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# Sustainable Development & Ethical Business Practices

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**Abstract--** Ethical practices are increasing in modern business environments. Sustainable development is important to protect the environment without harming animals. This study aims to examine the relationship between ethical business practices & consumer trust. If consumers are adopting sustainability in their daily life, the challenges they have to face are high cost, labour exploitation, untruthful information, etc. This study concludes that taking steps towards sustainable development & ethical business practices is achieving long-term growth & social responsibility in business. This study focuses on understanding how businesses adopt sustainable methods and ethical values in their operations. In recent years, consumers have become more aware of environmental and social issues, influencing their purchasing decisions. The fashion industry is undergoing a significant transformation due to increasing awareness of sustainability and ethics. The study analyses how fast fashion contributes to pollution, waste, & resources depletion. The growing demand for ethical & sustainable products has significantly influenced the Luxury Fashion Industry SDGS. This research examines how luxury brands can also contribute to ethical practices such as responsible sourcing, craftsmanship & sustainability in their business models.

**Keywords--** Sustainable, Ethical, Consumers, Responsibility, Resources, Business, Fashion, Craftsmanship, Slow fashion, Fast fashion, Carbon emissions, Supply chain, Greenwashing, Environment, Transparency.

## I. INTRODUCTION

The concept of Sustainable development is a powerful concept of development. The two major factors are: (a) To pay proper wages & safe working environment. (b) To ensure that the work & live according to the ages. These two aims may seem contradictory, but still, they can be achieved simultaneously. Ethical business practices ensure that companies can take responsibility towards society. Today's consumer are more informed & prefer brands that align with their values & which has made sustainability & ethical practices. Ethical practices involve honesty, transparency & fair wages. Companies can treat their employees fairly, avoid exploitation & discriminations. The companies can make strategies on sustainable development to solve the problems like environmental problems, social injustice & economic problems. The changes have encouraged companies to adopt eco-friendly methods, reduce waste & fair treatment to the workers.

Many businesses face challenges such as high cost, difficulties in manufacturing & lack of awareness. The relationship between Sustainable development & Ethical Business Practices can help in achieving long-term growth, improve brand images & social responsibility. This study highlights the challenges faced by businesses in adopting these practices & overcome them. The shifts from fast fashion to sustainable & slow fashion brands can reflect a growing demand for accountability & responsibility in the industry. In doing so, many companies have established sustainable development programs (e.g. Account Ability 1000 (AA 1000), Social Accountability 8000 (SA 8000), and Corporate Social Responsibility (CSR)) (1) in response to the environmental and social impacts of corporations. Sustainable development has been brought by two distinct problems:- First is the resource & energy demands for industrial activities in developed & rapidly industrialising economies. The problems such as climate change, depletion of the ozone layer & growing levels of resource use. It is also a basis for regional & local problems connected with water & air quality, the accumulation of toxic materials in the environment. The second problem is the cycle of poverty, mainly experienced in developing country & the division of resources, so that global populations are deprived of basic human needs & security with respect to food, shelter & health.

Some companies in the environmental, vulnerable sectors, such as chemicals used in fabric manufacturing, gases and oils used in factories to produce garments, are driven by concern with the government, i.e. "License to operate". Today's consumers are increasingly aware of the impact on the fashion industry and demanding more sustainable and ethical practices.

Urbanisation is also occurring most rapidly in developing regions, particularly within Asia and Africa. Cities can present a number of advantages for sustainable development. For example the density of population can enable infrastructure such as public transport and waste disposal to be provided more efficiently and cost-effectively. Such services have major environmental and health benefits. However, the numbers of people in cities of the developing world living in slum conditions where basic services in water supply and sanitation (and in housing) are entirely lacking or severely compromised is rising not falling.



## II. LITERATURE REVIEW

“In the study, Maarit Aakko and Ritva Koskennurmi-Sivonen, in their article titled ‘Designing Sustainable Fashion: Possibilities and Challenges’, show a theoretical model, which illustrates together the elements of sustainability and fashion design. The model aims to serve fashion designers who wish to consider sustainability.

“In the year 2006, Catrin Joergens conducted a study on Ethical fashion. In this research, he wants to gain a better understanding of ethical fashion consumption. Even though consumers demand more ethical responsibility from companies, it is debatable if consumers would sacrifice their own personal needs to support morally produced clothing.” The findings from his research demonstrate little evidence that ethical issues have any effect on consumers' fashion purchase behaviour.

In Paris (2011), Angela L Finn presented an article titled “Luxury Fashion: Innovation as a key role for contributing to the progress of luxury fashion goods and sustainable fashion design”. This paper discovers the theory that essential characteristics of luxury goods contribute to a link between the maker and the user of a product and directly contribute to the when and how of its disposal. In this research paper, a different connection has been made between luxury, craftsmanship and innovation. The connection between maker and consumer is evidenced in the signifiers that remain as a result of the production of the garment.

Sustainable disposal of clothing made in the fast fashion industry is also difficult since the materials that garments are made of in the fast fashion industry are often created from synthetic studying consumers' knowledge of fast fashion, studies have shown that consumers are more aware of the unethical working conditions than they are about the “impact of the disposition of high volumes of textile waste”.

Consumer perceptions of sustainable business practices are pivotal in shaping their attitudes towards brands. Increasingly, consumers are scrutinizing how businesses operate beyond profit margins, focusing on their environmental impact, social responsibility, and ethical practices. Various factors influence these perceptions, including media coverage of corporate behaviours, peer influence, and personal values. When consumers perceive a brand as committed to sustainability, they are more likely to develop positive attitudes towards that brand (Ijomah, Idemudia, Eyo-Udo, & Anjorin, 2024).

Ethical concerns in fashion includes poor working conditions, low wages, and exploitations in developing countries. Researchers emphasize the importance of CSR (Corporate Social Responsibility) in addressing these issues.

Sustainable fashion practices such as the use of organic fabrics, recycling and slow fashion models have been identified as effective solutions.

Several global brands have been studied for their sustainability initiatives. For example:- Patagonia is widely recognized for its environmental responsibility and ethical sourcing practices.

Ethical issues in the fashion industry have also been highlighted through major global incidents such as **Rana Plaza Collapse**, which exposed poor working conditions and lack of safety in garment factories. This event increased global awareness about labour rights and pushed brands to adopt ethical sourcing and transparency in their supply chain.

In the research paper, „The sustainable clothing market: an evaluation of potential strategies for UK retailers“, authors looked into consumers' perspectives on sustainable clothing consumption and to examine ways in which this information could pressure retailers' policies. In this research they used Qualitative research method using focus groups, home tasks and workshops with 99 members. The result of this research is vendor can develop and implement more sustainable policies and practices in relation to clothing production and consumption. There is wider inference for society and the environment in that retailer's practices can crash greatly on the sustainability of the planet's resources.

Angela L. Finn, in her Research Dissertation (2008), showed that New Zealand has a sole chance to reconstruct this connection between designer and maker to create characteristic design and a sustainable fashion industry. The truthfulness of the design of a fashion garment gives it worth, makes it more attractive, and distinguishes it from the everyday of conventional fashion that has been manufactured off shore

In the year 2010, Eleonor Johansson said that the fashion industry is today a global industry and has a huge effect on our environment as well as on people. It is dominated by fast fashion and just-in-time production that has lead to increased seasons and mini-collections in season, which generate new low price items in store every week and even every day. This in turn has lead to an escalation in fashion trends that spurs our desires for new experiences and leads to overconsumption where consumers buy more than they need, which in the end results in fashion waste. However, the supply chain, the industry has problems with worker exploitation, such as low wages, unpaid overtime as well as toxic chemical use and environmental pollution. "In his thesis, he made the study on the concept of slow fashion to see if this could be the answer for a sustainable fashion industry.

Nowadays, there is no direct explanation of what the concept of slow fashion is or how a slow fashion company runs its business. This study objective was to research and study on what the concept for slow fashion entails, for sustainable fashion

*Objectives*

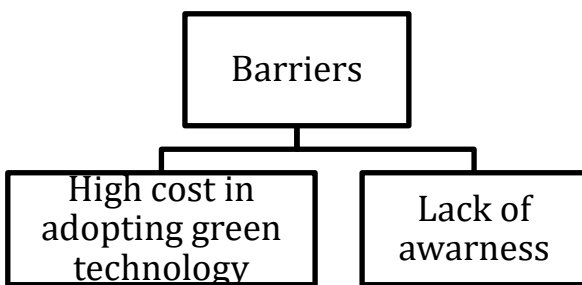
- To understand and explore ethical practices used in the fashion industry.
- To know the relation between Sustainable and Ethical practices.
- To understand the impact of ethical practices along with sustainability in the fashion industry.
- To identify the challenges faced by businesses in implementing these practices.

III. METHODOLOGY

The study used descriptive methodology. The study focuses on secondary data analysis. Data has been collected from various sources such as Online resources and reports, Journals and Articles.

The collected data has been compared, analysed, and evaluated to understand the relation between sustainability and ethical practices. Through this, it helps explore the impact of consumer buying behaviour on how they are giving attention towards ethical practices and sustainability.

*Challenges in Implementation*



The implementation of Sustainable development and Ethical Business practices presents many challenges in the fashion industry (As shown in the fig.). One of the major barriers is the high cost of adopting green technology or sustainable developments. They have to manufacture their products or garments in small or medium batches to be aware of their sustainable products. The second major barrier is the lack of awareness and understanding of sustainability towards the industry. The dominance of the fast fashion business model conflicts with sustainability.

They have to face problems regarding their manufacturing of garments and transfer the awareness of consumers about sustainability. They have to take a big step in their manufacturing sector or apparel section for ethical and sustainable development. In the fast fashion business, consumers want rapid changes in their wardrobe, which is affordable to buy and rapid production also according to trends. This model can lead to overproduction or overconsumption, which can result in waste and pollute the environment.

Technological limitation is also a bigger challenges to restrict the adaptation of sustainable practices because of advanced technologies they required eco friendly productions are often expensive and not accessible for smaller businesses. In mass business they cannot produce large amount of garments or products because they do not have advanced technologies that can be affordable also.

*Example:- (a.)* Brands like Nike and Adidas have faced criticism in the past regarding labor practices in their supply chains. Managing multiple suppliers across different countries makes it challenging to ensure fair wages, safe working conditions, and ethical sourcing at every stage of production.

*(b.)* One major challenge is balancing sustainability with large-scale production, as seen in brands like H&M and Zara. Both companies have introduced sustainable collections and recycling programs; however, their core business model is still based on fast fashion, which encourages mass production and overconsumption. This creates a contradiction between sustainability goals and business practices, making it difficult to achieve real impact.

*Ethical Business Practices in Fashion*



**Figure 1: Global Estimate of child labour and forced labour**

In fashion, the companies can focus on the workers' work without any discrimination. This includes fair wages, health-related precautions, safe working conditions and costumes according to their work. Ethical sourcing of raw materials is also essential to ensure that it does not harm the environment and the ecosystem of the fashion industry. The elimination of child labour and forced labour in their factories.

By adopting these ethical practices, brands can build a strong relationship with consumers and create a positive impact in their buying decisions. Honest marketing can build trust between the consumer and the manufacturer. Transparency in the manufacturing process has become a critical aspect of ethical fashion. They can help the workers in their personal lives, also, so they can work with their hearts and give respect to their owners.

Ethical business practices in fashion is ensuring fair labour conditions. This includes safe working environments, working hours and wages should be paid according to their garment manufactures. Many brands also started focusing on transparency and accountability in their production process.

The use of sustainable and eco-friendly material can save the environments from harm and many brands are using organic cotton, recycled fabrics and biodegradable materials to reduce the environment impact. In contract to fast fashion, the concept of slow fashion promotes the durability, quality and responsible consumptions also.

Consumers are more aware and want to know where and how their clothes or garments are made. Ethical brand provides the information to the consumer about the sourcing of materials, production methods and labour conditions to give transparency between the manufacturer and consumers also.

Ethical fashion also emphasizes the reducing environmental impact through responsible production processes.

This includes less water usage, reduce carbon emissions and managing water effectively. Many companies can adopt this method in their brands like recycling programs and circular fashion models, where the products can be reused and recycle instead of discarded.

Consumer behaviour also play an important role in ethical business practices. In which consumer can increase their awareness in sustainability and ethical practices. This create a gap between ethical intentions and actual purchasing decisions.

*Examples:-* (a.) Fabindia stands out for supporting rural artisans and traditional craftsmanship. The brand works directly with local communities, ensuring fair wages and preserving cultural heritage. This approach not only promotes ethical business but also supports social development.

(b.) Everlane, which is known for its “radical transparency” approach. The company openly shares information about its factories, production costs, and pricing. This builds consumer trust and ensures accountability in its operations.

(c.) Stella McCartney has set high standards by promoting cruelty-free fashion. The brand does not use leather, fur, or animal-based materials and invests in innovative alternatives. It also ensures responsible sourcing and works towards reducing environmental impact, combining ethics with sustainability.

(d.) Eileen Fisher is another example of ethical practices, particularly in promoting fair labor and circular fashion. The brand runs programs where customers can return old garments, which are then reused or recycled. It also ensures that workers are treated fairly throughout its supply chain.



**Figure 2: Ethical business practices in fashion**

*Sustainable Practices in Fashion*



**Figure 3: Sustainable practices in fashion**

Sustainable practices in the fashion industry focus on reducing environmental impact while promoting production & consumption. One of the key practices is the use of recycled materials such as organic cottons, recycled polyester and biodegradable fabrics. The fashion industry generates a large amount of textile waste. The brands that address the issue are adopting recycling and upcycling techniques, where consumers can exchange their garments and that old garments can be transformed into new products. Many brands are promoting second-hand fashion to reduce overconsumption.

Sustainable packaging and transportation play a crucial role in reducing environmental impact. Brands can use biodegradable materials in packaging their products, which reduces carbon emissions. With the increasing awareness of sustainability, climate change and consumers are adopting eco-friendly approaches to protect the environment.

Water and energy conservation is also a major focus area. The fashion industry is known for highly water consumptions, especially in dyeing and finishing process. Sustainable practices include water efficient technologies, recycling water and switch to renewable resources such as wind power, solar energy which reduce the water consumption. The concept of slow fashion promotes durability, quality over quantity. Instead of production of long lasting, timeless clothing. This method encourages the reduce waste and discourage overconsumptions.

Sustainable packaging also involves eco-friendly printing and labelling practices. Brands are shifting towards water based inks instead of chemical based inks for prints, which is harmful for environments. Tags and labels are also made up of organic materials and recycled paper to reduce waste.

The concept of reusable packaging is also gaining popularity in which customers can reuse the packaging for returns or storage. For example:- durable packaging boxes, bags and paper by which products are packed can be used multiple times, reducing the need for single use materials.

The concept of reducing packaging waste through minimalism. Brands are also paying attentions which encourages customers to reuse the packaging in return and storage. This includes eliminating unnecessary layers of wrapping, using lightweight materials, and optimizing packaging sizes to reduce transportation charges. Minimal packaging not only impact environment but also reduces the cost in long term uses.

The famous Brands which are involved for the ethical product designed, production and marketing are - Fat Face, Minna, Mirabelle, Monsoon, New Balance, Osborn Shoes, Pachacuti, People Tree, Polly Wales, Sea salt, Stella McCartney, H&M, Patagonia, Made, Edun, Beaumont Organic, ASOS Africa, Beyond Skin, Matt & Nut, Chinti & Parker, Huit Minha makes wedding dresses which describes it as „Eco Luxe“ Brand. The veils and the bride made dresses are made from sustainable, organic and locally produced textile, by which one can dress whole, the party without feeling at fault.

*Example:- (a.)* H&M has introduced several sustainability initiatives despite being a fast fashion brand. It launched a “Conscious Collection” using sustainable materials like organic cotton and recycled fabrics. The brand also runs a garment collection program, where customers can return old clothes for recycling. However, it is often criticized for greenwashing, showing the importance of genuine implementation.

*(b.)* Levi’s focuses on reducing water consumption through its Water<Less technology, which significantly lowers water usage during denim production. The company also promotes recycling and encourages customers to buy durable products that last longer, supporting the concept of slow fashion.

*(c.)* Patagonia is one of the leading brands in sustainable fashion. It focuses on using recycled materials such as recycled polyester and organic cotton in its products. The company also encourages customers to repair and reuse clothing through its “Worn Wear” program. Patagonia is committed to environmental activism and donates a portion of its profits to environmental causes. Its transparent supply chain and fair labor practices make it a strong example of ethical business.

*(d.)* Fabindia supports traditional artisans and local communities by promoting handwoven and handcrafted products.



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It uses natural fabrics and dyes, contributing to environmental sustainability while preserving Indian heritage. The brand also ensures fair wages and ethical working conditions.

#### IV. DISCUSSION

The findings of this study highlight that ethical business practices and sustainable development are increasingly getting integral to the contemporary fashion industry. The analysis of secondary data indicates a strong connection between sustainability and ethical practices, where both generalities serve as reciprocal pillars rather than independent strategies. Ethical practices similar as fair stipend, safe working conditions, and transparency in force chains directly support sustainable development pretensions by icing social equity alongside environmental protection.

The study further reveals that consumer mindfulness plays a significant part in driving this shift. With the rise in environmentally conscious consumers, there's a conspicuous transition in coping faster towards sustainable and immorally produced fashion. Consumers are not only assessing products grounded on aesthetics and price but also considering factors similar as sourcing, product processes, and brand values. This shift is particularly apparent among youngish demographics, who are more informed and socially responsible in their consumption patterns.

Still, despite this growing mindfulness, several challenges hamper the wide relinquishment of ethical and sustainable practices. High product costs remain a major hedge, especially for small and medium-sized enterprises. Sustainable accoutrements, ethical labour practices, and Eco-friendly technologies frequently bear advanced investment, which eventually affects product pricing. This creates a gap between consumer intention and factual purchase faster, as numerous consumers are unintentional or unfit to pay decoration prices.

Another critical issue linked is the frequency of deceiving information and greenwashing practices. Some businesses falsely claim sustainability to attract consumers, which undermines trust and creates confusion in the request. also, labour exploitation continues to persist in certain parts of the fashion industry, particularly within fast fashion force chains, pressing the gap between ethical claims and factual practices.

The study also emphasizes the differing places of fast fashion and luxury fashion. Fast fashion significantly contributes to environmental degradation through mass production, inordinate waste, and resource depletion. In discrepancy, luxury fashion brands, due to their focus on quality, artifice, and exclusivity, have lesser implicit to adopt sustainable practices.

Numerous luxury brands are gradually integrating responsible sourcing, artisanal products, and indirect frugality models into their business strategies, aligning themselves with Sustainable Development Goals (SDGs).

Overall, the discussion underscores that while the assiduity is progressing toward sustainability and ethical responsibility, the transition is complex and requires cooperative efforts from businesses, consumers, and nonsupervisory bodies.

#### V. CONCLUSION

This study concludes that sustainable development and ethical business practices are essential for achieving long-term growth, environmental protection, and social responsibility in the fashion industry. The exploration establishes a clear relationship between ethical practices and consumer trust, demonstrating that businesses that prioritize transparency, fairness, and sustainability are more likely to make strong and continuing connections with consumers.

The findings suggest that while consumer mindfulness is adding and impacting request trends, significant challenges such as high costs, greenwashing, and labour issues continue to limit the full perpetuation of sustainable practices. Thus, businesses must borrow further authentic and responsible approaches to sustainability rather than treating it as a marketing strategy.

Likewise, the study highlights that both fast fashion and luxury fashion sectors have distinct places to play. While fast fashion needs critical reform to reduce its environmental impact, luxury fashion holds the implicit to lead by illustration through invention, responsible sourcing, and sustainable artifice.

In conclusion, the integration of sustainability and ethical practices is no longer voluntary but a necessity for the future of the fashion industry. For meaningful progress, it's pivotal for businesses to borrow holistic strategies, for consumers to make informed choices, and for policymakers to apply stricter regulations. This collaborative trouble will contribute to a more sustainable, ethical, and responsible global fashion ecosystem.

The term "Sustainability" is not merely for the consideration for fashion but also its continuation and further development of the new concept amongst all the people for the sustainability of the environment to check global warming, ecological balance, reduce natural calamities, conservation of vegetation, conservation of wildlife, etc. Most of the world famous brands have discussed here are famous for the sustainability of fashion by its environmental and ecological conservation policy.

Fashion concern consumers are searching sweat free labour, energy efficient process in the fashion in a sustainable, ethical ground whereas, all the brands are very much conscious for the same in the western world. For the recycle of fashion items, using less water and land, less emission of toxic materials to the environment, minimum use of gases that produce green house gases are policy of the sustainability in the fashion arena. On the other hand, for ethical aspect, fashion brands are very much conscious about the compliance issues of the labour law, against child labour and for the congenial environment of work for the workers.

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