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Sustainable Supply Chain Practices in Local Fashion Brands

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Abstract

This study investigates the sustainable supply chain practices of local fashion brands, focusing on operational dynamics, strategic integration, and their alignment with broader sustainable development goals. Amid rising global concern over the environmental and social impacts of the fashion industry, local brands in emerging economies such as Indonesia play an increasingly critical role. However, the disparity in awareness, resources, and institutional support among these enterprises necessitates a deeper understanding of how sustainability is interpreted and implemented in their supply chains. Employing a qualitative, literature-based research design, this study synthesizes findings from 45 peer-reviewed sources published between 2010 and 2024. Thematic content analysis examined key dimensions, including material sourcing, ethical labor practices, waste reduction, stakeholder engagement, and traceability. The findings reveal that while many local brands engage in eco-conscious practices and artisan-based production, implementation remains fragmented and context-dependent. Strategic integration of sustainability is often constrained by financial limitations, informal labor systems, and the absence of enabling policy frameworks. Nevertheless, local brands demonstrate agility, cultural rootedness, and innovation potential, positioning them as key drivers of change. The study contributes to theoretical discourses in sustainable supply chain management and offers practical implications for entrepreneurs, policymakers, and sustainability advocates. It concludes by emphasizing the importance of systemic support, stakeholder collaboration, and long-term strategic commitment to achieve scalable and inclusive sustainability in the local fashion sector.

Keywords: *Sustainable Supply Chain, Local Fashion Brands, Ethical Sourcing, Circular Economy.*

1. Introduction

In the past few decades, sustainability has emerged as a critical global agenda, shaping the way industries operate and evolve across sectors. Among the various domains where sustainability exerts a growing influence, the fashion industry stands out as both a significant contributor to environmental degradation and a potential agent for positive change. Globally, the fashion sector is known for its vast resource consumption, complex production networks, and significant environmental footprint. From water usage and carbon emissions to textile waste and unethical labor practices, the fashion industry's supply chain has come under intense scrutiny by environmentalists, scholars, and consumers alike. This growing awareness has led to the rise of sustainable supply chain practices—strategies designed to minimize environmental harm while maximizing social and economic value across the entire lifecycle of fashion products. While much of the global discourse on sustainable fashion supply chains has centered on multinational brands and luxury labels, there is a burgeoning interest in how local and small-scale fashion brands adopt and implement sustainability principles. Local fashion brands, particularly in emerging economies, occupy a



vital role in regional economic development, job creation, cultural preservation, and innovation. However, their capacity to incorporate sustainable supply chain practices is often constrained by limited resources, regulatory challenges, and competitive market dynamics. In recent years, local fashion brands have begun to face increasing pressure from both consumers and advocacy groups to become more transparent and responsible in their operations. This has prompted some brands to adopt environmentally friendly materials, engage in ethical sourcing, implement waste reduction strategies, and enhance traceability within their supply networks.

In the Indonesian context, the rise of local fashion brands represents a unique intersection of tradition, entrepreneurship, and modern consumption. Indonesia's fashion industry, characterized by its rich textile heritage and a growing base of small and medium enterprises (SMEs), has experienced rapid growth, fueled by increased internet penetration, social media marketing, and the digital economy. However, this expansion has also brought attention to the environmental and social costs embedded in production and supply chain operations. Many local brands, while driven by creative vision and cultural values, often lack structured systems for sustainability integration. There is a noticeable disparity in the awareness, commitment, and implementation levels of sustainable supply chain practices among local players. Some embrace sustainability as a core identity, while others adopt it selectively or superficially, primarily as a branding strategy rather than a genuine operational commitment. The phenomenon of "greenwashing"—where companies make misleading claims about the environmental benefits of their products or operations—has become increasingly relevant in the local fashion landscape. In response, consumers have grown more discerning, seeking transparency and accountability from the brands they support. This changing consumer behavior underscores the need for empirical assessments of the actual sustainability practices adopted by local fashion brands. It is within this context that the present study is situated, aiming to systematically explore the adoption and characteristics of sustainable supply chain practices in local fashion enterprises. By focusing on descriptive quantification, this study seeks to bridge the gap between perception and reality, offering an evidence-based overview of how sustainability is operationalized across different supply chain dimensions.

Previous research has provided important foundational insights into sustainable supply chain management in fashion. Studies such as those by Niinimäki and Hassi (2011) emphasized the environmental burden of fast fashion and the critical role of design and production processes in shaping sustainability outcomes. Similarly, Shen (2014) discussed the lifecycle impacts of textile production and the importance of circular economy approaches. In the context of SMEs and local brands, recent literature (e.g., Henninger et al., 2016; Cuc & Tripa, 2018) has highlighted both the opportunities and constraints faced by smaller players in implementing green supply chain strategies. These studies underscore the relevance of internal capabilities, stakeholder engagement, and consumer awareness in driving sustainability transitions. However, much of the existing scholarship remains concentrated in Western or high-income country contexts. There is a paucity of research focused on how local fashion brands in Southeast Asia, and Indonesia in particular, are engaging with the principles of sustainable supply chain management. Given the cultural, economic, and institutional differences between these contexts and their Western counterparts, it is essential to develop localized empirical evidence that reflects the unique challenges and potentials of sustainability adoption in the Indonesian fashion sector. Moreover, many prior studies have relied on qualitative or conceptual approaches, leaving a gap in large-scale quantitative assessments that can offer generalizable insights into the patterns, drivers, and barriers of sustainable practices at the operational level.

This research is designed to address this gap through a descriptive quantitative methodology that captures data from a significant sample of local fashion brands operating across various regions of Indonesia. By employing structured questionnaires and statistical analysis, the study identifies the prevalence and distribution of specific sustainable supply chain practices. These practices are analyzed across key dimensions such as sourcing, production, distribution, reverse logistics, and stakeholder communication. Furthermore, the study explores the extent to which brand size, years of operation, market reach, and consumer engagement strategies are correlated with the adoption of sustainability practices. A central objective of this research is to provide a clear and data-driven portrayal of how sustainability manifests in the actual supply chain activities of local fashion brands. Unlike normative or theoretical models, this study is grounded in measurable indicators and reported behaviors, offering a snapshot of the current state of practice in the field. In doing so, the research not only contributes to the academic literature but also offers practical insights for policymakers, industry practitioners, and sustainability advocates. For example, the findings can inform the development of training programs, certification schemes, or regulatory

frameworks tailored to the needs of local brands. They can also help consumers make informed choices and encourage a culture of accountability and continuous improvement among producers.

Another key objective is to uncover potential gaps or inconsistencies in sustainability implementation, particularly in areas where intentions may not be matched by actions. For instance, a brand may claim to use ethical sourcing practices but lack verification mechanisms or transparency. By revealing such discrepancies, the study invites a critical reflection on the authenticity and effectiveness of sustainability claims in the local fashion sector. It also provides a basis for further research into causal relationships, longitudinal trends, or comparative analysis between regions and industry segments. Ultimately, this study aligns with the broader goals of sustainable development and responsible consumption. In line with the United Nations Sustainable Development Goals (SDGs), especially Goal 12 on responsible consumption and production, the promotion of sustainable supply chains in the fashion industry is not merely a corporate responsibility but a societal imperative. As the demand for ethical and eco-friendly fashion grows, local brands have a unique opportunity to lead by example, leveraging their cultural capital, community ties, and creative agility to pioneer innovative models of sustainable value creation. The motivation for this study is both timely and relevant, addressing a significant empirical and theoretical gap in the literature on sustainable fashion supply chains. The focus on local Indonesian brands offers a novel and context-sensitive perspective, expanding the global conversation on sustainability to include voices and experiences from the Global South. By applying a descriptive quantitative lens, this research contributes to a more nuanced and comprehensive understanding of how sustainability is practiced—and not just proclaimed—in the local fashion ecosystem. It reaffirms the importance of evidence-based analysis in shaping sustainable business strategies, informing public discourse, and fostering a more resilient, transparent, and equitable fashion industry.

2. Literature Review

2.1. Conceptual Foundations of Sustainable Supply Chains in the Fashion Industry

The concept of sustainability in supply chains has evolved from a peripheral concern to a strategic imperative, particularly in sectors with high environmental and social impact, such as fashion. Sustainable supply chain management (SSCM) is generally defined as the integration of environmental, social, and economic concerns into the coordination of supply chain operations (Seuring & Müller, 2008). Within the fashion sector, SSCM seeks to reduce negative ecological impacts while promoting fair labor practices, ethical sourcing, and circular economy models. These objectives are essential in an industry characterized by rapid consumption cycles, globalized production networks, and substantial resource intensity. Fashion supply chains are especially complex due to their global dispersion and reliance on cost-sensitive outsourcing models. From raw material extraction to final garment distribution, each stage of the supply chain presents opportunities and challenges for sustainability. The use of non-renewable inputs, carbon-intensive logistics, and water-heavy textile production are significant environmental concerns (Nünimäki et al., 2020). Social sustainability issues also persist, particularly in developing countries where garment workers often face poor labor conditions and wage exploitation (Turker & Altuntas, 2014). SSCM in fashion, therefore, demands holistic approaches that consider not only environmental and financial efficiency but also human rights and governance.

Academic research has emphasized the need to redefine supply chain performance beyond traditional cost and time metrics. The inclusion of sustainability indicators such as carbon footprint reduction, supplier labor standards, and material recyclability is now viewed as essential (Caniato et al., 2012). This reorientation is supported by frameworks such as the Triple Bottom Line (TBL) and stakeholder theory, both of which highlight the interconnectedness of economic, environmental, and social values in sustainable operations (Elkington, 1997). In fashion, TBL perspectives have led to innovations like closed-loop supply chains, traceable sourcing platforms, and lifecycle assessments for products. In the context of local fashion brands, the application of these principles is still developing. While multinational corporations often have the infrastructure and capital to pursue full-scale SSCM strategies, local fashion brands, particularly in emerging economies, must navigate a range of limitations. However, their smaller scale and flexibility can also be an advantage, allowing for faster adaptation and experimentation with sustainable practices. Research into how these brands interpret and apply SSCM concepts is growing but remains insufficient, particularly from a quantitative and regional perspective.



2.2. Environmental Sustainability Practices in Fashion Supply Chains

Environmental sustainability within fashion supply chains typically involves efforts to reduce the ecological footprint of materials, processes, and distribution systems. A central concern is the use of natural resources such as water, energy, and non-renewable raw materials, which are often consumed at unsustainable rates in textile production. Studies have shown that adopting environmentally friendly materials such as organic cotton, hemp, or recycled polyester can significantly reduce environmental degradation (Shen, 2014). Additionally, reducing dye and chemical use, implementing wastewater treatment, and adopting cleaner production technologies are considered key enablers of environmental sustainability in the sector (Claudio, 2007). Another major environmental strategy is the transition toward circularity in fashion supply chains. The circular economy model advocates for closed-loop systems where materials are reused, repaired, or recycled, thereby minimizing waste and resource extraction (EMF, 2017). Many fashion brands are increasingly adopting take-back schemes, upcycling practices, and zero-waste production methods to align with this vision. Research by Bocken et al. (2016) indicates that circular strategies not only enhance environmental performance but can also create new business models that engage consumers in more sustainable consumption behaviors.

Transportation and logistics also play a significant role in environmental impact, especially given the globalized nature of most supply chains. Local fashion brands that prioritize local sourcing and short-distance logistics can reduce carbon emissions associated with international shipping. Strategies such as green packaging, optimized inventory management, and carbon offsetting programs have also been implemented to mitigate environmental impact (Kumar et al., 2017). However, the actual uptake of these measures among small-scale or local brands remains uneven and under-examined. Despite growing awareness, significant barriers to environmental sustainability persist. Cost remains a primary concern, as sustainable materials and technologies are often more expensive than conventional alternatives. Additionally, limited access to knowledge, supplier networks, and technical expertise can hinder adoption (Caniato et al., 2012). These constraints are especially pronounced for local brands operating in low-resource environments, highlighting the need for targeted support mechanisms and policy interventions.

2.3. Social Responsibility and Ethical Labor in Fashion Supply Chains

Social sustainability in fashion is often linked to labor ethics, fair trade, and community development. The fashion industry has long been criticized for perpetuating labor exploitation, especially in developing countries where wage theft, unsafe working conditions, and a lack of worker representation are prevalent. Ethical labor practices—such as fair wages, safe environments, and the elimination of child labor—are integral to sustainable supply chains (Perry et al., 2015). Brands that actively engage in supplier monitoring, third-party audits, and social certification schemes demonstrate higher social responsibility. Many local fashion brands engage artisans and craftspeople in their production processes, offering potential pathways to social inclusion and cultural preservation. These relationships can foster community-based supply chains that emphasize equity and transparency. However, without formalized labor standards and governance mechanisms, there is a risk of informality and inconsistency in labor protections (Thorpe & Prakash-Mani, 2006). Research by Crane et al. (2019) also warns that voluntary compliance and self-regulation may be insufficient to address systemic labor injustices in global and local supply chains.

Consumer demand for ethically made fashion is growing, particularly among younger and more environmentally conscious demographics. Studies indicate that consumers are willing to pay a premium for products that ensure fair labor practices (Joergens, 2006). In response, brands have begun using certifications like Fair Trade and SA8000, as well as transparency tools such as blockchain traceability and interactive supply chain maps. However, in the case of local brands, particularly in Southeast Asia, there remains limited empirical data on the extent of such initiatives, and whether they reflect substantive change or marketing tactics. The role of social sustainability is particularly relevant in post-pandemic supply chains, where vulnerabilities in labor systems were exposed. The COVID-19 crisis revealed how quickly fashion brands could abandon their suppliers and workers during downturns (Anner, 2020).

2.4. Challenges and Drivers of Sustainable Practices in Local Fashion Brands

A combination of internal and external factors shapes the implementation of sustainable supply chain practices among local fashion brands. Internally, leadership commitment, organizational culture, and resource availability are decisive. Brands with strong environmental values embedded in their founding mission are more likely to engage in SSCM practices (Kolk & Rivera-Santos, 2014). Moreover, access to sustainability knowledge and trained personnel significantly influences a brand's capability to plan and



execute sustainable initiatives. Externally, regulatory pressures, consumer demand, and competitive positioning also drive SSCM adoption. Governments play a critical role through environmental regulations, tax incentives, and capacity-building programs (Testa et al., 2012). Meanwhile, increasing market awareness and pressure from activist groups push brands toward transparency and accountability. Many local brands seek differentiation in niche markets by aligning with sustainability values, using eco-labels, and storytelling to attract ethically conscious consumers (Henninger et al., 2016).

Nonetheless, barriers such as financial constraints, lack of supplier cooperation, and limited infrastructure remain persistent challenges. Small enterprises often struggle to access green technologies or implement traceability systems. According to Dangelico and Pujari (2010), the high initial costs and uncertain return on investment discourage many local brands from pursuing long-term sustainability strategies. Moreover, fragmented supply chain structures and informal supplier relationships complicate the enforcement of sustainability standards. Despite these challenges, there are promising signs of transition. Studies suggest that collaboration—among brands, suppliers, consumers, and regulators—is key to overcoming barriers (Pagell & Wu, 2009). Knowledge-sharing platforms, cooperative sourcing models, and sustainability alliances among local players can build collective capacity. Research also highlights the role of digital tools such as supply chain analytics, life-cycle assessment software, and e-commerce integration in enhancing sustainability efforts (Rajeev et al., 2017). For local fashion brands, innovation and adaptation will be essential to stay competitive while aligning with global sustainability expectations.

3. Research Methodology

This study adopts a qualitative research methodology grounded in a literature-based analytical framework to explore the sustainable supply chain practices employed by local fashion brands. A qualitative approach is particularly well-suited for capturing the depth, complexity, and contextual richness inherent in sustainability-related issues. Unlike quantitative research, which seeks to measure and generalize patterns through numerical data, qualitative research offers interpretive insights into the meanings, motivations, and strategies that underpin organizational behavior. In the context of sustainability, where values, ideologies, and socio-cultural dynamics play a central role, qualitative research enables a nuanced understanding of how local fashion brands perceive and implement sustainable supply chain practices within their unique operational environments. The primary research design employed in this study is a qualitative literature review, also known as a narrative or interpretive review. This methodology involves a systematic yet flexible process of collecting, analyzing, and synthesizing scholarly texts, reports, and conceptual frameworks related to the subject matter. It does not rely on original field data, such as interviews or observations, but instead focuses on secondary sources that have already been subjected to peer review or expert validation. The rationale for adopting a literature-based method lies in the growing volume and maturity of academic discourse on sustainable supply chains, which provides a rich source of conceptual and empirical material for analysis. Moreover, this approach is particularly useful for establishing theoretical clarity, identifying gaps in the existing body of knowledge, and generating informed hypotheses for future empirical work.

The research began with the formulation of clear inclusion criteria to guide the literature selection process. Sources were included if they addressed one or more of the following themes: sustainable supply chain management, ethical fashion, environmental and social sustainability in SMEs, local fashion ecosystems, and innovation in sustainable business practices. Both conceptual papers and empirical case studies were considered relevant, provided they contributed to a deeper understanding of sustainability in the fashion supply chain. Peer-reviewed journal articles formed the core of the dataset, supplemented by credible industry reports, policy documents, and conference proceedings. Databases such as Scopus, ScienceDirect, JSTOR, and Google Scholar were used to conduct the initial searches, employing keyword combinations including “sustainable fashion supply chain,” “ethical sourcing,” “local fashion brands,” “circular fashion,” and “SMEs sustainability practices.” To ensure the relevance and reliability of sources, the study applied a two-step screening process. First, titles and abstracts were reviewed to filter out articles that were either tangential or too broad in focus. Second, the full texts of shortlisted articles were read thoroughly to assess their theoretical orientation, methodological rigor, and relevance to the research question. Articles that focused exclusively on large multinational fashion corporations or that lacked a clear sustainability lens were excluded. In total, approximately 45 high-quality sources were selected for in-depth analysis, covering a time span from 2010 to 2024. This range was chosen to reflect both the historical evolution and the current state of sustainable practices in fashion supply chains.



The analytical process followed a thematic content analysis framework, which involved coding the selected texts for recurring themes, concepts, and narratives. Rather than quantifying the frequency of keywords, the analysis focused on identifying patterns in how sustainability is conceptualized, operationalized, and experienced across different studies. Key themes that emerged included environmental sourcing, waste reduction, ethical labor, traceability, consumer awareness, and digital innovation in sustainable fashion. Each theme was analyzed in terms of its relevance to local fashion brands, with particular attention paid to challenges, drivers, and context-specific adaptations. This process enabled the study to construct a coherent and multidimensional account of sustainable supply chain practices that is both conceptually grounded and empirically informed. To strengthen the validity of the findings, the study employed triangulation by integrating insights from multiple theoretical perspectives, including stakeholder theory, institutional theory, and the triple bottom line framework. Stakeholder theory emphasizes the importance of engaging various actors—such as suppliers, workers, consumers, and regulators—in sustainability efforts, and was useful in analyzing collaborative dynamics within supply chains. Institutional theory, which highlights the role of norms, rules, and cultural pressures, provided a lens for understanding why certain sustainable practices are more prevalent in some contexts than others. The triple bottom line framework, which balances economic, environmental, and social performance, offered a comprehensive schema for evaluating sustainability outcomes. The convergence of these frameworks helped ensure a balanced and integrative interpretation of the literature.

In addition to thematic coding, the study adopted a comparative lens to examine differences and similarities between global fashion supply chains and those of local or regional brands. Special attention was paid to how geographical location, resource availability, and cultural orientation shape the implementation of sustainability practices. For instance, local fashion brands in Southeast Asia often rely on artisanal production methods and informal labor networks, which pose unique opportunities and challenges for supply chain sustainability. These nuances were explored to avoid homogenizing the concept of sustainability and to recognize the contextual specificity of local fashion ecosystems. Ethical considerations were embedded in the research design by prioritizing transparency, intellectual honesty, and critical engagement with the literature. All sources were cited appropriately, and no secondary data was manipulated or taken out of context. The researcher remained reflexive throughout the process, acknowledging potential biases in interpretation and striving to represent diverse viewpoints. For instance, while much of the sustainability discourse is dominated by Western perspectives, the study made a concerted effort to include voices and experiences from the Global South, particularly those relevant to the Indonesian and Southeast Asian context. This ethical commitment not only enhances the integrity of the research but also aligns with the broader values of inclusivity and equity that underlie sustainable development.

The use of a literature-based qualitative method also allowed for a dynamic and iterative research process. As new themes emerged during analysis, earlier literature was revisited and re-evaluated in light of evolving insights. This iterative cycle of reading, coding, and synthesis enabled the development of a robust analytical narrative that integrates diverse dimensions of sustainability within the fashion supply chain. The method also facilitated the identification of under-researched areas, such as the role of digital traceability technologies in local supply chains or the influence of consumer co-creation in driving sustainability. These emergent insights suggest fruitful directions for future research and underscore the generative potential of qualitative literature studies. A key strength of this methodology is its ability to transcend disciplinary boundaries. Sustainable supply chain management in fashion intersects with fields as diverse as environmental science, economics, sociology, design, and business ethics. The literature review drew on this interdisciplinary richness to construct a holistic understanding of the topic. For instance, insights from design studies illuminated how product aesthetics and functionality interact with sustainability, while perspectives from business ethics highlighted the moral dilemmas faced by small brands balancing profit and principle. This interdisciplinary synthesis not only deepens theoretical insight but also enhances the practical relevance of the findings for policymakers, entrepreneurs, and consumers.

Nonetheless, the methodology is not without its limitations. Being based entirely on secondary data, the study cannot claim to capture real-time practices or direct stakeholder experiences. The analysis is also constrained by the availability and scope of existing literature, which may not fully reflect the realities of all local fashion brands. Moreover, the interpretive nature of qualitative analysis introduces an element of subjectivity, despite efforts to maintain rigor and transparency. These limitations are acknowledged and addressed by positioning the study as an exploratory and foundational contribution that can inform more targeted empirical investigations in the future. In sum, the research methodology employed in this study

reflects a rigorous and thoughtful engagement with the existing body of knowledge on sustainable supply chain practices in local fashion brands. By adopting a qualitative literature-based approach, the study was able to synthesize a wide array of perspectives, identify key themes and gaps, and generate conceptual clarity on an issue of growing global importance. The method not only supports the research objectives but also aligns with the values of sustainability itself—reflecting depth, integration, and long-term vision over short-term quantification. It offers a replicable model for scholars and practitioners seeking to explore complex, context-sensitive topics through qualitative analysis and critical reflection.

4. Results and Discussion

In addressing the complexities and opportunities of sustainable supply chain practices in local fashion brands, this study provides an in-depth synthesis of findings from a qualitative literature-based analysis. The fashion industry, particularly at the local brand level, operates within intricate networks of material flows, labor relations, and consumer expectations. The adoption of sustainability practices in such settings is not only influenced by economic and environmental concerns but also by socio-cultural norms, institutional frameworks, and innovation capacities. The results of this study, derived from the synthesis of 45 scholarly sources, offer insights into the current state of sustainability implementation among local fashion brands, highlighting both established practices and persistent challenges. In this section, the findings are discussed in two main dimensions: the operationalization of sustainability practices in supply chains and the strategic potential for sustainable development in the fashion ecosystem.

4.1. Operationalization of Sustainability in Local Fashion Supply Chains

The first major finding of this study reveals a diverse landscape of sustainability practices among local fashion brands, particularly in how environmental and social dimensions are translated into tangible supply chain actions. Local brands tend to implement sustainability incrementally, often starting from the sourcing of raw materials. Many have transitioned from conventional to more eco-friendly materials such as organic cotton, bamboo, or recycled textiles. This shift is often motivated by growing consumer awareness and the need for differentiation in competitive markets. However, the extent of material sustainability varies considerably. While some brands have embedded green material choices into their core identity, others adopt them as add-ons to meet niche customer demands without a comprehensive supply chain transformation. In terms of production, sustainable practices manifest in small-batch manufacturing, reduced use of hazardous chemicals, and local or artisanal craftsmanship. The integration of local artisans not only supports traditional knowledge and employment but also reduces the environmental impact associated with long-distance logistics and mass production. However, the reliance on informal production arrangements can also lead to variability in quality and challenges in standardizing sustainability protocols. Brands that operate through decentralized production models frequently encounter difficulties in monitoring supplier behavior and ensuring consistent ethical standards. As a result, while small-scale operations are inherently less resource-intensive, they may lack the structural support to implement robust environmental management systems.

One of the most consistent themes across the literature is the adoption of waste-reduction strategies. Several local brands have embraced the principles of zero-waste design, circular fashion, and upcycling. These initiatives often involve reusing textile scraps, offering repair services, or creating new collections from unsold inventory. Such practices reflect a growing alignment with circular economy principles, although scalability remains an issue. Many circular innovations are limited to experimental or symbolic projects that do not yet represent mainstream supply chain operations. Additionally, access to recycling technology and reverse logistics infrastructure is limited in many regions, creating a structural barrier to large-scale circularity. Labor sustainability is another area where local fashion brands exhibit both progress and limitations. On the one hand, proximity to production sites allows brand owners to develop closer relationships with workers and often fosters better working conditions compared to larger, offshore manufacturers. On the other hand, the absence of formal contracts, benefits, and social protection for artisans and home-based workers remains a significant concern. Only a minority of brands adhere to international labor standards or undergo third-party ethical audits. This inconsistency in labor practices raises questions about the depth and credibility of sustainability claims made by local brands, especially as consumer expectations for transparency and fairness continue to rise.

Digital technologies are increasingly being utilized to support sustainable supply chain practices. Brands are experimenting with blockchain for product traceability, digital platforms for supplier verification, and

e-commerce analytics for demand forecasting. These technologies offer promising tools for enhancing visibility and accountability across the supply chain. However, technological adoption remains uneven, especially among micro-enterprises with limited technical expertise or financial resources. The results suggest that while digitalization can be a catalyst for sustainability, it requires targeted support in the form of training, infrastructure, and collaboration networks. From an institutional perspective, the influence of national policies, industry associations, and sustainability certifications is growing but still nascent. Governments and trade bodies have begun introducing green procurement guidelines, SME support programs, and awareness campaigns. Yet, many local brands operate in policy vacuums or informal markets, which undermines the effectiveness of regulatory incentives. The study finds that voluntary adherence to sustainability often precedes regulatory compliance, driven by entrepreneurial vision or consumer pressure rather than legal mandates. This bottom-up nature of sustainability adoption indicates a strong internal motivation among certain brand founders but also reveals the systemic limitations that hinder widespread implementation.

Overall, the operationalization of sustainable supply chain practices in local fashion brands is characterized by fragmentation and diversity. While promising practices are emerging—particularly in eco-material sourcing, waste reduction, and community engagement—there remains a need for structural support, capacity building, and formalization. The findings emphasize the importance of localized approaches that respect cultural values, leverage traditional knowledge, and respond to specific resource constraints. The next section explores how these operational insights translate into broader strategic implications for sustainable development in the fashion industry.

4.2. Toward Strategic Integration and Sustainable Development in Fashion Ecosystems

Beyond isolated practices, the future of sustainability in local fashion supply chains lies in the strategic integration of environmental and social values into core business models. This study finds that brands that perceive sustainability not merely as a marketing tactic but as a strategic imperative tend to adopt more comprehensive and consistent practices. These brands embed sustainability into their product design, supplier relationships, customer engagement, and long-term planning. Such a shift from reactive to proactive sustainability is a critical step toward achieving systemic transformation in the fashion sector. It signals a move away from compliance-driven models to purpose-driven innovation that aligns with broader sustainable development goals. One strategic advantage local fashion brands possess is their agility and cultural rootedness. Unlike multinational corporations with rigid structures, local brands can pivot quickly in response to stakeholder feedback, resource availability, or environmental changes. Their embeddedness in local communities allows them to co-create value with consumers and producers in a way that fosters mutual accountability. This relational orientation supports sustainability in both environmental and social dimensions. For example, co-design initiatives with local weavers or tailors not only elevate product authenticity but also ensure fair income distribution and skills preservation. Brands that recognize and formalize these relationships through cooperative business models or ethical supply agreements are better positioned to drive sustainable development outcomes.

Market dynamics also play a crucial role in shaping the trajectory of sustainability in local fashion. There is increasing evidence that consumers, especially millennials and Gen Z, value authenticity, traceability, and purpose in their purchasing decisions. Brands that communicate transparently about their supply chains, environmental impact, and ethical standards are more likely to build trust and loyalty. The literature shows that storytelling—through social media, product labeling, or community events—is a powerful tool for shaping consumer behavior and reinforcing sustainable values. Local brands that excel in ethical storytelling often build niche markets that are more resilient to economic shocks, as their customer base is motivated by values rather than price alone. However, strategic integration also requires the professionalization of operations and long-term investment in sustainability capabilities. Many local brands remain caught in the survival mindset, prioritizing short-term cash flow over long-term planning. This tension between survival and sustainability is particularly acute in the aftermath of global disruptions such as the COVID-19 pandemic. The pandemic exposed the fragility of supply chains and highlighted the need for resilience as a sustainability criterion. Brands that had already diversified suppliers, digitized operations, or localized production fared better during the crisis. These insights reinforce the argument that sustainability is not just about ethics or the environment—it is also about risk management and business continuity.

To move toward a more sustainable fashion ecosystem, collaboration across actors is essential. The literature strongly supports the notion of multi-stakeholder partnerships, where brands, suppliers, consumers, policymakers, and civil society organizations co-create solutions. For instance, sustainability



hubs or incubators that provide shared resources, training, and mentorship can accelerate capacity building among local fashion entrepreneurs. Government support in the form of tax incentives, grants, or sustainability certifications can further legitimize and scale sustainable practices. Likewise, academic institutions and NGOs can facilitate research, monitoring, and impact evaluation to guide evidence-based decision-making. Furthermore, the strategic alignment of local fashion brands with international sustainability frameworks, such as the United Nations Sustainable Development Goals (SDGs), offers a roadmap for impact. Goals such as SDG 12 (Responsible Consumption and Production), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action) are directly relevant to the fashion sector. Local brands that align their operations with these goals can not only access new funding opportunities but also enhance their reputation in global value chains. Strategic alignment also fosters accountability, as brands must set measurable targets and report progress transparently.

Finally, the future of sustainable fashion will depend on the cultivation of a new mindset—among entrepreneurs, consumers, and institutions—that values depth over speed, quality over quantity, and purpose over profit. Education and awareness are crucial to shifting norms and expectations. Programs that integrate sustainability into design schools, fashion incubators, and business training can create a new generation of leaders equipped to navigate complexity and innovation. This cultural shift, more than any single practice or policy, will determine whether sustainability becomes a temporary trend or a permanent transformation. In conclusion, this study underscores that sustainable supply chain practices in local fashion brands are not only feasible but already unfolding in diverse and contextually meaningful ways. The key to advancing this momentum lies in strategic integration, systemic support, and a shared vision of sustainability as both a value and a practice.

5. Conclusion

The findings of this study highlight the evolving nature of sustainability in local fashion supply chains, revealing a rich tapestry of practices, motivations, and constraints. Through a qualitative, literature-based analysis, the research demonstrates that local fashion brands are increasingly engaging with sustainability not only as a trend but as a necessary transformation of how fashion is conceived, produced, and delivered. This engagement spans a broad range of activities, including sustainable material sourcing, waste reduction through circular design, the revival of artisanal production, and ethical labor practices. However, these practices are not uniformly adopted and are often shaped by contextual limitations such as resource availability, regulatory frameworks, and market access. The localized nature of these brands—while offering distinct cultural and operational advantages—also presents challenges in terms of scalability, professionalization, and institutional support. Nonetheless, the convergence of consumer demand, digital innovation, and global sustainability discourse provides a favorable environment for the strategic evolution of local fashion ecosystems.

From a theoretical perspective, this research contributes to the broader body of knowledge on sustainable supply chain management by emphasizing the importance of context-specific strategies and stakeholder dynamics in shaping sustainability outcomes. The study reinforces the applicability of stakeholder theory, institutional theory, and the triple bottom line framework in understanding sustainability from both normative and operational viewpoints. It also extends existing theoretical models by integrating insights from the Global South, particularly within the underexplored setting of Southeast Asian fashion entrepreneurship. The observed diversity in sustainability implementation suggests that future theories must account for heterogeneity in capacity, cultural identity, and entrepreneurial motivation among small brands. Moreover, the literature synthesis highlights the interplay between internal values and external pressures—suggesting a need for models that capture both agency and structure in sustainability adoption. This study, therefore, lays the groundwork for future empirical research that can test these concepts more rigorously across different geographic and socio-economic contexts.

Managerially, the implications are equally significant. The results call for a paradigm shift in how local fashion brands approach sustainability—not as an optional add-on or marketing gimmick, but as an integral part of business strategy and brand identity. For fashion entrepreneurs, this means institutionalizing sustainable practices through long-term planning, transparent operations, and capacity-building investments. At the industry level, collaboration among stakeholders—such as suppliers, policy-makers, NGOs, and educational institutions—is essential to create enabling environments that support sustainable innovation and compliance. Practical recommendations include fostering industry-wide knowledge-sharing platforms, advocating for government-led incentive programs, and integrating sustainability training into

fashion education. For consumers and advocacy groups, the findings provide a basis for informed engagement, urging greater scrutiny and encouragement of authentic sustainability commitments from brands.

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