



Sustainability Reporting in the Fast Fashion Industry

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Bachelor of Business Administration

Bachelor's thesis

2025

Abstract

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Degree Bachelor of Business Administration
Report/Thesis Title Sustainability Reporting in the Fast Fashion Industry
Number of pages and appendix pages 52 + 4
<p>Fast fashion has been related with various environmental and social impacts and issues, which continue to exist and worsen if companies do not take concrete actions to make changes. To track and evaluate the impacts, companies prepare sustainability reports. As fashion sustainability reports have not been strictly mandated, companies' approaches to reporting may have varied significantly, limiting the comparability of reporting.</p> <p>The primary objective of this thesis is to analyse and compare the sustainability reporting approaches of ASOS, Zalando and SHEIN, with a particular focus on comparability and transparency, scoping the years 2021 to 2023. The research aims to examine how the companies' stand-alone sustainability reports compare in the use of sustainability reporting standards, frameworks and transparency initiatives, and the role of third-party audits in authenticating these disclosures. Furthermore, the research aims to provide new insights and recommendations into sustainability reporting practices in the fast fashion industry.</p> <p>The research has been conducted following a theory-driven comparative content analysis. Additionally, a group expert interview has been conducted to provide insights into sustainability reporting, which have then been utilized in the theoretical framework as one of the references. Based on existing theory considering sustainability reporting, four key themes to assess and compare were selected: structure and format, alignment with reporting frameworks, use of transparency initiatives and independent assurance of sustainability reports. Seven stand-alone sustainability reports in total from ASOS, Zalando and SHEIN were assessed and compared in relation to the themes.</p> <p>The findings reveal notable similarities and differences in the companies' sustainability reporting approaches. In general, the stand-alone sustainability reports of ASOS, Zalando and SHEIN scoping the years 2021 to 2023, are comparable to a moderate extent, showcase varying level of transparency and have been partially independently assured on a limited level. In the future, standardizing the reporting and assurance practices is the key to improving the comparability, transparency, and validity of sustainability reporting.</p>
Key words sustainability reporting, comparability, transparency, assurance, the global fast fashion industry

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1 Introduction

Fast fashion was created in the late 1990's, when shopping increased and spending money on trendy, affordable pieces of clothing produced at fast rates became popular (Hayes June 2024a). Since then, the industry has grown exponentially and keeps on growing. (McKinsey & Company 23 January 2025). The industry comes with various ESG (Environment, Social and Government) related issues, which continue to exist and worsen if companies do not take concrete actions to make changes. Fortunately, consumers and other stakeholders are nowadays more educated and interested in sustainability and ESG matters. (Govind, Singh, Garg & D'Silva 2019). As a result, most fashion companies have rethought their operations and strategies to incorporate more sustainability into their practices (Kumar, Prakash & Kumar 2021), and have started publishing voluntary sustainability reports.

Sustainability reporting is a way for companies to track and evaluate their environmental and social impacts and offering stakeholders confidence that sustainability issues are being properly addressed (Mio, Agostini & Scarpa 2024, 2-8). The focus is on reporting about companies' sustainability disclosures, impacts and matters deemed material by the company. (Dumay, Guthrie & Farneti 2010, 533-534.) Materiality, connecting disclosed information and financial data, and transparency are essential for effective sustainability reporting (Deloitte 2022). Sustainability reports can be published separately, as stand-alone reports, or integrated in annual reports. Companies utilize various sustainability reporting frameworks and transparency initiatives in their reporting, but due to differing regulations and standards, sustainability reports may lack comparability and validity (Deloitte 2022; Muurinen & Valkia 2 April 2025). To enhance the validity of reports, companies may undergo sustainability audit (Wahhab 2021).

1.1 Aim and Context

The topic of this thesis is to conduct a theory-driven comparative content analysis of ASOS, Zalando and SHEIN, three major fast fashion companies in the world, focusing on their sustainability reporting from 2021 to 2023. The topic was further refined to analyze and compare the transparency, comparability and external assurance of their stand-alone sustainability reports.

The topic is timely and relevant due to the growing emphasis on sustainability and changes in sustainability reporting. Incorporating sustainable practices in fashion business, especially in the world of "fast fashion", is something relatively new (Balchandani et al. 2024). Understanding how leading fast fashion companies, like ASOS, Zalando and SHEIN, take sustainability into account in their operations and report about it, is important to various stakeholder groups, such as investors, analysts, corporate policy creators. In addition, many consumers today view sustainability as an

important value, and gaining insights into the sustainability practices of these companies can be valuable (Govind, Singh, Garg & D'Silva 2019).

In a broader context, the topic falls under sustainability reporting, corporate transparency, the global fast fashion industry, and assurance. The thesis provides insights into how major companies in the fashion industry disclose their sustainability efforts, making it highly relevant to also the finance sector, as investors are amongst the main users of sustainability reports. The research can be beneficial for not only the companies' various stakeholder groups, but also policy makers and auditors.

The motivation to conduct a comparative analysis of ASOS, Zalando and SHEIN stems from the interest towards the topic itself, and the importance of gaining and providing new insights into sustainability reporting in the fast fashion industry. The researcher's personal interests in both fashion and sustainability led to exploring how fast fashion retailers consider sustainability in their operations and report about it. Combining that with the researcher's professional interests in (sustainability) audit and assurance, resulted in the topic of this thesis.

1.2 Research Problem

The primary objective of this thesis is to analyse and compare the sustainability reporting approaches of ASOS, Zalando and SHEIN, with a particular focus on comparability and transparency. The research aims to examine how the companies' stand-alone sustainability reports compare in terms of use of sustainability reporting standards, frameworks, transparency initiatives and the role of third-party audits in authenticating these disclosures. Furthermore, the research aims to provide new insights and recommendations for sustainability reporting practices in the fast fashion industry.

The main research question of the study is: To what extent are the stand-alone sustainability reports of ASOS, Zalando, and SHEIN from 2021 to 2023 comparable, transparent, and independently verified?

To help find an answer to main the research question, the following sub-questions, also presented below in the overlay matrix (Table 1), will be answered:

- How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN differ across regions?
- Which major global sustainability frameworks-such as GRI, SASB, TCFD, CDSB, and the SDGs - do ASOS, Zalando and SHEIN follow in their stand-alone sustainability reporting?
- How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN compare in terms of use of transparency initiatives and disclosure of key sustainability metrics?

- What role do third-party indexes and disclosure of key sustainability indicators play in enhancing the transparency of stand-alone sustainability reporting?
- Are the sustainability claims made by ASOS, Zalando, and SHEIN in their stand-alone sustainability reports independently verified?

Table 1. Overlay matrix

Research questions	Theoretical framework	Results
How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN differ across regions?	3.1, 3.2	5.1-5.4
Which major global sustainability frameworks-such as GRI, SASB, TCFD, CDSB, and the SDGs - do ASOS, Zalando and SHEIN follow in their stand-alone sustainability reporting?	3.2, 3.3	5.2, 5.4
How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN compare in terms of use of transparency initiatives and disclosure of key sustainability metrics?	3.4	5.3, 5.4
What role do third-party indexes and disclosure of key sustainability indicators play in enhancing the transparency of stand-alone sustainability reporting?	3.4	5.3, 5.4
Are the sustainability claims made by ASOS, Zalando, and SHEIN in their stand-alone sustainability reports independently verified?	3.5	5.3, 5.4

1.3 Methodology Overview

The study has been conducted between December 2024 and April 2025. Publicly available data has been collected from online sources, with the main materials being sustainability reports and peer-reviewed research articles. Seven stand-alone sustainability reports in total from three fast fashion companies have been analysed and compared in order to address the research objectives. Peer-reviewed research articles, together with other relevant literature, have provided the basis for

the theoretical framework. In addition, a group expert interview has been conducted to gain insights into sustainability reporting practices and to support the theoretical framework.

The data has been analyzed by conducting a theory-driven comparative content analysis. In theory-driven qualitative content analysis, the focus is on identifying and interpreting recurring themes, topics, and patterns that emerge across reports (Vuori 2021). Based on existing theoretical framework, considering sustainability reporting, four key themes to assess have been selected to be addressed in the research. The selected themes include structure and format of reports, alignment with reporting frameworks, use of transparency initiatives and independent assurance of the reports. Due to the themes being broad, the scope of the analysis has been narrowed to focus on specific topics within each theme. The stand-alone sustainability reports of ASOS, Zalando and SHEIN from 2021 to 2023 have been systemically analyzed and compared, and the findings interpreted in relation to the research objectives and existing theory.

2 Sustainability in the Fast Fashion Industry

To provide an essential understanding into sustainability in the fast fashion industry, this section will explore the concepts of fast fashion and its associated sustainability impacts. Sustainability reporting, including its frameworks and practices, will be covered in chapter 3.

Fast fashion refers to a business model characterized by the rapid production and distribution of inexpensive, trendy clothing (Hayes June 2024a). Fast fashion business values speed and affordability over other factors and allows brands to deliver new collections to consumers at a fraction of the traditional cost and time (Bick, Halsey & Ekenga 2018). Altogether, the fast fashion industry has grown to be worth over 1,7 trillion dollars (McKinsey & Company 23 January 2025). Statista Market Insights (2025) estimate that the size of fashion industry is a bit more moderate, reaching 890 billion dollars in 2025, but nevertheless, the industry is still gigantic.

Niinimäki et al. (2020) add another dimension to fast fashion by introducing consumers into the mix. According to them, fast fashion depends on consumers basing their decision to buy clothes on impulse. In today's world, especially through social media, certain fashion styles can start trending overnight. For example, when Harry Styles, one of the most popular artists on the 2010's, started wearing Adidas' Gazelles as his gig shoes for his concert tour "Love on Tour" in 2022. Soon the shoes started trending within the fanbase and were even nicknamed "satellite stompers" amongst fans (Adidas AU s.a.) The popularity of the shoes spread fast, and during 2023-2024, they were the shoes everybody wanted to have (Maldonado May 2023; Rodgers June 2024).

The trend led to fast fashion brands, such as Pull & Bear and Stradivarius, following suit and publishing similar sneakers, sold at a fraction of the cost of Adidas shoes. This is a good example of a fast reaction rate to trends, which is typical in fast fashion (Williams 2022). Mass production at a fast rate not only requires a lot of resources but causes harm to the environment in many ways, along with profound social and economic challenges (Dzengizh, Haukkala & Sahimaa 2023, 3).

2.1 Environmental and Social Impacts of Fast Fashion

The fast fashion industry is contributing to many environmental harms, such as waste, high carbon emissions and water pollution (European Environment Agency February 2022; Centobelli, Abbate, Nadeem & Garza-Reyes 2022). The industry is dependent on cheap manufacturing, including cheap materials and poor quality of end products, leading to short usage time of said clothing. The average time of use of a fast fashion garment is only three to five years, after which the garment is typically discarded. (Bick, Halsey & Ekenga 2018.)

The discarded garments are considered fashion waste. Waste is divided into three categories in the fashion industry: pre-consumer waste, deadstock and post-production waste. Pre-consumer waste includes materials discarded before the garment reaches a customer, and deadstock. (Niinimäki et. al 2020.) Deadstock refers to new, never worn pieces of clothing, that are discarded as waste. It's a result of the rapid production rates of fast fashion, and overstocking (Sugiono & Al-imbudiono 2020, 1-2.) When trends are constantly changing and consumer demand shifting as a result, companies are left with huge amounts of clothes sitting in warehouses unsold. Some of the stocks are then sold with discounted prices, but it's estimated that a third is not sold at all and ends up being discarded as waste. (Long& Nasiry 2022; Niinimäki et. al 2020.)

Post-production waste includes the pieces of clothing consumers throw away or discard. Together with deadstock, it's estimated that over 60 % of garments are discarded within three years of production (Magnin & Hedrich 25 July 2019). Unfortunately, a significant amount of those ends up being shipped to developing countries, where it ends up in landfills or incinerators. (Fang 2023, 168) Based on an estimate made in 2017 and 2020, less than 1 % of garments worldwide are recycled into new garments (European Parliament 29 December 2020; European Environment Agency February 2022).

When it comes to greenhouse gas emissions, incinerators produce a low amount in comparison to gases emitted during the manufacturing of garments. In general, textiles generate the most carbon emissions per unit of material. The material sourcing and fibre extraction utilize fossil fuels, leading to great amount of greenhouse gases being emitted. Textile manufacturing also demands high levels of energy, starting from textile production and continuing throughout the supply chain through shipping and distribution. (Centobelli, Abbate, Nadeem & Garza-Reyes 2022.) Unfortunately, 63 % of fast fashion companies seem to be behind their sustainability targets when it comes to GHG emissions (Balchandani et al. 2024).

In addition to high energy consumption, fast fashion production requires a ton of resources, such as water. At the same time, almost 20 % of global water pollution is estimated to be caused by the textile industry. (European Parliament 29 December 2020.) Microplastic fibres and textile dyes are released to water in minor amounts during each wash, contributing to water pollution significantly over time (Dzengizh, Haukkala & Sahimaa 2023, 3-4).

The harms of fast fashion aren't only environmental. The industry is associated with major social risks, such as unfair labour practices, child labour scandals and health risks. (Williams 2022.) Fast fashion falls under the textile industry, which employs over 300 million people globally throughout the value chain (Magnin & Hedrich 25 July 2019). As fast fashion companies are prioritizing money and profit over quality, production costs have been cut as much as possible. Therefore, major

amount of fast fashion production takes place in developing countries in Asia and South America, where labour costs are significantly lower in comparison to the western world. (Dzengizh, Haukkala & Sahimaa 2023, 3; Nguyen, Le, Ho, & Nguyen 2021.)

Garments are often produced in sweatshops, where hundreds or thousands of employees work in factories in poor working conditions (Williams 2022). Williams gives an example of the Rana Plaza incident in 2013, when a factory collapsed in Bangladesh and led to over 1100 garment workers' death. The incident was a result of safety violations, both in construction and going over the capacity of what the building could withstand (Barua & Ansary 2017). In addition to other safety hazards, the fibres and chemicals used to produce textiles, are big health risks to employees working in close contact with them without proper safety equipment in poorly ventilated spaces (Jestratijevic, Rudd & Uanhoru, 2020).

The cut in costs has also led to manufacturers pressuring employees to work faster, crafting more garments in lesser time. The faster pace doesn't show in salary or shorter workdays, as workers are still severely underpaid and required to work long hours. (Mukherjee 2015.) Fashion Revolution claimed in 2023, that 99 % of the 250 biggest fashion brands in the world, don't disclose the number of workers across their supply chains who get paid a living wage.

This doesn't apply only to adults, as child labour is still a major issue in the textile industry. In 2024, 82 countries were found to be violating international standards and utilizing children or forced labour. Out of those, the garment industry was found to be involved in 18 countries. (Bureau of International Labor Affairs 2024.) For example, in 2016 a Swedish fast fashion company, H&M Group, was reported to have used factories in Myanmar, where at least two 14-year-old children had to work over 12 hours per day, 6 days a week. H&M confirmed the claim. (Chamberlain February 2017.)

In addition to children, women and migrants are utilized as cheap labour work and even forced to work long hours under the threat of abuse, sexual assault and payment cuts (Fang 2023, 168-169). Based on research conducted by Allwood, Laursen, Rodriguez and Bocken, eliminating both child and forced labour from fast fashion is extremely difficult due to complex supply chains, indirect work and limited resources to monitor factories and subcontractors (Mukherjee 2015).

2.2 Growing role of Sustainability in Fast Fashion

Sustainability means maintaining and enduring into the long-term, in a state where things can keep going (Laine, Tregidga & Unerman 2022, 12-13). In fast fashion, sustainable practices need to be developed and applied further in practice (Fashion Revolution 2024).

A shift towards more sustainable choices in consumer behaviour has happened within the last decade. A significant group of young consumers consider sustainability when making a purchasing decision while purchasing a product or obtaining services. Consumers are buying less clothing and favour second-hand stores instead of buying new garments. (Govind, Singh, Garg & D'Silva 2019.) However, the industry continues to grow, indicating that many consumers still purchase fast fashion (Balchandani et al. 2024).

In addition to traditional flea markets and vintage stores, apps like Vinted, Tise and Sellpy are popular in the Nordics (A sustainable closet s.a.). The apps act as platforms for selling and buying second-hand garments, but the apps alone aren't the solution to sustainable fashion. Buying second-hand is often better and more sustainable, but even second-hand fashion can be overconsumed. Furthermore, fast fashion garments can often be rejected by the platforms due to poor quality and low pricing, leading to the garments having to be discarded or possibly recycled elsewhere (Hayes June 2024a).

When it comes to purchasing decisions, affordability is one of the main factors contributing to the decision (Gajjar 2013, 1-2). Fast fashions low price point is partially explained by cheap, poor-quality materials and cheap labour, resulting in significantly lower manufacturing costs in comparison to garments manufactured from more sustainable materials and not in masses. As a result, the sustainable options can be significantly more costly, and studies show that unfortunately consumers are still less likely than hoped to pay extra for that. (McKinsey & Company 23 January 2025). Having said that, attitudes and beliefs also affect consumer behaviour (Jisana 2014, 36). To tackle the dilemma of cost vs. sustainability, fast fashion companies have come up with certain solutions to attract both consumers looking for lower prices and people searching for more sustainable options (Cernansky March 2020). Companies such as H&M and ASOS, have added "eco-friendly" lines along their normal collections to appeal more sustainable (ASOS s.a. a; H&M Group February 2011).

Governments, associations and unions have also started to pay more attention to sustainability, especially in relation to ESG (Environmental, Social, Governance) and CSR (Corporate Social Responsibility). To ensure that companies are making better choices and paying attention to sustainability related issues, various policies, laws and regulations have been implemented and are

constantly updated. The policies and regulations can vary globally and from industry to industry, but the aim of them is to ensure that companies comply according to established rules and standards and operate ethically. (Bromley 2007.) The demand towards more sustainable practices from authorities puts pressure on companies and drives them to make changes in their operations. For example, EU published a directive called CSRD in December 2022 concerning sustainability reporting, making sustainability reporting mandatory for certain companies, and over-ruling the previous Non-Financial Reporting Directive NFRD. (Muurinen & Valkia 2 April 2025; Directorate-General for Financial Stability, Financial Services and Capital Markets Union s.a.)

The Paris Agreement, agreed on in 2015 and effective since 2016, is a legally binding agreement, agreed between the 196 member parties of the United Nations. The aim of the agreement is to slow down global warming, by limiting the global warming to 1.5°C by 2100. To reach that goal, greenhouse gas emissions should decline by 43 % before year 2030. (UNFCCC s.a.) The agreement has led to industries and therefore companies committing to common goals of reducing greenhouse gas emissions, leading to more sustainable practices in the fast fashion industry as well (United Nations Climate Change March 2023).

In conclusion, there has been a shift toward sustainability in consumer behaviour and corporate practices within the fast fashion industry (Govind, Singh, Garg & D'Silva 2019). Brands are responding to the rising demand with eco-friendly collections, but pressure from regulatory bodies like the EU's CSRD and global initiatives like the Paris Agreement continue to drive companies to make further changes (ASOS s.a. a; H&M Group February 2011; Muurinen & Valkia 2 April 2025; Directorate-General for Financial Stability, Financial Services and Capital Markets Union s.a.; UNFCCC s.a). As the industry changes, effective and transparent sustainability reporting and practices will be crucial to ensure long-term impacts.

3 Sustainability reporting

Sustainability accounting and reporting serve as crucial instruments for companies to track and evaluate their environmental and social impacts, offering stakeholders confidence that sustainability issues are being properly addressed (Mio, Agostini & Scarpa 2024, 2-8). The demand for sustainability reporting began in the investment world in the late 1990s to early 2000s, when investors and banks started to be interested in sustainable companies, and wanted insights into how the companies manage sustainability related matters (Muurinen & Valkia 2 April 2025). Over the years, the demand for transparency in sustainability matters has extended to various other stakeholder groups.

Newer organizational theories support the idea of sustainable corporate social responsibility, where companies are seen as part of a bigger picture, their actions affecting not just profits, but also people and the planet. This broader view includes ESG factors, which are now key elements in how companies report their non-financial and sustainability efforts. This shift, along with growing stakeholder interest, has led to companies rethinking their strategies and making their sustainability reports public, whereas previously the information was disclosed in private to investors. (Primec & Belak 2022.) Publishing stand-alone sustainability reports is still voluntary to a large extent; however, new directives, laws and regulations, such as CSRD, are pushing companies towards mandatory reporting, depending on the geographical location of operations, the industry, and company size amongst other factors. (Muurinen & Valkia 2 April 2025).

3.1 Overview of Sustainability Reporting

The earliest versions of sustainability reports can be stated back to the 1990s (Muurinen & Valkia 2 April 2025.) Sustainability reporting, also known as CSR (Corporate Social Responsibility) reporting and ESG (Environment, Social, Governance) reporting, is for most parts considered non-financial reporting, as it means “the disclosure of non-financial aspects of a company’s performance that are not captured within the mainstream of financial reporting to their stakeholders” (Afolabi, Ram & Rimmel 2022). The focus is on reporting about companies’ sustainability disclosures, impacts and matters deemed material by the company. (Dumay, Guthrie & Farneti 2010, 533-534.)

The most significant difference between sustainability reporting and financial reporting is different time-based perspectives; while financial reporting is primarily focused on a company’s past and present performance, sustainability reporting is more focused in the future, on risk-mitigation and enduring long-term sustainability. (Muurinen & Valkia 2 April 2025.) Materiality, connecting disclosed information and financial data, and transparency are essential for effective sustainability reporting (Deloitte 2022).

Herzig and Schaltegger found in their research that the aim of disclosing sustainability information is related to brand and reputation, competition, transparency, legal reasons and corporate information (Hahn & Kühnen 2013). The importance of disclosing sustainability information has been slowly understood by companies over the years, resulting in a growing number of sustainability reports being published each year (Muurinen & Valkia 2 April 2025).

Hahn and Kühnen (2013) state in their research that publishing sustainability reports is voluntary for most companies. In 2025, larger companies and corporations may be required to disclose certain figures, depending on industry, company size and geographical location, especially in Europe, after CSRD. (Directorate-General for Financial Stability, Financial Services and Capital Markets Union s.a.) In addition to publishing stand-alone sustainability reports, over 80 percent of the largest 250 companies also report on sustainability as a part of their annual reports, following the practice of integrated reporting (KPMG International s.a. a).

Companies can determine which topics related to sustainability matters are most important, material topics to disclose in the reports, considering how significant financial or strategic impacts and risks the topic has or could have on the company. Companies are now encouraged to follow double-materiality principles; instead of focusing on only financial risks and impacts, they should also consider impacts on economy, society and environment. (Baumüller & Sopp November 2021.) Companies typically select 20-30 material topics to include in the reports based on their processes and expertise (Muurinen & Valkia 2 April 2025). To ensure the accountability and authenticity of claims made in sustainability reports, companies may undergo audit- a process that will be discussed in chapter 3.5. (KPMG International s.a. b, 41-44).

3.2 Influencing Factors and Challenges of Sustainability Reporting in Fast Fashion

The fast fashion industry is one of the largest contributors to the acceleration of climate change. In addition to its significant environmental impacts, it is often associated with various social issues, such as child labour and unsafe working environment, as discussed earlier in chapter 2. The challenges have led to stakeholders, such as investors, consumers and regulatory bodies, being cautious with companies operating in the fast fashion business and demanding more transparency and accountability in ESG related matters (Brun, Karaosman & Barresi 2020). In addition to stakeholder pressure, companies have to consider various other factors when preparing the reports.

Different stakeholder groups, most importantly investors and customers, influence what companies include in their reports. Alongside companies' and experts' opinions on which topics are material, companies consider feedback from consumers, investors and other stakeholders very important when deciding what to report and what not. Companies collect feedback through various channels,

typically including a stakeholder survey as one channel. (Muurinen & Valkia 2 April 2025.) For instance, a luxury fashion brand Chloé, utilized interviews, social media and stakeholder surveys in its materiality assessment in 2023 (Chloé 2023).

In addition to investors and consumers, governance bodies and policymakers act as key stakeholders to businesses in influencing sustainability reporting. Functional governance structures are crucial for progress in sustainability initiatives. (Passas 2024.) Regulations, directives, and laws have a significant impact on sustainability reporting practices, especially in the fast fashion industry. The geographical location of operations plays a critical role on which regulations to follow, as companies operate across regions with varying regulatory environments. (Afolabi, Ram & Rimmel 2022.) For instance, companies based in the EU must follow directives such as the EU strategy for sustainable and circular textiles or NFRD, while companies operating in Asia are required to comply with a different set of regulations (Directorate-General for Environment 2022; Directive on Non-Financial and Diversity Information by Certain Large Undertakings and Groups 2014/95/EU). Additionally, global initiatives such as the Paris Agreement (2030 targets) place increasing pressure on companies to align their strategies with long-term climate goals, shaping the expectations for transparent and consistent sustainability disclosures, as mentioned previously in chapter 2.2.

Muurinen and Valkia (2 April 2025) mention that there are approximately 750 to 850 different sustainability reporting frameworks globally. Fashion sustainability reports are not strictly mandated, so there is no standard format companies are required to use in reporting (Wren 2022). Using different frameworks can make comparisons between sustainability reports rather challenging, when the reporting style and metrics disclosed can vary and lead to inconsistencies in the presented data. Therefore standardized, universal reporting standards could be beneficial for both companies and their stakeholder groups. (Deloitte 2022; Muurinen & Valkia 2 April 2025.)

To find a solution to this, IFRS created ISSB, an International Sustainability Standards Board, in 2022, with the intention of the board creating global sustainability reporting standards (IFRS s.a. a.; Deloitte 2022). The first version of The Issued IFRS Sustainability Disclosure Standards, commonly known as ISSB Standards, was published in 2023, and became effective after January 2024, as long as both IFRS S1 and IFRS 2 are applied (IFRS s.a. c). They are partially based on known reporting standards, such as TCFD, CDSB and SASB Standards, which were consolidated to ISSB in 2022 and 2023 (IFRS s.a. b; CDP s.a. a; SASB s.a. a).

As an attempt to unify reporting standards within EU, the European Union invented CSRD, a directive regarding sustainability reporting, in December 2022. It became effective from fiscal year 2024 onwards, and will be implemented in waves, starting from certain company groups and expanding to other as time progresses. (Directorate-General for Financial Stability, Financial Services

and Capital Markets Union s.a.) The directive required companies to make changes to their operations, as CSRD reporting is time-consuming and resource demanding (Muurinen & Valkia 2 April 2025). However, in February 2025, European Union presented a new Omnibus package, where changes to CSRD were already proposed and the requirements to be lightened, if the proposal goes through (Secretariat-General 2025; KPMG 2025). The proposal caused confusion in sustainability experts and companies, as CSRD has only been in action for a short period of time, and the directive is already being changed (Muurinen & Valkia 2 April 2025). The proposal underlines the difficulty changing regulations and frameworks cause to companies; it brings uncertainty and complicates long-term planning.

3.3 Sustainability Reporting Frameworks

Sustainability reporting frameworks are intended to help businesses disclose sustainability related information effectively and transparently, and to create cohesivity in global reporting methods. Global reporting frameworks, such as GRI and UN's SDGs, assist companies in addressing global issues, such as climate change, in a clear and cohesive way. (Deloitte 2022.)

As mentioned earlier in chapter 3.2, there are hundreds of sustainability reporting frameworks globally. However, in this thesis, the focus will be on five frameworks. The frameworks were selected based on their current global popularity, scale and relevance in sustainability reporting in the fast fashion industry.

3.3.1 GRI

GRI (Global Reporting Initiative) Standards is the most popular sustainability reporting framework, used in over 100 countries and by over 14 000 companies in 2024 (Global Reporting Initiative s.a. a). GRI standards were developed to help companies communicate about their sustainability impacts in a globally consistent way, with increased transparency and clarity (Global Reporting Initiative 2022). GRI was founded in 1997, and the first version of GRI standards published in 2000. The standards have since been actively updated and new topics added, the latest major update having been in 2021. (De Villiers, La Torre & Molinari 2022). The standards are focused on impacts on the economy, environment, and people (Deloitte 2022).

Common reporting principles, such as accuracy, comparability, timeliness and verifiability, create the basis for GRI reporting. GRI Standards consist of three kinds of standards: universal, sectoral and topical, as seen in figure 1. The standards are meant to be used together, but companies can select to use apply only certain standards in their reports ("with reference to"), based on their needs. (Global Reporting Initiative s.a. a; Global Reporting Initiative s.a. b.) In addition, GRI

requires companies to include a GRI content index in the report. The index indicates which parts of the report have been prepared in accordance with GRI. (Global Reporting Initiative s.a. a.)

Universal standards apply to all companies and include standards from GRI 1 to GRI 3. GRI 1 is focused on explaining the standards and how to use them, GRI 2 on the company planning to report using GRI standards in its reporting and GRI 3 on the process of determining the material topics. (Global Reporting Initiative s.a. a.)

Sector standards are developed for 40 industries/ business sectors and are intended to increase the quality and consistency of reporting. Sector standards list the main characteristics and material topics of for the sector and therefore can help companies recognize and assess the material topics for their own reporting. Based on the materiality assessment, companies can then refer to topic standards. The standards focus on specific topics, explaining what the topic includes, what disclosures are related to it and how companies can manage the impacts. (Global Reporting Initiative s.a. a.)

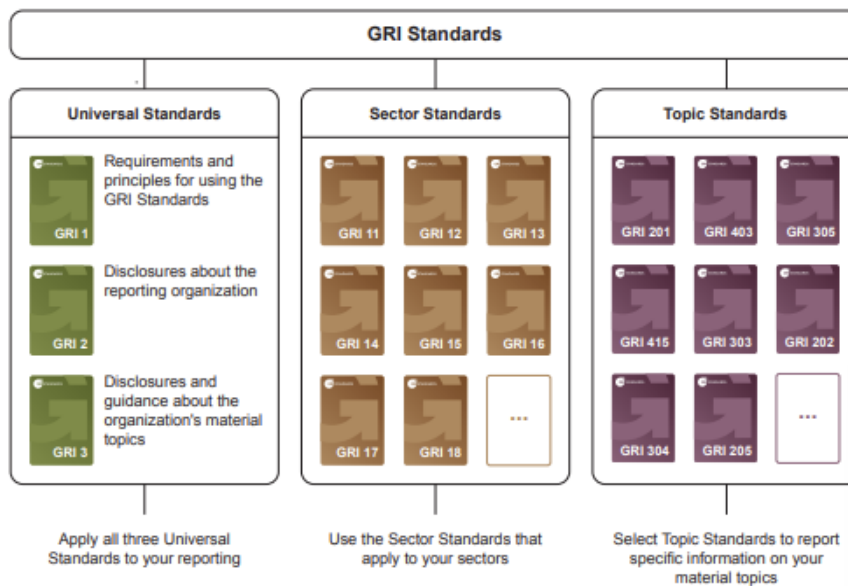


Figure 1. Types of GRI Standards (screenshot from GRI Global Reporting Initiative s.a. a)

GRI has been criticised for a few reasons. Based on Pucker's research, Abeysekera (2022) states that the framework focuses on outputs over impacts, prioritizing profit over people and planet. GRI does not require companies to have the disclosed data and information externally audited, which may impact the credibility and transparency of reports (Vigneau & Adams 2023). In addition, GRI has been criticised for poor emphasis on stakeholder-specific needs. For instance, Horner and Wilmshurst found in their research, that companies using the GRI guidelines may not fully engage

stakeholders in the reporting process, leading to a gap between reported information and stakeholder expectations. (Horner & Wilmshurst 2016, 210-217.)

3.3.2 SASB Standards

SASB standards are the leading standards used in sustainability reporting in North and South America (KPMG International s.a. a). SASB (Sustainability Accounting Standards Board) was founded in 2011, with the intention of helping companies create a universal reporting style for sustainability reporting, especially when it comes to the financial side of sustainability. SASB framework includes 77 industry-based standards and is used worldwide. (SASB s.a. a.)

The standards were created to be cost-effective way to report about material topics, which are useful in investors' decision-making processes. The standards are based on three objectives; industry-specific, market-informed and evidence-based, and include five parts: industry descriptions, disclosure topics, metrics, technical protocols, and activity metrics. (SASB 2017.) The fundamentals of the standards can be seen below in figure 2.

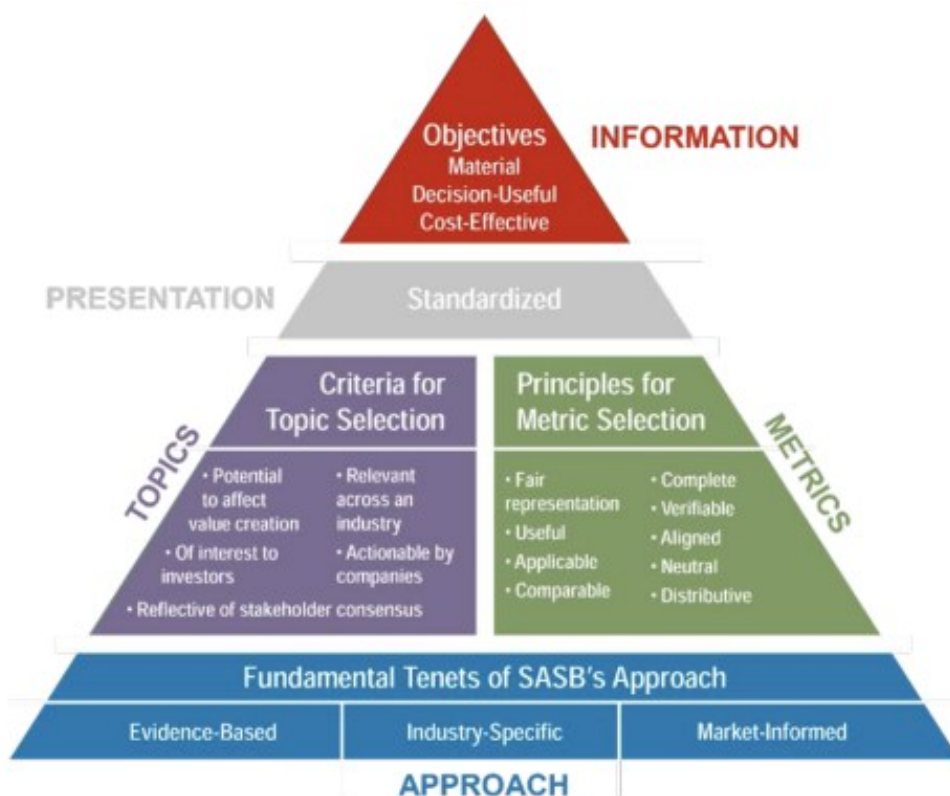


Figure 2. Fundamentals of SASB Standards (screenshot from SASB 2017)

SASB has created a Sustainable Industry Classification System, SISC to help companies identify the proper SASB standards to use. After the proper standards have been chosen, companies can

use “disclosure topics” to identify possible material risks and impacts for their company. Companies are provided with a set of standard quantitative and qualitative metrics to use in reporting, technical protocols provide depth and explanation to the metrics, and activity metrics are related to specific operations and intended to be used for standardizing data and enabling comparison between different reports. (SASB s.a. b).

In 2021, SASB merged with IIRC, the International Integrated Reporting Council, and created the Value Reporting Foundation, as an effort to further clarify the sustainability reporting standards. A year later, in August 2022, the foundation consolidated with the IFRS Foundation, together with CDSB. SASB, TCFD, CDSB and Integrated Reporting Framework are now managed and updated by ISSB, the International Sustainability Standards Board. (SASB s.a. c.) Like GRI, SASB Standards have been criticized for focusing primarily on the financial impacts of sustainability matters, overlooking environmental and social impacts (Afolabi, Ram & Rimmel 2022).

3.3.3 TCFD Recommendations

TCFD, Task Force on Climate Related Financial Closures, was founded in 2015 by Financial Stability board. The purpose of the task force was to create recommendations for companies about what types of information they should report about to their stakeholders in relation to the risks and impacts of their operations affecting climate change. (TCFD, W.I. 2017.) In 2017, they published the TCFD recommendations, suggesting that the information should be organised into four parts: governance, strategy, risk management, and metric and targets, as seen below in figure 3 (O’Dwyer & Unerman 2020; TCFD s.a).



Figure 3. Four parts of TCFD recommendations (altered from TCFD, W. I. 2017)

Governance applies to the boards and management’s attitudes and responsibilities in relation to topics associated with climate change. Assessing risks and opportunities, ensuring transparency,

and communicating with stakeholders all fall under governance, in addition to other topics. Governance is followed by strategy. TCFD wants companies to be transparent on how climate-related matters can affect the business in short- and long-term and therefore requires companies to create a separate climate strategy. The strategy should include a risk assessment and a risk management plan (TCFD, W.I. 2017.)

Risk management is the third part of TCFD framework. TCFD groups risks into three kinds: transition risks, physical risks and reputation risks. Transition risks are related to the process of switching to a more sustainable, low-carbon economy, whereas physical risks mean the possible, straight financial risks to companies. Furthermore, reputation risks refer to the possible harms to a company's reputation, if the transition to more sustainable practices don't go according to plan. Risk management includes both risk identification and management, following steps established by TCFD. (TCFD, W. I. 2017.)

The fourth core part of the framework is metrics and targets. The climate-related targets are based on the metrics used and have to align with company's strategy. TCFD requires companies to assess the targets every five years, and report of the progress annually. The reporting must be done consistently every year following a similar reporting style, ensuring that the metrics also stay traceable and verifiable. TCFD recommends companies to report Scope 1, Scope 2 and Scope 3 related metrics. (TCFD, W. I. 2017.) The TCFD recommendations are now managed by ISSB (IFRS s.a. a; CDP s.a. a).

The recommendations rely on scenarios, which can be challenging for companies to create and analyse. Companies are not used to assessing risks based on scenarios and therefore would need to adapt to a new type of planning to be able to utilize TCFD effectively. Using scenarios not only complicates the risk assessment process but also affects the comparability of disclosures. (O'Dwyer & Unerman 2020.)

3.3.4 CDP and CDSB Framework

CDP, previously Carbon Disclosure Project, was founded in the year 2000. CDP offers a portal, which organizations can use to disclose environmental related data. Nearly 25 000 companies have referred to CDP in their reports. (CDP s.a. b.) CDP also publishes yearly questionnaires, aimed to help companies, organizations and cities in assessing their environmental risks, impacts and opportunities throughout their strategy and operations. Climate change related questions are mandatory to answer, but companies and organizations also see other questions based on the data requested from them and can then provide answers using the portal. Data requestors can include various stakeholder groups, such as investors, governmental bodies and purchasing

organizations. The portal can be used for both requesting and disclosing the data, which enables access to cohesive, standardized set of data disclosures. (CDP s.a. c.) CDP collaborates with CDSB in order to create a cohesive environmental reporting framework.

CDSB, the Climate Disclosure Standards Board, was founded in 2007 at the World Economic Forum, to create a framework for climate-related reporting (CDSB s.a. a). The framework is meant to help companies report about sustainability related matter consistently to investors and add value to mainstream reports with little effort. The first framework was published in 2010, focusing on risk and opportunities associated with climate change on companies' strategy and financial performance. In 2018 the framework was updated to align with the TCFD recommendations, and in 2022, standards for reporting about social information were added. (CDSB s.a. b.)

The framework consists of seven principles and twelve requirements. The principles, such as "disclosures shall be faithfully represented" and "disclosures shall be verifiable", are supposed to be used as guidance to ensure that the information reported is accurate and helpful to investors. The requirements then explain in detail what kind of information companies should include in their reporting. The requirements are topically divided, and include topics such as "governance", "sources of environmental and social impacts" and "reporting policies". (CDSB 2022.) CDSB consolidated with the IFRS foundation in 2022 (IFRS s.a. a).

3.3.5 SDGs

United Nation's Sustainable Development Goals, commonly known as SDG's, were introduced by the United Nation in 2015. The goals were intended to be reached globally before 2030 and require actions from all parties globally. (UNDP s.a. a) The SDGs include 17 ESG related goals, presented in figure 4. The aim of the goals is to achieve a better, more sustainable future for everyone, ending poverty and guaranteeing that human rights belong to everyone. (United Nations s.a.; UNDP s.a. b).



Figure 4. Sustainable Development Goals (Tuni s.a.)

Abeysekera states that companies may utilize SDG's as they are, as sustainability outcomes in reporting because they act as frameworks. Based on the goals selected, companies then disclose their actions, metrics, impacts and potential risks. (Abeysekera 2022.)

In 2015, GRI, UNFC and World Business Council for Sustainable Development developed and published the SDG compass to advice companies on how to align a company's operations to contribute to the SDGs in a positive way. The Compass states that companies can utilize the SDGs in shaping their strategies and reporting about the impacts and risks of their operations. By integrating SDGs in reporting, companies can communicate in a universal, cohesive way, while highlighting the importance of sustainability to their stakeholders. The compass consists of five steps: understanding the goals, defining priorities, goal setting, integration and reporting and communicating. (GRI, UN Global Compact & WBCSD 2015.)

3.4 Transparency Initiatives in Sustainability Reporting

Transparency means disclosing data and information related to a company's supply chain, operations and the ESG impacts of those practices. The disclosed information should be accurate, comparable, and made public. (Fashion Revolution 2020.) Schnackenberg and Tomlinson define transparency as the measurable extent to which a fashion brand discloses information with clarity and accuracy (Jestratijevic, Uanhoro & Creighton 2022).

Transparency has long been a challenge in the fast fashion industry. Due to complex supply chains and the environmental and social harms linked to the industry, transparency is often compromised,

leading to consumers doubting the credibility of companies' sustainability disclosures. (Lee, Seifert, Cherrier 2017, 147-149.) Ensuring the validity of data is often limited, as companies must rely on manufacturers, suppliers and logistic providers across the value chain (Brun, Karaosman & Barresi 2020). Suppliers might even be reluctant on sharing the data or use different metrics, which may affect the comparability and consistency of data (Muurinen & Valkia 2 April 2025).

Additionally, fast fashion companies often utilize certain transparency initiatives, such as third-party indexes in their sustainability reporting (Gon & Silva 2021). FTI (Fashion Transparency Index), Higg Index, CDP and UNGC are covered in this study, as they are globally adopted and relevant in the fast fashion industry.

FTI, Fashion Transparency Index, developed and published by Fashion Revolution since 2016, evaluates world's 250 leading fast fashion companies based on their sustainability practices. The index assesses transparency in areas such as supply chain operations, sustainability impacts, and corporate policies. Companies are graded across 258 indicators, such as traceability and governance, based on a questionnaire companies fill. They are then rated on a scale of up to 100 %, where a score of 100 % reflects complete transparency across all evaluated categories. (Gonçalves & Silva 2021; Fashion Revolution 2023.) Although FTI can be an effective tool, it has been criticised for measuring disclosures rather than actual performance, potentially allowing companies to appear responsible than they are, leading to an increased risk of greenwashing (Webb & Shoib July 2022).

The Higg Index is an indicator-based index used to assess apparel and footwear. It was launched by the Cascale, formerly Sustainable Apparel Coalition, in 2011. (Cascale s.a.; Radhakrishnan 2014.) It's divided to five tools: brand, materials sustainability index, product module, facility environmental module and facility social & labour module. Companies can use the tools independently, but Cascale offers verification programs to enhance the comparability and credibility of the index scores (Cascale 2021). A major limitation of the Higg Index in terms of transparency is that Cascale provides strict guidelines on what companies are allowed to disclose, including restrictions on disclosing actual scores (Cascale 2024). While this shows progress from 2016, when companies were not allowed to disclose any Higg Index data, it still limits the ability of stakeholders to assess sustainability performance (Gunther 14 June 2016).

CDP, as mentioned in chapter 3.3.4, utilizes the data collected through annual questionnaires to assess and rate companies on their environmental sustainability efforts, particularly in relation to climate, forests, and water. The aim of the rating is to help organizations to "see clearly, act decisively and create the change the planet and economy need" (CDP s.a. d.) Companies are graded on scale A to F, with A representing the highest level of performance. CDP has faced criticism for

being inconclusive in how final scores are determined, as companies submitting data past the deadline may automatically receive an F score, regardless of the quality of their disclosures. (Fernando June 2023.)

UNGC, United Nations Global Compact, is a sustainability initiative developed by the United Nations, with the purpose of speeding up the global sustainability impact of business through companies that are committed to enabling change (United Nations Global Compact s.a. a). It is currently used by over 20 000 companies in over 160 countries globally (United Nations Global Compact s.a. b). The UNGC includes ten principles related to human rights, labour, environment, and anti-corruption, which companies are required to fulfil in their operations (United Nations Global Compact s.a. c). The initiative is closely tied to the SDGs, as companies are recommended to consider them in their business strategies alongside the ten principles of the UNGC (United Nations Global Compact s.a. a). The companies utilizing the UNGC are also supposed to co-operate with other organizations and United Nations bodies. UNGC has been criticized for its “partnership-based approach”, as it jeopardizes the original public purpose of the initiative. (Rasche, Waddock & McIntosh 2013.)

Depending on the reporting frameworks followed, companies are also expected to disclose certain key sustainability metrics in their reporting. These metrics serve as indicators of a company's environmental and social performance and are essential for evaluating the transparency and credibility of their sustainability efforts. Commonly disclosed metrics include greenhouse gas (GHG) emissions, energy and water consumption, waste generation and recycling rates, use of sustainable materials, and supply chain labour practices -such as the payment of living wages and the presence of safe working conditions. (Jestratijevic, Rudd & Uanhoro 2020.)

Having operations and customers all over the world leads to fast fashion companies often having complex supply chain structures. Complex supply chains also affect calculating key sustainability metrics, such as GHG emissions, especially when it comes to Scope 3. As the emissions are indirect and rely on data from parties throughout the value chain, such as suppliers and consumers, the calculations are often inconsistent due to varying calculation and reporting practices. (Muurinen & Valkia 2 April 2025.)

Furthermore, companies may include information on supply chain audits alongside other key performance indicators to enhance transparency. In addition to implementing supplier codes of conduct and distributing questionnaires, companies conduct audits to assess the actual labour practices and working conditions of their suppliers. These audits are typically conducted as both external audits, where third-party organizations assess the information in accordance with established criteria, and report the findings to the company, and internal audits carried out by the company's

own staff. In supply chains, factories are the most common targets of sustainability audits, where the focus is on ESG related topics, such as health and safety standards, child labour and environmental compliance. (Wahhab 2021, 2-8; Amoako, Bawuah, Asafo-Adjei & Ayimbire 2023.)

3.5 Assurance of Sustainability Reports

The validity of sustainability reports can be strengthened with external assurance or auditing (Wahhab 2021). Auditing refers to the process of gathering and evaluating evidence about the disclosed information, to determine whether the claims are accurate and in accordance with established criteria (Arens, Elder, Beasley & Hogan 2017, 28-30).

Due to the most popular reporting standards, excluding CSRD, not requiring a certain level of sustainability report assurance, the level of assurance of the reports can vary a lot. According to KPMG's sustainability reporting survey from 2024, sustainability assurance is most common in Europe in comparison to other regions, especially when it comes to independent assurance (KPMG International s.a. b, 41-44).

Independent assurance means that the audit is completed by a third-party organization (Pizzi, Venturelli & Caputo 2024). Since stakeholders often deem internal assurance as less independent than external assurance, companies typically choose external assurance to validate reports and to enhance transparency. The assurance can be done by multiple parties. (Amoako, Bawuah, Asafo-Adjei & Ayimbire 2023.) However, according to KPMG, approximately half companies use the same organization for financial and sustainability audits (KPMG International s.a. b, 42). Under frameworks like ISAE-3000, auditors from the selected audit company then assess the materiality and reliability of the disclosures (IAASB 2013). Auditors are not required to follow the frameworks fully but are allowed to use their own expertise and knowledge to decide what data to assure, contributing to the practice of limited assurance engagement (Simnett 2012).

Furthermore, the complexity and qualitative nature of sustainability reporting can be challenging for assurance. Unlike financial reporting, which includes mostly quantitative data, sustainability reporting typically contains qualitative statements, estimations and targets. (Muurinen & Valkia 2 April 2025.) In addition, differing reporting styles, data collection methods and data storage practices across companies challenge auditors, as these variations complicate the consistency of the assurance process (Deloitte September 2024).

In the fashion sector, 51 % out of the 5800 companies participating in the KPMG's sustainability reporting survey in 2024 published an assurance report. Altogether, independent assurance improves the confidence of stakeholders in using sustainability reports for decision-making, promotes

greater transparency and strengthens the credibility of sustainability reporting. (KPMG International s.a. b, 43-44.)

To conclude with, sustainability reporting started in a smaller scale in the 1990s, and has since expanded into a widely adopted practice, as companies have understood the importance of disclosing sustainability information (Muurinen & Valkia 2 April 2025). Sustainability reporting is focused on reporting about companies' sustainability disclosures, impacts and matters deemed material by the company. (Dumay, Guthrie & Farneti 2010, 533-534.) Pressure from stakeholders, such as investors, consumers, governance bodies and policymakers, influences companies' sustainability reporting and drives them to include sustainability in their strategies and business operations. There are approximately 750 to 850 different sustainability reporting frameworks used globally, which can make comparisons between sustainability reports rather challenging. (Muurinen & Valkia 2 April 2025.) The frameworks are intended to help businesses disclose sustainability related information effectively and transparently, and to create cohesivity in global reporting methods (Deloitte 2022). In addition to sustainability reporting frameworks, fast fashion companies often utilize various transparency initiatives, such as third-party indexes and key sustainability metrics in their sustainability reporting to enhance transparency (Gon & Silva 2021; Jestratijevic, Rudd & Uanhoro 2020). To strengthen the validity and credibility of reports, companies may undergo assurance (KPMG International s.a. b, 41-44).

4 Methodology

The research was carried out through December 2024 to April 2025. The process began by selecting the topic and narrowing it down to focus on a limited scope. Once the topic had been selected, the research design process was able to start, and a first draft of the main primary objective was formed in December 2024. The research was finalized in April 2025, once the analysis and conclusions were completed.

4.1 Research Design

The topic of this research is the sustainability reporting practices of ASOS, Zalando and SHEIN, scoping their reports from 2021 to 2023. The scope of the research has been further limited to evaluating the transparency and comparability of their reporting, and how sustainability frameworks, transparency initiatives and assurance can affect the validity and authenticity of the reports.

The topic was selected for its timeliness and relevance in the field. Sustainability reporting is a rather new topic in the fast fashion world. Major players in the field, such as Zalando and H&M, have published voluntary sustainability for a few years now, but with no mandatory rules or frameworks to follow, the style of reporting can differ a lot from company to company (Wren 2022). Accurate and accountable sustainability reporting is becoming more important than ever, to avoid penalties and reputational damage. The reports are audited on a lower level than financial reports, if audited at all, which can undermine the perceived validity and reliability of the disclosures. (KPMG International s.a., 41-44).

Three case companies were selected to enable a thorough analysis and comparison of the sustainability reporting practices. The companies in question are ASOS, SHEIN, and Zalando. The selection of companies was based on several factors. Firstly, all three companies are major players in the fast fashion industry and operate through e-commerce platforms. Secondly, different geographical locations (UK, Asia and Europe) of the companies, along with their global operations, allow for a versatile comparison of reporting approaches.

Since sustainability reporting has largely been voluntary until recent years, the availability of such reports was a key factor in company selection. All three companies -ASOS, Zalando, and SHEIN- have published stand-alone sustainability reports voluntarily within the chosen timeframe. ASOS's report also includes a bit of data from year 2024, as ASOS reporting approach is to publish a strategy report every three years. As ASOS utilizes its fiscal year 2022 as a baseline in the report and discloses information mostly through targets, as well as the report having a similar structure with Zalando's and SHEIN's reports, conducting a comparative qualitative content analysis of the

reports was deemed acceptable. Since the focus of this research is on stand-alone sustainability reports, and SHEIN does not publish annual reports, integrated sustainability reporting is excluded from this study.

The primary objective of this thesis is to analyze and compare the sustainability reporting approaches of ASOS, Zalando and SHEIN, with a particular focus on comparability and transparency. The main research question was: *To what extent are the stand-alone sustainability reports of ASOS, Zalando, and SHEIN from 2021 to 2023 comparable, transparent, and independently verified?*

To help find an answer to the main research question, the following sub-questions will be answered:

- How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN differ across regions?
- Which major global sustainability frameworks-such as GRI, SASB, TCFD, CDSB, and the SDGs - do ASOS, Zalando and SHEIN follow in their stand-alone sustainability reporting?
- How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN compare in terms of use of transparency initiatives and disclosure of key sustainability metrics?
- What role do third-party indexes and disclosure of key sustainability indicators play in enhancing the transparency of stand-alone sustainability reporting?
- Are the sustainability claims made by ASOS, Zalando, and SHEIN in their stand-alone sustainability reports independently verified?

4.2 Selected Research Methods

This research was conducted following a qualitative research approach, which is often used to study current, context-dependent topics. Qualitative research focuses on understanding phenomena, utilizing questions “what” and “how”. (Juhila 2021.) It is about “interpretation, involving the collection and use of a variety of empirical materials and approaches” (Aspers & Corte 2019). In this case, the focus is on analysing the sustainability reports published by ASOS, Zalando, and SHEIN to gain insights into how sustainability practices and transparency are communicated.

A theory-driven qualitative content analysis was selected as the main research method for the research. The empirical material for the study consisted of seven stand-alone sustainability reports in total (one from ASOS, three from Zalando, and three from SHEIN). Document analysis was conducted to understand the content, structure, and context of the reports. Since documents are

typically created other purposes than research, the context should be considered to understand how it affects reporting. (Alastalo & Vuori 2021.) According to Burnard, Polit and Beck, in content analysis, the material is meant to be read multiple times so that the researcher is able to become immersed in the data (Elo & Kyngäs 2008, 109). In theory-driven qualitative content analysis, the focus is on identifying and interpreting recurring themes, topics, and patterns that emerge across reports. The analysis is based on theory-driven coding, where the researcher identifies topics and themes to analyse based on the existing theoretical understanding of the topic. (Vuori 2021.) Theory-driven content analysis is both inductive as the data is categorized based on the researcher's assessment and comparison, and deductive as existing theory has been used to formulate the categories (Zhang & Wildemuth 2009, 2-3).

Additionally, a group expert interview was conducted to provide insights into sustainability reporting, and the insights then utilized in the theoretical framework. Expert interviews are often used in qualitative research to gather in-depth data from individuals who have direct experience or knowledge of the subject matter. (Hyvärinen, Suoninen & Vuori 2021.)

Potential weaknesses of the qualitative research method include limited generalizability, time consumption and researcher bias. Qualitative research is often focused on a small sample, and the findings may not apply to other contexts, leading to limited level of generalizability (Lim 2024). However, a thorough assessment of the materials included in the sample, enable a deeper comparison and interpretation (Hammersley 2013, 14). Furthermore, the material can consist of long texts and interviews, which might lead to a time-consuming and research process, especially if the research is not carefully planned and defined (Vuori 2021).

Since the researcher actively interprets the data, their personal beliefs and perspectives can influence how findings are interpreted and presented. In addition, the expectations set by the researcher, can affect how they interpret the data. (Juhila 2021.) If a researcher accounts for their personal beliefs and expectations in early stages of the research, potential research bias is more transparent (Smith & Noble 2014). In this research, it is important to acknowledge that the researcher expected to find greater transparency in reporting from European companies due to stricter regulatory environment compared to Asia, which may have influenced the interpretation of some findings. In order to avoid skewing the results in favour of one company, the themes for comparison were selected based on existing theory and their relevance in sustainability reporting. Within the themes, the compared frameworks and transparency initiatives were chosen based on their global adoption, and relevance to the fashion industry.

4.3 Data Collection and Comparative Qualitative Content Analysis

For the research, seven stand-alone sustainability reports in total were analysed from ASOS, Zalando and SHEIN, covering the time period from 2021 to 2023, with ASOS's latest report also including some data from 2024. Peer-reviewed research articles, reporting frameworks and standards, company websites, and public databases have been referenced in chapters 2 and 3, to form a theoretical framework for the research. In addition, a group expert interview was conducted in collaboration with two other students as part of the research. The interview questions were sent to the experts beforehand, and the interview itself was conducted on 2nd of April at the Helsinki office of KPMG, where ESG leader Anu Muurinen and Tiina Valkia provided the group with information related to sustainability reporting, especially in relation to sustainability reporting in the EU area. The insights gained from this interview were utilized in chapter 3 as one reference.

The data has been analyzed by conducting a theory-driven comparative content analysis. Based on existing theoretical frameworks, considering the relevance of sustainability reporting and transparency, four key themes were identified to guide the analysis. The themes are structure and format, alignment with reporting frameworks, use of transparency initiatives and independent assurance of sustainability reports. Due to the themes being broad, the analysis was narrowed to focus on specific topics within each theme, as explained below. The themes and guiding questions used to identify relevant findings from the reports are also presented in appendix 1.

To compare the structure and format of reports, the focus was on how the content was divided and whether certain themes were emphasized over others. In addition, the publishing cycle was one compared factor. The style of reporting in terms of language (vague or specific) and the visual style were also examined.

In relation to sustainability reporting frameworks, the comparison was limited to five frameworks to keep the scope of the research narrow and to enable a consistent comparison based on established guidelines. GRI, SASB Standards, TCFD recommendations, CDSB and SDGs were selected for their global popularity and relevance in 2021-2023 reporting period. Fashion Transparency Index, Higg Index, CDP and UNGC were chosen to assess and compare the usage of transparency initiatives. These initiatives were chosen due to their industry relevance and clear adoption criteria. In contrast, a decision was made to compare the disclosure of key sustainability indicators in general, rather comparing a selected set of metrics. Given the broad range of indicators, selecting individual metrics to compare could have potentially led to bias.

As a part of transparency initiatives, supply chain audits were compared in terms of whether companies publish related data and whether companies have reported on which kinds of findings the

audits have revealed. Independent assurance of the sustainability reports is assessed based on whether an assurance report of external assurance is included or referenced in reporting. Assurance was included in the research due to its relevance in validating the sustainability reports.

Once the themes and topics to assess and analyze had been selected, the stand-alone sustainability reports from 2021 to 2023 of ASOS, Zalando and SHEIN were systemically read and analyzed in February-March 2025, in accordance with the established themes and questions presented in appendix 1. In March - April 2025, the findings were compared and evaluated, and the results interpreted in relation to the research objectives and existing theory.

5 Results

This section presents the research findings regarding the sustainability reporting practices of ASOS, Zalando, and SHEIN, based on their published stand-alone sustainability reports from 2021 to 2023. While ASOS's latest report includes some 2024 data, the focus remains on the 2021–2023 period to maintain consistency across the three companies. The company profiles will be presented first, followed by a presentation of the findings, which have been divided into key themes. The themes include structure and format, the use of sustainability frameworks and transparency initiatives, disclosure of key sustainability metrics, and the use of external assurance.

ASOS, founded in 2000, is a UK-based online retailer offering a wide selection of fashion and beauty products for all genders. The company operates primarily through its e-commerce platform, with third-party sellers also listing products on its marketplace. ASOS has over 20 million customers in over 200 markets. (ASOS s.a. b.) In 2023, the company reported £3.5 billion in revenue (ASOS 2024a, 5). ASOS launched its sustainability and corporate responsibility strategy, Fashion With Integrity in 2010. (ASOS s.a. c.)

Zalando is the leading fashion e-commerce platform in Europe. It was founded in 2008 in Berlin, Germany, and has since expanded its operations to 25 countries. Zalando offers a wide selection of apparel, footwear, accessories and home goods from over six thousand brands, allowing third-party sellers to also sell through its marketplace. (Zalando s.a. a.) In 2023, Zalando reported €10.1 billion in revenue (Zalando 2024a). Zalando aims to act as a catalyst in the transition to a more sustainable and accessible future (Zalando s.a. b).

SHEIN, founded in 2012, is a Singapore-headquartered fast fashion company, operating through an e-commerce platform in over 150 countries. (SHEIN s.a. a). SHEIN hasn't published its annual revenue information, but based on Statista Research Departments' estimate, SHEIN made \$32,5 billion dollars of revenue in 2023 (Statista Research Department 2025). SHEIN claims to be working towards increasing transparency in its sustainability and social efforts (SHEIN s.a. b).

5.1 Overview of Structure and Format of Reports

While all three companies have committed to voluntary sustainability reporting in the time period of 2021 to 2024, the depth and consistency of the information provided vary significantly. Zalando and SHEIN follow an annual reporting cycle, publishing their sustainability reports each year. ASOS opted for strategic updates, covering broader timeframe at once. The company published its newest stand-alone sustainability report called "Fashion with Integrity: Strategy update" in

November 2024, having previously published one in 2021 (ASOS 2024b). ASOS's previous report is no longer publicly available, making it difficult for stakeholders to compare progress over time.

Structurally, all three companies have organized their reports similarly. Both ASOS and Zalando have structured their sustainability disclosures around three key themes: planet, products and people. Both companies have approached reporting by emphasizing environmental topics, as "planet" and "product" chapters were primarily focused on environmental disclosures. (ASOS 2024b; Zalando 2022, 6-44; Zalando 2023, 5-49; Zalando 2024, 5-50.) Visuals of the division is shown in appendices 2 and 3. SHEIN, however, used four main themes in its 2022 and 2023 reports: people, planet, process and governance, as seen in appendix 4. (SHEIN 2023, 3-36; SHEIN 2024, 2-51.) In 2021, when the company reported on sustainability for the first time, the report had a broader range of key themes but lacked in structural clarity (SHEIN 2022, 2-28).

The level of detail and visual presentation differ across companies. Zalando's reports are well-structured, offer comprehensive information, maintain a consistent visual style in reports from 2021 to 2023, incorporating drawn visuals and figures (Zalando 2022; Zalando 2023; Zalando 2024). In contrast, SHEIN's reporting lacked consistency over the years, with fonts, structure and overall reporting approach changing year to year (SHEIN 2022; SHEIN 2023; SHEIN 2024). ASOS, on the other hand, offered a more narrative reporting strategy, focusing on targets rather than detailed metric disclosure (ASOS 2024b). ASOS and SHEIN utilized both drawn visuals and photographs in their reports (SHEIN 2022; SHEIN 2023; SHEIN 2024; ASOS 2024b).

5.2 Alignment With Frameworks

Zalando and SHEIN demonstrated alignment with several of the established sustainability reporting frameworks examined in this research (Zalando 2022; Zalando 2023; Zalando 2024; SHEIN 2022; SHEIN 2023; SHEIN 2024). In contrast, ASOS did not show alignment with any of the examined frameworks (ASOS 2024b).

Zalando presented the highest level of alignment, with all its reports aligning with four of the examined frameworks, as seen in table 2. Zalando referenced GRI, SASB Standards, TCFD recommendations, and the UN Sustainable Development Goals. Zalando has allocated a separate page in each of the reports to listing the used frameworks and standards. In addition, both GRI and SASB indexes connecting the disclosed information to relevant frameworks have been included. Selected SDG's have been integrated throughout the reporting and reported about in connection to Zalando's strategy pillars. (Zalando 2022, 4-77; Zalando 2023, 4-65; Zalando 2024, 4-70.)

Table 2. Sustainability reporting frameworks used in Zalando's stand-alone sustainability reports in 2021-2023 (Zalando 2022; Zalando 2023; Zalando 2024)

Company	Framework	2021	2022	2023
Zalando	GRI	x	x	x
	SASB	x	x	x
	TCFD	x	x	x
	SDGs	x	x	x
	CDSB			

SHEIN's alignment with the frameworks evolved over time, starting with only brief mentions of SDGs in its 2021 report. SDGs were mentioned rather vaguely, with no specific goals highlighted or connection made between the SDGs and the company's sustainability initiatives. (SHEIN 2022, 3-28.) By 2022 report, the company had updated its reporting strategy by aligning it to the GRI Standards in certain sections. In addition, SHEIN had expanded its use of SDGs by adding a dedicated section, in which specific goals were highlighted and linked to SHEIN's sustainability initiatives. (SHEIN 2023, 2-40.) In the 2023 report, both SDG's and GRI Standards were applied in a similar manner to 2022's report, with a slightly broader scope (SHEIN 2024, 3-61). The frameworks used by SHEIN are presented in table 3.

Table 3. Sustainability reporting frameworks used in SHEIN's stand-alone sustainability reports in 2021-2023 (SHEIN 2022; SHEIN 2023; SHEIN 2024)

Company	Framework	2021	2022	2023
SHEIN	GRI		x	x
	SASB			
	TCFD			
	SDGs	x	x	x
	CDSB			

ASOS showed the weakest alignment with the examined reporting frameworks, lacking integration with any of them. While the company mentioned TCFD, it stated that it is only looking into aligning its efforts with the framework and had not yet integrated it into its reporting (ASOS 2024b, 23).

5.3 Transparency Initiatives and Assurance

In terms of transparency initiatives, the companies were compared based on the inclusion of certain indexes and key performance indicators in their reports. Zalando incorporated a greater number of the initiatives assessed in the research, in comparison to SHEIN and ASOS, as seen in tables 4 and 5.

Table 4. Third-party transparency initiatives used in Zalando's and SHEIN's stand-alone sustainability reports in 2021-2023 (Zalando 2022; Zalando 2023; Zalando 2024; SHEIN 2022; SHEIN 2023; SHEIN 2024)

Company	Initiative/index	2021	2022	2023
Zalando	FTI	x	x	x
	Higg Index	x	x	x
	CDP	x	x	x
	UNGC			
SHEIN	FTI			
	Higg Index			
	CDP			
	UNGC	x	x	x

Zalando consistently referenced three of the four assessed initiatives in its reports from 2021 to 2023. The company reported the FTI score and compared it to the 2017 score for benchmarking in 2021 and 2022. In 2023, Zalando compared their FTI score to their score from 2022. Regarding CDP, Zalando included the Climate change rating. For the Higg Index, Zalando reported to be using the Higg BRM, Higg MSI and Higg FEM in 2021. In 2022, it mentioned only Higg BRM + Higg FEM, and in 2023, it referenced Higg MSI + Higg FEM. (Zalando 2022, 12-76; Zalando 2023, 11-64; Zalando 2024, 15-68.) In contrast, SHEIN only briefly referenced the UNGC (United Nations Global Compact) in its reports from 2022 and 2023 (SHEIN 2023, 6; SHEIN 2024, 2). In 2023, the company elaborated on its commitment to the principles and its progress on commitment (SHEIN 2024, 3-19).

Table 5. Third-party transparency initiatives used in ASOS's stand-alone sustainability report (ASOS 2024b)

Company	Initiative/index	FWI Strategy update
ASOS	FTI	
	Higg Index	x
	CDP	
	UNGC	

ASOS mentioned the Higg FEM, a part of Higg Index, in its report, but continued the future-oriented disclosing method by stating that the index “will be used to measure” the progress of a specific emission goal (ASOS 2024b, 20). ASOS’s report did not have references to other assessed initiatives (ASOS 2024b).

When it came to disclosing key sustainability indicators, the companies had varying approaches. Zalando provided detailed disclosures, reporting on a range of key sustainability indicators across several sustainability topics, such as greenhouse gas emissions for Scopes 1, 2 and 3, waste management and employee division per gender. Some of the metrics were integrated in the main text

and visualised using charts, while more detailed metrics were presented in a “Key figures” table in the appendix. The company utilized both past performance data and future estimates, reporting in a similar manner in all three reports. (Zalando 2022; Zalando 2023; Zalando 2024.) SHEIN also opted to present sustainability indicators within the main chapters of the reports, emphasising environmental metrics over social and governmental metrics. Additionally, the company presented selected environmental indicators in a table and explanations in the appendix of 2022 and 2023 reports. (SHEIN 2022; SHEIN 2023; SHEIN 2024.) ASOS, in contrast, disclosed some climate-related metrics from fiscal year 2022 in a table, but overall focused more on presenting future-oriented targets rather than disclosing measurable metrics (ASOS 2024b).

SHEIN and Zalando also provided some information on supply chain audits, with variance in detail levels. SHEIN opted for disclosing the annual the number of audits conducted, as well as the number of manufacturers covered. SHEIN reported using both internal and external audits, stating that most audits are conducted by third-party verification agencies. The number of zero-tolerance violations, especially in terms of working conditions and child labour, were reported as a chart in 2021 and tables in 2022 and 2023. In addition, SHEIN disclosed the audit grades of the audited supplier facilities, indicating how the facilities were divided within the grading system, ranging from A to ZTV. SHEIN reported to have updated its supply chain audit policies over the years, which also shows in the increase in annual audits- from 700 to nearly 4000 by 2023. (SHEIN 2022, 10-12; SHEIN 2023, 12-39; SHEIN 2024, 3-59.)

Zalando’s approach to reporting on supply chain auditing is less transparent, as the company did not provide specific information on audit findings, except for noting that the company declined to onboard a few factories based on their audit results. Instead of conducting audits itself, Zalando required its Tier 1 suppliers to provide a social audit report annually, which Zalando then evaluated. In addition, the company utilized self-assessment questionnaires. The number of evaluated reports was 175 in 2021, rising to 302 in 2022 and then decreasing to 213 in 2023. Zalando also reported on “initiating audits in fulfilment and customer care”, but the number of these audits remains unclear. (Zalando 2022, 40-76; Zalando 2023, 45-64; Zalando 2024, 45-70.) ASOS mentioned supply chain audits in the context energy and carbon audits, stating to have recently audited operational sites in the UK and EU (ASOS 2024b, 19). However, ASOS did not disclose any findings or data on these audits, limiting transparency. In other contexts, such as human labour, ASOS mentioned “plans for future auditing”, without clear disclosures of current approach to audits (ASOS 2024b, 40-59).

Utilizing independent assurance varied notably among the three companies. Zalando’s original German version of the 2021 sustainability report was externally audited by Ernst & Young in

accordance with ISAE 3000 standard, with the translated assurance report then included in the English version of the sustainability report (Zalando 2022, 64-66). In 2022 and 2023 reports, no mention of independent assurance of the reports was found (Zalando 2023; Zalando 2024). In contrast, SHEIN's 2022 and 2023 reports were independently assured by Deloitte at a limited assurance level, also in accordance with ISAE 3000 (SHEIN 2023, 40; SHEIN 2024, 53-54). ASOS's report did not include any mention of independent assurance (ASOS 2024b).

5.4 Summary of Key Findings

The findings revealed notable similarities and differences in the companies' stand-alone sustainability reporting approaches. Zalando and SHEIN published their reports annually, but ASOS opted for publishing its sustainability strategy report, covering years from 2021 to 2024, in November 2024. Zalando and ASOS divided their reports to three main chapters, SHEIN to four in 2022 and 2023, after lacking clear structure in 2021's reports. (ASOS 2024b; Zalando 2022; Zalando 2023; Zalando 2024; SHEIN 2022; SHEIN 2023; SHEIN 2024.)

While Zalando demonstrated alignment with four of the examined reporting frameworks, SHEIN aligned with two and ASOS with none. All three companies referenced at least one transparency initiative in their reports and disclosed some key sustainability metrics. SHEIN reported on supply chain audits in detail, disclosing the zero-tolerance violations in addition to the number of annual audits, while Zalando opted for reporting only the latter. ASOS' approach was to mention energy and carbon audits but to not disclose any audit related data. (ASOS 2024b; Zalando 2022; Zalando 2023; Zalando 2024; SHEIN 2022; SHEIN 2023; SHEIN 2024.)

ASOS did not demonstrate any signs of independent assurance of its report (ASOS 2024b). Zalando included an independent assurance report in 2021 translated from its original German version 2021, whereas SHEIN's reports from 2022 and 2023 were independently assured (Zalando 2022, 64-66; Zalando 2023; Zalando 2024; SHEIN 2022; SHEIN 2023, 40; SHEIN 2024, 53-54).

6 Discussion

The primary objective of this thesis was to analyse and compare the sustainability reporting approaches of ASOS, Zalando and SHEIN, with a particular focus on comparability and transparency. This chapter will summarize the findings of this research in relation to the research objective, assess the reliability and validity of the findings, present the conclusions and suggestions for future research, and evaluate the overall thesis process.

6.1 Findings in Relation to the Research Objective

To address the research objective, the findings are structured around the main research question and sub-questions. The main research question was *“To what extent are the stand-alone sustainability reports of ASOS, Zalando, and SHEIN from 2021 to 2023 comparable, transparent, and independently verified?”* The main research question will be answered in the last paragraph of chapter 6.1.

The first sub-question of the study was *“How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN differ across regions?”*. As ASOS is based in the UK, Zalando in EU (Germany), and SHEIN in Singapore, they represent different regulatory regions, and the findings show that there are notable differences in the stand-alone sustainability reports of the companies from 2021 to 2023. Based on the structure and publishing cycle of their reports, Zalando and SHEIN seem to have more similar reporting approaches compared to ASOS, even though the UK and EU are geographically closer. ASOS’s report is published every three years in contrast to Zalando’s and SHEIN’s annual publishing cycle, and followed a future-oriented, target-based narrative reporting style, while Zalando and SHEIN opted for more detailed disclosures. Zalando’s and ASOS’s reports shared a similar structure, with chapters “planet”, “product” and “people”, but differed in use of graphics.

The second sub-question, *“Which major global sustainability frameworks-such as GRI, SASB, TCFD, CDSB, and the SDGs - do ASOS, Zalando and SHEIN follow in their stand-alone sustainability reporting?”*, continues to assess comparability. The companies demonstrated different approaches to utilizing the sustainability reporting frameworks examined in this study. Zalando referenced GRI, SASB Standards, TCFD and SDGs in all three reports, and included GRI and SASB Indexes to point out the parts that had been prepared with reference to the frameworks. GRI and SDGs were the most common frameworks among the three companies, as they were also used by SHEIN. In addition, TCFD was mentioned in ASOS’s report, but in the context of future-use. None of the companies referenced CDSB in their reports.

The study continues to assess the level of comparability alongside transparency, as the following questions are answered: *“How do the stand-alone sustainability reporting approaches of ASOS, Zalando, and SHEIN compare in terms of use of transparency initiatives and disclosure of key sustainability metrics?”* and *“What role do third-party indexes and disclosure of key sustainability indicators play in enhancing the transparency of stand-alone sustainability reporting?”*. Out of the four transparency initiatives/indexes assessed in the report, Higg Index was found out to be the top index to use, as both Zalando and ASOS referenced it. The companies mention the tools of the index used, but the extent of usage is not reported clearly. This is in line with the criticism Higg Index has received, as it provides strict guidelines on what companies are allowed to disclose (Cascale 2024). In addition, Zalando disclosed its Fashion Transparency Index and CDP scores consistently from 2021 to 2023, whereas SHEIN referenced only the UNGC in its reports. Based on the findings it can be assumed that the assessed transparency indexes play a relatively small role in enhancing the transparency of sustainability reporting, as the approaches and indexes used by the case companies vary significantly.

In terms of key sustainability indicator disclosures, the companies showcase more similarities. Each company has included some indicators in their reports and presents the key metrics in the form of a table. Additionally, Zalando and SHEIN disclosed metrics in relation to both environmental and social topics, presented certain metrics within the text in addition to the tables, and utilized graphs to visualize them and to highlight the key indicators. As ASOS presented only environmental metrics from fiscal year 2022, comparison over the years is challenging. A similar trend can be seen in supply chain audit disclosures, as ASOS mentioned energy and carbon audits, with no data presented. In contrast, SHEIN and Zalando reported on their social audit policies with detailed numbers of annual audits of manufacturers, with SHEIN even disclosing the detected number and types of zero-tolerance violations. It can be stated that Zalando and SHEIN demonstrate a higher level of key sustainability indicator disclosure than ASOS, with more detailed and consistent reporting on especially social metrics. Considering also that Zalando and SHEIN utilized more transparency indexes in their reporting compared to ASOS, it can be observed that both companies give a more significant role on both transparency initiatives and key sustainability indicator disclosures in their reporting practices than ASOS does.

The final sub-question, *“Are the sustainability claims made by ASOS, Zalando, and SHEIN in their stand-alone sustainability reports independently verified?”*, assessed the independent verification of the stand-alone sustainability reports. Findings show that the companies demonstrated varying extents of independent assurance. with SHEIN's reports being independently assured to a limited level in 2022 and 2023, Zalando's in 2021, and ASOS providing no mention of independent assurance. The absence of mentions of independent assurance and the lack of an assurance report

may indicate that the reports have not been externally assured, as companies typically include an assurance report to provide proof of assurance and strengthen the accountability and credibility of their reporting. Therefore, the findings indicate that ASOS's sustainability claims have not been independently verified, whereas Zalando's and SHEIN's have been assured on a limited level.

Having answered the sub-questions, the main research question can be addressed and the primary objective of the study achieved. In general, the stand-alone sustainability reports of ASOS, Zalando and SHEIN scoping the years 2021 to 2023, are comparable to a moderate extent, showcase varying level of transparency and have been partially independently assured on a limited level. As all compared reports were stand-alone sustainability reports from fast fashion companies and disclosed similar sustainability topics and share similarities in structure, the comparison of the reports was possible across various themes, despite ASOS's publishing cycle differing from Zalando's and SHEIN's.

Zalando's and SHEIN's reports demonstrated transparency to a higher extent than ASOS's report, as the two utilized more transparency initiatives and offered more detailed disclosures of key sustainability metrics in comparison to ASOS. Zalando and SHEIN also showed proofs of utilizing independent assurance in 2021 (Zalando) and 2022 to 2023 (SHEIN), while ASOS did not.

6.2 Reliability and Validity of The Study

Several factors may affect the reliability and validity of the study. Firstly, the scope of the research is limited to three fast fashion companies, which may limit the generalizability of the results in broader context. As the assessed companies are major players in the fast fashion industry and represent different geographical regions (UK, EU and Asia), the selection aimed to strengthen the generalizability of the findings.

Secondly, the study focuses on stand-alone sustainability reports scoping the timeframe between 2021 to 2023, meaning that trends outside that timeframe are not included in the research. As ASOS's stand-alone sustainability report publishing cycle differs from Zalando's and SHEIN's, it may have influenced the comparability of the reports to some extent. Due to the rapid evolution of sustainability reporting practices and development of reporting frameworks and standards, as seen with the CSRD and ISSB standards for instance, the long-term usability of the findings from this study may also be limited.

Lastly, the qualitative research method, the personal beliefs, perspectives, and expectations of the researcher may have influenced the interpretation and presentation of the findings, as discussed previously in chapter 4.2. As an attempt to avoid skewing the results in favour of one company, the

assessed themes were selected based on existing theory and their relevance to sustainability reporting.

6.3 Conclusions and Suggestions for Further Research

The findings of the study suggest that while ASOS, Zalando and SHEIN have all committed to voluntary sustainability reporting, the differing levels of transparency and independent assurance are in line with the broader challenges of sustainability reporting - the lack of global, universal standards and requirements in reporting. This is in line with previous knowledge, as the issue of missing common global standards has been recognized by many parties, including Muurinen and Valkia (2 April 2025), IFRS (s.a. a) and Deloitte (2022).

The results support the claim that using different frameworks can make comparisons between sustainability reports rather challenging, when the reporting style and metrics disclosed can vary (Muurinen & Valkia 2 April 2025; Deloitte 2022). The companies utilized different frameworks and transparency initiatives and disclosed different key sustainability indicators. However, even though varying from other companies' disclosures, majority of topics covered, and key sustainability indicators disclosed by each company were related to the potential ESG-related issues discussed in chapter 2.1. Since the research focused more on which frameworks and initiatives companies utilized and how the key sustainability indicators were disclosed, rather than on the specific sustainability content and data, the comparability of reports was sufficient.

ASOS's different publishing cycle suggests that for comparability and transparency, publishing reports more frequently like Zalando and SHEIN might be a better approach. As ASOS only disclosed key sustainability metrics from one fiscal year (2022) within the three year-timeframe of the report, and as the previous report is not publicly available, assessing the evolution of the company's sustainability efforts can be quite challenging. In contrast, Zalando's and SHEIN's annually published reports made it quite easy to see year by year evolution.

The findings on transparency, especially in relation to supply chains, were quite surprising. As Lee, Seifert and Cherrier (2017, 147-149) state in chapter 3.4, complex supply chains and the ESG related harms linked to fast fashion often lead to transparency being compromised. Zalando and SHEIN report on their supply chain audit in a quite detailed and transparent way, explaining their approach and disclosing the number of annual audits. However, Zalando counts on questionnaire results and audit reports received by its suppliers instead of utilizing third-party auditors or conducting own audits. As the data may not be accurate, the approach could jeopardize the transparency and credibility of Zalando's supply chain audit reporting. ASOS's report included no mention of

social audits, which is quite surprising considering that ASOS is based in the UK, where companies are typically expected to report on supply chain operations.

In terms of independent assurance of stand-alone sustainability reports, SHEIN, an Asian-based company, was the most consistent, as its reports were externally assured by Deloitte in both 2022 and 2023. The results were not in line with KPMG's survey from 2024, which stated that sustainability assurance is most common in Europe (KPMG International s.a. b, 41-44). As SHEIN is based in Asia, which as an area has been connected to labour issues in the past, the company may try to demonstrate accountability and transparency to appeal to stakeholders. Standardizing sustainability assurance practices is the key to improving the transparency and validity of sustainability reporting. CSRD in the European Union will most likely affect sustainability auditing globally as well, as the directive requires sustainability claims to be assured, and other regions may follow the shift from voluntary to mandatory reporting, and further auditing.

The findings of the study can be applied in practice in various stakeholder groups. Investors, the main users of sustainability reports, can utilize the findings to compare the transparency of ASOS, Zalando and SHEIN, leading to more informed investments. Analysts and corporate policy creators may utilize the findings to gain insights into how fast fashion companies approach sustainability reporting. Additionally, policy creators can use the findings to refine sustainability reporting standards, and the case companies and smaller fashion companies identify best practices and challenges in transparency disclosures and further develop their reporting methods. An outsider perspective and comparison to competitors may be useful for companies in benchmarking practices. The study can help consumers compare and gain awareness into the transparency of ASOS's, Zalando's and SHEIN's sustainability reporting, possibly leading a consumer to make a more informed purchase decision.

As mentioned above and discussed earlier in chapter 3.2, the CSRD and ISSB Standards are expected to play a significant role in shaping the sustainability reporting landscape for companies in the fashion industry. Therefore, conducting a similar study case to this study in the future could be valuable to assess how sustainability reporting practices of these companies have evolved. Since the focus of this thesis is on stand-alone sustainability reports, integrated sustainability reporting is excluded. Therefore, conducting a study focused on that could be beneficial and provide insights from another perspective, as sustainability reporting can be also integrated in annual reports. Additionally, a study focusing on narrower topics, such as the disclosure and comparability of key sustainability indicators could be beneficial. However, the various calculation methods and different metrics used by companies as mentioned in chapter 3.2, could pose as a challenge to the study.

For further development, studies on supply chain auditing and assurance of sustainability reporting could be meaningful. For example, research on regulations affecting supply chain auditing and disclosures on the topic could be beneficial for the field, as the approaches currently seem to vary across companies, and consistent and transparent reporting on environmental and social harms along the supply chain is crucial to evaluating the transparency of a company's sustainability reporting. Furthermore, as the sustainability audit requirements are shifting in the EU area, a potential topic for research could be to compare the sustainability auditing practices between EU and the global context.

6.4 Thesis Evaluation and Key Learnings

The thesis process has been lengthy but insightful. In the beginning my topic was a lot broader in scope. As the topic was a combination of my personal and professional interests, conducting the study was very interesting and insightful. Throughout the process, I deepened my understanding of sustainability reporting, especially in relation to the reporting frameworks and transparency in the fast fashion industry.

During the thesis process, I faced two major challenges. Narrowing the topic down to its final form ended up being a bit challenging, as sustainability reporting is a complex and broad topic. Eventually, after the research method had been selected to be a theory-driven comparative content analysis, and sustainability reporting related literature had been reviewed, the topic was shaped into its almost final form. After starting my internship in assurance and participating in some sustainability assurance projects, independent assurance was added to the topic.

Balancing a full-time internship alongside the thesis project was demanding and time-consuming, which led to me having to craft a new schedule and forget about the original. To a perfectionist like me, deviating from the original plan was not easy, but had to be done in order to survive from all my tasks. In the end, the new plan proved to be successful, as I still managed to complete the thesis successfully within the planned timeframe.

Despite the challenges, the thesis process was enjoyable and beneficial for my future. The research strengthened my interests in both sustainability reporting and assurance and confirmed that I want to pursue a career in the field. In addition, conducting a theory-driven comparative content analysis improved my analytical skills, and my skills in recognizing themes in texts.

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Appendices

Appendix 1. Research themes and guiding questions





Theme	Analysed topics
Structure and format	<ul style="list-style-type: none"> • How often are reports published? • How are reports structured? • Are certain themes highlighted over others? • Are pictures, tables or illustrations used in the reports? • What kind of language is used in the reports?
Alignment with reporting frameworks	<ul style="list-style-type: none"> • Has GRI been referenced in the report? If yes, how? • Have SASB Standards been referenced in the report? If yes, how? • Have TCFD recommendations been referenced in the report? If yes, how? • Have SDG's been referenced in the report? If yes, how? • Has CDSB been referenced in the report? If yes, how?
Use of transparency initiatives	<ul style="list-style-type: none"> • Has FTI been referenced in the reports? • Has Higg Index been referenced in the report? If yes, which tools? • Has CDP been referenced in the report? • Has UNGC been referenced in the report? • Does the report include any key sustainability metrics? If yes, which sustainability topics are the disclosed metrics related to? • Does the report include information on supply chain audits? If yes, what kind of information?
Independent assurance	<ul style="list-style-type: none"> • Is independent assurance referenced in the report? If yes, how? • Does the sustainability report include an assurance report?

Appendix 2. Screenshot of the content index from Zalando's "Sustainability Progress Report 2023"

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Appendix 3. Screenshot of the content index of ASOS's "Fashion With Integrity: Strategy update"

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	→ Product 25 Product Raw materials 28 Product Design & Production 31 Product Use & Recovery 35
	→ People Human rights 38 People Diversity, Equity, & Inclusion 43
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Appendix 4. Screenshot of the table of contents from SHEIN’s “2023 Sustainability and Social Impact Report”

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4 About Us	12 Enable Self-Expression for All	31 Decarbonize Our Supply Chain	42 Optimize Resource Efficiency	49 Responsible Business Practices	53 External Assurance
6 Materiality: Identifying Priority Areas	12 Putting Customers First: Our Commitment to Inclusivity	31 Our Carbon Footprint	42 Tech-Driven Waste Reduction	50 United Nations Sustainable Development Goals	
7 Our Approach: evoluSHEIN	14 Provide Access to Talent	34 Source Responsible Materials	42 Conserving Water		
8 Targets and Aspirations	14 Uncovering Top Global Talent	34 An Established System for Quality and Safety	43 Design Circular Systems		
9 2023 ESG Highlights	14 Clear Pathways to Growth	35 Quality and Durability	43 Building a Circular Ecosystem		
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	17 Our Commitment to Human Rights	39 Protect Biodiversity and Animal Welfare	45 Extended Producer Responsibility		
	18 Supply Chain Governance	39 Material Traceability	46 Accelerate Sustainable Innovation		
	23 Empowering Our Suppliers	39 Making a Commitment to Our Forests	46 The Test-and-Scale Approach		
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	28 SHEIN X Designer Incubator Program: Discover, Design, Empower				
	28 SHEIN Cares				
				ABOUT THIS REPORT	
				Welcome to our third annual Sustainability and Social Impact Report, where we share:	• Assurance for select information, to the limited assurance standard, by an external independent assurer as per International Standard on Assurance Engagements (ISAE) 3000.
				• Our environmental, social and governance (ESG) goals, progress and performance metrics for financial year 2023 (Jan. 1, 2023 to Dec. 31, 2023).	• Our commitment to the Ten Principles of the UN Global Compact and our progress against these principles.
				• A detailed account of how our evoluSHEIN roadmap drives our environmental and social impact initiatives and how we are evolving for the future.	WE SUPPORT SHEIN.COM