full oversight of every stage of production. As a result, many companies outsource various components of their supply chain, which increases the risk of unethical practices occurring beyond direct corporate control. However, it is important to mention that even when companies outsource parts of their supply chain, they are still responsible for the behaviour of their partners. Across all the sustainability reports analysed, a constant emerged. Each company referenced and emphasized its CoC, emphasizing it as a key tool used to communicate and reinforce its internal values. Moreover, the reports were explicit in stating that compliance with the CoC was mandatory not only for internal employees but also for all third-party partners. In cases of non-compliance, all the companies stated that such a partnership would be subject to investigation and, if necessary, terminated to uphold ethical and sustainable standards.

In Article 4, Earthsight director Sam Lawson critically denounces, "these firms talk about good practice, social responsibility and certification schemes, they claim to invest in traceability and sustainability, but all this now looks about as fake as their highstreet window arrangements" (Euronews Green, 2024, para. 4). This quote leads to the third and last question: How has the implementation of the CSRD influenced changes in sustainability and transparency practices among fast fashion companies? To discuss the effectiveness of the sustainability reporting, it is also necessary to discuss the impacts of their practices. The first step is to focus on the reports analysed to understand if the CSRD has prompted any changes. In a second step, research news articles related to the impact of the fast fashion industry in today's society and environment were explored. By introducing an outside perspective, it is possible to gain a more balanced overview. On one hand, companies report their sustainability practices, on the other hand, news articles report on incidents happening in the world. The goal, ideally, is that both reports and news articles coincide regarding the information published; nonetheless, inconsistencies still occur.

In reality, the fast fashion industry still has numerous unresolved problems. However, through this study, it is possible to observe that by introducing the CSRD, better practices have been established. This does not mean that all problems have been resolved, however, it indicates positive change towards improvement.

Through the analysis of 2024 sustainability reports, it is noticeable that by applying the CSRD, companies integrated sustainability more deeply into their business practices. This reflected the CSRD's emphasis on double materiality and long-term value creation. As a result, the core modifications relied on the quality of information disclosed, such as disclosure of measurable data and reporting across the supply chain. By communicating detailed information on risks, impacts, and stakeholder engagement, better transparency practices were conveyed. Fully compliant companies disclosed their information, and even when their practices were not perfect, they acknowledged areas for improvement. Such a good practice demonstrated a level of consistency and accountability that is crucial from a consumer's perspective. Partially compliant companies also presented improvements. Bearing in mind that they are slowly transitioning, adaptations have been rather gradual, however, causing incremental changes in disclosure. In contrast, omission or lack of disclosure undermines trust. Non-compliant companies disclosed little to no evidence of incorporating the CSRD, meaning that, through analysing the reports, no change was identified. However, it is important to understand the difference in the reporting practices.

The CSRD has begun to drive more transparent and accountable sustainability practices within the fast fashion sector, elevating the standards for corporate disclosure. By providing a structure and specific reporting standards, as well as identifying certain terminology integrated and embraced by the ESRS, the CSRD was fundamental in encouraging companies to move beyond superficial claims. However, its effectiveness depends on regulatory enforcement, stakeholders' pressure, and an overall commitment within the industry. Considering that transparency and accountability play a vital role in fostering consumer confidence, we can use both the stakeholder and the legitimacy theory to support the idea that companies disclose relevant information to maintain trust and social approval. Through these theories, it is also emphasized that external pressures and growing social expectations encourage and directly influence companies to improve their reporting practices.

In order to gain a better understanding of the effectiveness of the CSRD across fast fashion companies, it is relevant to comprehend the internal motivations that shape organizational behavior. According to the motivational theory, both intrinsic and extrinsic drivers influence how companies respond to sustainability directives. Leadership is, therefore, an essential component when determining how a company will approach and embrace the directive. Companies with value-driven leadership are more likely to engage positively with the CSRD, engaging heavily in improving their reporting practices. As a result of this theory, it is arguable that the success of regulatory frameworks depends not only on external pressures but also on internal corporate culture.

Even though we can state that the CSRD has improved transparency and sustainability within the reporting practices amongst companies in the fast fashion industry, inconsistencies did surge after incorporating news articles into the analysis. By analysing news reports, it became evident that transparency and unsustainable practices remain a persistent issue across the fast fashion industry, mainly related to unsustainable or unethical activities within their global supply chain, such as overproduction, resource exploitation, and human rights violations.

According to Article 5, “every aspect of the creation of fast fashion garments is unsustainable, from the creation of plastic-derived textiles to the construction of pieces by underpaid and overworked exploited laborers” (Berry, 2024, para. 6). While some brands appear to be more implicated than others throughout scandals, no company emerged completely picture-perfect. Media coverage continues to report on the environmental impact as well as on human rights violations in the fast fashion sector. This highlights the gap between what is being reported by the companies individually and what is actually happening in real time within society, resulting from the industry.

Article 4, reports that “cotton clothes, towels and bed sheets from H&M and Zara are stained by illegal deforestation and human rights abuses, according to a new investigation” (Euronews Green, 2024, para. 1). Simultaneously, it also notes that “Inditex has demanded more transparency from Geneva-based Better Cotton in response to the investigation” (Euronews Green, 2024, para. 26). This supports the analysis, as Inditex, a fully compliant company, acknowledged and responded to the issue by recognizing areas requiring improvement and taking steps to address them. A similar case is presented in Article 15, which states, “In a third dump on the banks of the river leading to the conservation site, Unearthed reporters found garments from M&S, Zara, H&M and Primark” (Jordan & Anane, 2025, para. 4). Additionally, it reported that “H&M and Zara said they would support an extended producer responsibility framework to hold labels accountable for their products’ end-of-life impact” (Jordan & Anane, 2025, para. 5). This further shows how partially and fully compliant companies with the CSRD tend to demonstrate responsiveness and a motivation to align with evolving expectations regarding sustainability and accountability.

Even though these issues are being addressed, these inconsistencies raise doubts about the reliability of the companies' reporting and the real extent of their sustainability efforts. As expressed in Article 5, “when a good is created without longevity in mind, even if they are manufactured sustainably, which these fast fashion garments are decidedly not—they will never be fully sustainable because they are created to be thrown away” (Berry, 2024, para. 6). This critique highlights a central weakness in the fast fashion model, basically that sustainability claims are being undermined by the concept of disposable design.

Mercy Asantewa claims in Article 15 that:

> In the past, we had good clothes to sell to take care of our families, but these days the used clothes we find in the bales are not fit for resale. They are poorly made and are already falling apart when we open the bales. (Jordan & Anane, 2025, para. 8)

Plummer reinforces this by stating that “fashion must transition from a model of unchecked consumption to one of conscious creation” (Plummer, 2025, para. 8).

6. Conclusion

The fast fashion industry was chosen for this investigation due to its irrefutable environmental and social impact. This stems from the industry's core business modality but equally from its involvement in complex global supply chains, which are often associated and characterized by a lack of transparency and accountability. Considering that the industry has become one of the most polluting sectors, due to its rapid production cycles, as well as reliance on cheap labour, the fast fashion industry presented the ideal case to analyse the impact of a new regulatory framework such as the CSRD.

In the context of fast fashion, constantly evolving trends and low pricing are often used to attract more customers, increasing the consumerist tendency. Nonetheless, as individuals' concerns regarding climate change, labour rights, and corporate accountability grow, ethical consumerism also gains momentum. An increase in awareness regarding the social and environmental consequences of purchasing habits has led to a shift in consumers' expectations. Society expects companies to not only focus on their financial gains, but also to increasingly demonstrate responsibility and accountability towards the environment and society in which they operate.

Beyond the consumers, governments are also indispensable in shaping and monitoring corporate behaviour. Government regulations complement efforts adopted by ethical consumers while also enforcing systemic change. As highlighted in the introduction, *"Governments have a duty to effectively regulate business activity"* (Human Rights Watch, 2016, p. 10), which includes industries like fast fashion, where ethical and sustainable boundaries are not always respected. Regulatory frameworks like the CSRD exemplify an effective tool for governments to assist in moving from corporate rhetoric to actual, meaningful change. This can be supported by mandating standardized reporting and holding companies accountable for their behaviour.

Therefore, this study set out to examine the CSRD influence on sustainability and transparency practices within the fast fashion industry. Based on a detailed analysis of corporate sustainability reports as well as external news articles, the goal was to analyse whether the level of CSRD adopted in fast fashion companies' reports corresponds to more transparent and sustainable practices. The objective was to understand if companies that adopted the CSRD framework in their reporting presented better results in encompassing more measurable and meaningful practices than those that abstained from the directive.

This dissertation reveals that the higher the compliance, the more transparent and sustainable the practices are. Fully aligned companies have better structured reports and present improved alignment towards the ESRS. By following these standards, the reports enable stakeholders to make more effective comparisons between companies. These companies' reports were also supported by a comprehensive set of indicators, incorporating both quantitative metrics and qualitative disclosures. Furthermore, the extensive use of terminology aligned with the CSRD framework helps reassure the transparency of the information disclosed. Fully and partially aligned companies also included external verifications or third-party audits. These certifications contribute to reinforcing the credibility of the information released in the reports. From a consumer perspective, independent validation provides reassurance when discussing transparency and sustainability practices.

Meanwhile, non-compliant companies portrayed more ambiguous and sceptical reporting practices. Through their reporting, these companies published rather promotional statements, relying heavily on emotional appeal through imagery and vague language, repeatedly lacking measurable metrics to support their disclosures. Such practices can lead to stakeholder relations and trust suffering. Reports characterized by ambiguity can raise reservations and distrust among consumers, making them question the company's overall sustainability efforts.

While the CSRD suggests improvements in how fast fashion companies report on sustainability and transparency, news articles continue to broadcast argumentative facts. The analysis suggests that overproduction, environmental degradation, and human rights violations remain issues. These inconsistencies raise doubts about the absolute transparency of corporate disclosure. As emphasized by the media, the fast fashion industry is based on its rapid production cycles, providing non-stop new garments to the public. However, this concept clashes by nature with the main principles of sustainability, considering the garments are frequently designed without durability in mind, as quoted in Article 5, "they will never be fully sustainable because they are created to be thrown away" (Berry, 2024, para. 6).

The CSRD represents an authoritative instrument for driving meaningful change toward more sustainable and transparent corporate practices. Nonetheless, its efficiency depends on rigorous and consistent implementation. If the directive is loosely enforced, there is a risk that reporting will become a superficial exercise, leading to a potential increase in greenwash practices. So, to fulfil the intended purpose, the CSRD has to be applied uniformly and backed by strong regulatory oversight. This guarantees that companies are held responsible for both the accuracy and the matter of their sustainability claims.

6.1 Limitations of the study and suggestions for future research

While this research offers valuable insights into the impact of the CSRD on sustainability and transparency practices within the fast fashion industry, it is important to acknowledge several limitations that may have influenced the analysis and findings.

First, this study focused on a small selection of fast fashion companies, and second, the companies analysed were chosen based on the availability of the reports. Bearing in mind the time frame constraints to conclude this thesis, the number of companies chosen also depended on the timely publication of sustainability and transparency reports. Third, considering the CSRD is a new directive, it is still unknown what its long-term impact will be. As of now, companies are starting to adapt to the requirements, and therefore, much of the disclosed information remains preliminary and subject to ongoing development. The introduction of the "Stop-the-clock Directive" further delayed implementation. Fourth, the analysis focused solely on the 2024 sustainability reports and news articles from the start of 2024, not considering any additional documentation and information. Fifth, the study did not include any stakeholder perspective. No interviews or surveys were conducted, limiting the analysis to reporting data.

Recognizing these limitations not only helps structure the conclusion but also highlights opportunities for future investigations. Based on the findings and limitations of this study, several ideas for future research have emerged to gain a deeper understanding of the CSRD's impact on sustainability and transparency practices in the fast fashion industry. As more companies adhere to the directive, future research must continue to evaluate its effectiveness and further implications across the industry.

Sustainability regulations are constantly evolving, suggesting that findings presented in this study may become outdated as the directive changes and adapts. Therefore, future research could track companies over a longer period of time to gain more insight into how their sustainability and transparency practices evolve. Studies could also compare the CSRD with other reporting frameworks, like the GRI, to determine relative strengths and weaknesses. It would also be interesting to compare the findings to interviews with CEOs and others to gain the public's perspective on the problem.

Ultimately, the goal is to contribute towards continuous improvements in corporate sustainability practices, ensuring that the fast fashion industry becomes more responsible and transparent.

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