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CORPORATE SOCIAL RESPONSIBILITY IN THE FAST FASHION INDUSTRY: A CRITICAL ANALYSIS OF INDIAN CORPORATE LAW

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1. Abstract

Fast fashion has changed the way people buy and wear clothes. A garment can now travel from the design table to the shop floor in a few weeks, and at a price low enough to make frequent buying feel almost effortless. The costs of this speed rarely appear on a price tag. They show up instead as polluted rivers, growing piles of discarded clothing, and long supply chains in which workers are often underpaid and overworked.

This article examines how Corporate Social Responsibility (CSR) applies to the fast fashion industry, with particular attention to Indian corporate law. It explains the meaning and development of CSR, traces its growth in India, and studies Section 135 of the Companies Act, 2013, read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The article argues that CSR spending, though valuable, cannot replace a company's duty to follow labour and environmental laws, and that a spending requirement alone does little to correct problems that begin in the way fashion companies source and produce their goods. It concludes that meaningful responsibility depends on board-level oversight, accountability across the supply chain and honest reporting.

2. Keywords

Corporate Social Responsibility, Fast Fashion, Companies Act, 2013, Section 135 Corporate Governance, Sustainability, Supply-Chain Accountability; Green washing.

3. Introduction

In April 2013, a garment factory building called Rana Plaza collapsed in Bangladesh, killing more than 1,100 workers. Several of the factories inside were producing clothes for well-known international brands. The disaster forced the fashion industry, and the people who buy from it,

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to ask an uncomfortable question: who is responsible for the conditions in which cheap clothes are made?

The question is still open. Fast fashion depends on low prices, high volumes and constant change, and each of these puts pressure on someone further down the chain. Factories are pushed to cut costs and meet tight deadlines. Natural resources are used up quickly. By the time a garment is discarded, often after only a few wears, it has left a mark on the environment and on the lives of those who made it. The United Nations Environment Programme estimates that around 92 million tons of textile waste are produced globally every year.

India stands in an interesting position in this debate. It is a major producer and exporter of textiles and garments, and its domestic fashion retail market is growing fast. It is also one of the few countries that has given CSR a statutory footing. Section 135 of the Companies Act, 2013 requires qualifying companies to spend a share of their profits on social and environmental causes. Whether this provision is enough to address the harms linked with fast fashion is the central question of this article.



3.1 Meaning of CSR

Corporate Social Responsibility refers to the idea that a company owes something to society beyond profit and legal compliance. A business uses public resources, depends on workers and

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communities, and affects the environment in which it operates. CSR asks it to take these effects seriously and to act on them. In practice, this can mean supporting education or healthcare, protecting the environment, treating workers fairly, or making sure that the company's own operations do not cause harm in the first place. The concept is explained in more detail in Part 4.

3.2 Objectives of the Study

The study has the following objectives:

1. To explain the meaning, concept and importance of Corporate Social Responsibility.
2. To understand how CSR has developed in India.
3. To examine Section 135 of the Companies Act, 2013 and the rules made under it.
4. To study the social and environmental impact of the fast fashion industry.
5. To identify the challenges in applying CSR to fast fashion and to suggest practical reforms.

3.3 Research Methodology

This is a doctrinal and analytical study. It relies on secondary sources, namely the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and their later amendments, circulars issued by the Ministry of Corporate Affairs, reports of international bodies such as the United Nations Environment Programme, and books, journal articles and other published commentary on CSR and the fashion industry. The study is qualitative. It does not rely on field surveys or interviews, and it does not assess the CSR record of any individual company. Its aim is to examine how the law is framed and how far it responds to the problems of fast fashion.

4. Meaning and Concept of CSR

4.1 Definition of CSR

There is no single, universally accepted definition of CSR. The idea has been shaped over several decades by economists, management scholars and lawmakers, each stressing a different aspect. Howard Bowen, in his 1953 book on the social responsibilities of the businessman, argued that business people have an obligation to follow policies and make decisions that are desirable in terms of the objectives and values of society. Archie Carroll later described CSR as a pyramid of four layers: economic, legal, ethical and philanthropic responsibilities. On this view, a company must first earn profits and obey the law, but it is also expected to act fairly

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and to give back to the community. John Elkington's "triple bottom line" approach takes a similar line, asking businesses to measure their success by people and planet as well as profit. Policy bodies have taken a comparable position. The European Commission, for instance, has described CSR as the responsibility of enterprises for their impact on society. What is common to all these descriptions is that CSR is about the effect of a company's decisions on others, and not merely about charity.

In India, the term has a specific legal meaning. Under the Companies (Corporate Social Responsibility Policy) Rules, 2014, CSR means the activities undertaken by a company in accordance with Schedule VII of the Act, and it does not include activities undertaken in the normal course of the company's business. This definition is narrower than the broad academic idea. It treats CSR as a defined set of social and environmental initiatives, kept separate from the company's ordinary commercial operations.

4.2 Importance of CSR

CSR matters for several reasons, and they are not limited to the benefit it brings to society.

First, it helps address needs that the State cannot meet alone. Companies have financial resources, managerial skill and organisational reach. When these are directed towards education, health, skill development or environmental protection, the results can be significant, especially in areas where public services are thin.

Second, it supports the company itself. Consumers, investors and employees increasingly pay attention to how a business behaves. A company with a reputation for fair dealing is likely to find it easier to attract talent, retain customers and raise capital. A company found guilty of exploiting workers or damaging the environment can lose that trust very quickly.

Third, it encourages long-term thinking. Businesses that ignore the social and environmental effects of their activities tend to face higher costs later in the form of regulatory action, supply disruptions and legal disputes. Seen this way, CSR is part of managing risk.

For the fast fashion industry, these points carry extra weight. Fashion brands depend heavily on public image, and their products are made by large numbers of workers in places that consumers never see. CSR gives companies a framework to look at the whole of their operations and not only at the shop front.

4.3 CSR in India

Business giving has a long history in India. Industrial families such as the Tatas and the Birlas built schools, hospitals and research institutions well before independence, and the Gandhian

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idea of trusteeship encouraged wealthy industrialists to see themselves as custodians of wealth for the benefit of society. For many decades, however, this remained a matter of personal choice and philanthropy, and it was not a legal requirement.

The shift towards a more structured approach came after economic liberalisation in 1991, when Indian companies grew larger, entered global markets and faced greater scrutiny. In 2009, the Ministry of Corporate Affairs issued voluntary CSR guidelines, and these were followed in 2011 by the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business. The Securities and Exchange Board of India also asked large listed companies to report on their business responsibility practices.

The Companies Act, 2013 marked a turning point. By introducing Section 135, which came into force on 1 April 2014, India made CSR spending mandatory for companies meeting prescribed financial thresholds. It is widely regarded as one of the first countries to take this step. The law does not tell a company which cause to support, but it does require eligible companies to form a committee, adopt a policy, spend a minimum amount and report on what they have done. The following part looks at these requirements in detail.

5. Fast Fashion and Its Social and Environmental Impact

5.1 Meaning and Growth of Fast Fashion

Fast fashion refers to a business model in which clothing companies rapidly produce and sell affordable garments inspired by the latest fashion trends. Instead of producing a limited collection for a long period, companies frequently introduce new designs to encourage consumers to purchase clothes more often. This model is based on quick production, low prices, large sales volumes and rapid changes in consumer demand. The growth of online shopping, social media and influencer marketing has further increased the popularity of fast fashion. Companies can now identify emerging trends and bring similar products to the market within a short period. From a business perspective, this model allows companies to attract a larger customer base, increase sales and remain competitive. However, the pursuit of low prices and quick profits can create pressure on manufacturers to reduce production costs, increase output and meet strict deadlines. These pressures may lead to environmental damage, poor working conditions and excessive waste. Therefore, fast fashion raises an important corporate governance question: Can a company achieve commercial success while ignoring the social and environmental consequences of its business activities?

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5.2 Environmental Impact of Fast Fashion

The environmental impact of fast fashion extends throughout the life cycle of a garment, from the extraction of raw materials to manufacturing, transportation, consumption and disposal.

(a) Excessive Consumption of Natural Resources

The textile industry depends heavily on water, energy and raw materials. Cotton cultivation requires considerable water, while synthetic fabrics such as polyester are generally produced using fossil-fuel-based resources. Manufacturing processes also consume energy at different stages, including spinning, dyeing and finishing. Excessive consumption of these resources places pressure on the environment and can increase the long-term operating costs of businesses. Companies that depend on resource-intensive production may also become vulnerable to water shortages, energy-price fluctuations and disruptions in the supply of raw materials. Consequently, resource efficiency is not merely an environmental concern but also a matter of financial planning and business sustainability.

(b) Water Pollution and Chemical Waste

The production of garments often involves dyes, bleaches and finishing chemicals. When industrial wastewater is not properly treated, these substances may contaminate rivers and other water bodies, affect ecosystems and surround communities. Companies must therefore ensure that their manufacturing processes and suppliers comply with applicable environmental requirements. Failure to maintain adequate environmental controls may expose businesses to regulatory action, additional compliance costs and reputational damage. This demonstrates why environmental risk management should form part of responsible corporate decision-making rather than being treated as a separate concern.

(c) Carbon Emissions and Climate Change

Fast fashion depends on extensive production and transportation networks. Energy-intensive factories, international shipping and other logistics activities contribute to greenhouse gas emissions. The environmental burden may increase further when garments are produced in excessive quantities and have short periods of use. Companies can address these concerns by improving energy efficiency, using cleaner energy where feasible, reducing unnecessary transportation and making production planning more responsive to actual demand. Such measures may require initial investment, but they can also reduce waste, improve operational efficiency and strengthen long-term competitiveness.

(d) Textile Waste and Overproduction

One of the most serious consequences of fast fashion is the large volume of discarded clothing. Frequent changes in trends encourage consumers to replace garments quickly, while companies

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may produce more goods than the market can absorb. Unsold inventory and unwanted clothing may ultimately be discarded, burned or sent to landfills. According to the United Nations Environment Programme, approximately 92 million tons of textile waste are generated globally each year. This figure illustrates the scale of the problem and the need for a more circular approach to clothing production and consumption. Overproduction also creates a direct business problem. Companies may suffer losses when unsold garments must be discounted, stored or disposed of. A business model based on excessive production can therefore harm both the environment and the company's financial performance. Better demand forecasting, durable product design, repair services and recycling programme can help address this issue.

5.3 Social Impact of Fast Fashion

While environmental damage is an important concern, the social consequences of fast fashion are equally significant. The demand for inexpensive garments often places considerable pressure on workers and suppliers throughout the global textile supply chain.

(a) Low Wages and Poor Working Conditions

Fashion brands frequently rely on manufacturers and subcontractors to produce garments at competitive prices. When purchasing contracts demand extremely low prices and short delivery periods, suppliers may face pressure to reduce labor costs or increase working hours. In some manufacturing settings, this pressure can contribute to inadequate wages, excessive overtime, unsafe workplaces and insufficient social protection. Such practices raise serious concerns about workers' dignity and labor rights. From a corporate governance perspective, companies should not evaluate suppliers solely on the basis of price and speed. They should also consider workplace safety, lawful employment practices, fair treatment and compliance with applicable labor laws. Appropriate supplier assessments and monitoring mechanisms can help businesses identify and address risks before they develop into serious violations.

(b) Exploitation of Women Workers

Women form a substantial part of the garment workforce in several major clothing-producing countries. Although the industry provides employment opportunities, women workers may face insecure employment, unequal treatment, limited opportunities for advancement and workplace harassment. Responsible businesses should therefore promote equal opportunity, safe working conditions, fair remuneration and effective grievance mechanisms. Corporate policies should be supported by practical implementation rather than remaining limited to written commitments. Protecting workers is not only a social responsibility. It can also help companies reduce employee turnover, maintain product quality, improve productivity and build stronger

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relationships with suppliers.

(c) Supply-Chain Accountability

A major challenge in the fast fashion industry is the separation between the company that sells a product and the factories that manufacture it. A fashion brand may outsource production to multiple suppliers and subcontractors, making it difficult to monitor every stage of the supply chain. However, outsourcing does not eliminate the need for responsible oversight. Companies that fail to investigate credible allegations of labor exploitation may face consumer boycotts, negative publicity, commercial disputes and possible legal consequences, depending on the applicable law and the facts of the case. Effective corporate governance therefore requires companies to establish clear supplier standards, conduct risk-based inspections, maintain traceability and take corrective action when violations are identified. Accountability must extend beyond the company's immediate operations to the risks associated with its business relationships.

5.4 Impact on Corporate Governance and Profitability

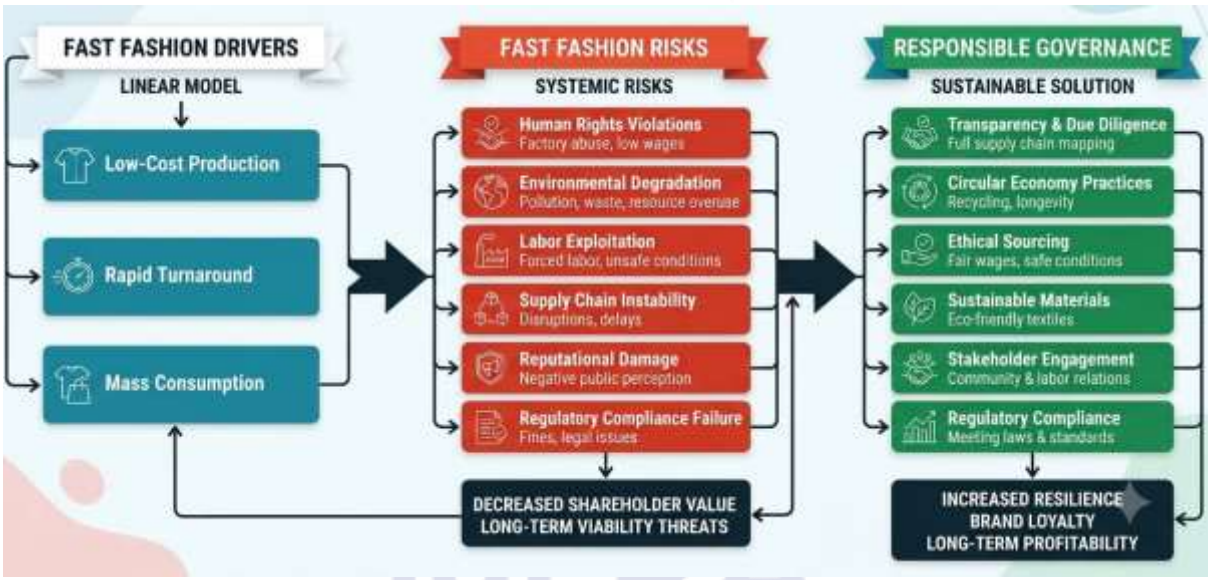
The environmental and social consequences of fast fashion are closely connected with corporate profitability and the duties of company management. Although reducing production costs and increasing sales may improve short-term financial results, ignoring environmental and labor risks can create substantial long-term costs. First companies may face regulatory penalties, litigation expenses or compensation claims where applicable legal requirements have been violated. Second, reputational damage can reduce consumer confidence and affect sales. Third, supply-chain disruptions caused by unsafe factories, labor disputes or environmental problems can delay production and increase operating costs. And finally excessive inventory and unsold garments can reduce profit margins and result in financial losses. These risks demonstrate that responsible corporate governance is essential for protecting the long-term interests of a company. In India, Section 166(2) of the Companies Act, 2013 requires directors to act in good faith to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, shareholders, the community and for the protection of the environment. This provision is relevant because it expressly recognizes employees, the community and environmental protection within the framework of directors' duties. However, its application must be assessed in the context of the statutory language and the particular facts; it should not be treated as imposing automatic liability for every adverse environmental or social outcome. The wider lesson is that corporate performance should not be measured by immediate revenue alone. A company must also consider the risks,

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costs and consequences of the methods through which its profits are generated.

5.5 Balancing Profit, People and the Planet

The challenges created by fast fashion do not necessarily mean that fashion businesses must abandon profitability. Instead, they highlight the need to adopt a business model that combines commercial success with social and environmental responsibility. Companies can move towards sustainable practices by producing according to actual demand, using resources more efficiently, designing durable garments, improving working conditions and strengthening supplier accountability. Although these measures may involve initial expenditure, they can reduce material waste, improve operational efficiency and protect brand reputation. The following flowchart explains the relationship between fast fashion, corporate risks and responsible governance:



6. Legal Framework of CSR under the Companies Act, 2013

The legal basis of CSR in India comes from three sources working together: Section 135 of the Companies Act, 2013, Schedule VII of the Act, which lists the permitted areas of CSR activity, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, which were substantially amended in 2021. Together they set out who must comply, how decisions are to be made, how much must be spent and what happens when a company fails to comply.

6.1 Section 135 of the Act

Section 135 applies to every company, including a holding or subsidiary company and the Indian branch or project office of a foreign company, that meets any one of three conditions in

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the immediately preceding financial year having a net worth of ₹500 crore or more, a turnover of ₹1,000 crore or more, or a net profit of ₹5 crore or more. A company that satisfies any of these tests must follow the CSR provisions.

The section has four main requirements. The company must set up a CSR Committee of the Board. The Board must approve a CSR policy, on the recommendation of the committee. The company must spend the prescribed amount on CSR activities each year. And it must disclose its CSR activities, including the composition of the committee and the CSR policy, in the Board's report and on its website.

The design of the section is worth noting. It lays down a process and a spending target, but it leaves the choice of projects largely to the company, within the areas listed in Schedule VII. This gives flexibility, but it also means that a company in a high-impact sector like fashion is not required by Section 135 to direct its CSR funds towards the harms that its own business may cause.

6.2 CSR Committee

A company covered by Section 135 must constitute a CSR Committee of the Board with at least three directors, one of whom must be an independent director. A company that is not required to appoint an independent director can have a committee of two or more directors. A private company with only two directors may constitute the committee with those two directors, and a foreign company is to have at least two persons, one of whom must reside in India and be authorised to accept service on its behalf. Where a company's CSR obligation does not exceed ₹50 lakh in a financial year, it need not form a committee, and the Board itself performs the committee's functions.

The committee has three main tasks:

1. To formulate and recommend to the Board a CSR policy that sets out the activities the company will undertake.
2. To recommend the amount to be spent and to prepare an annual action plan, which names the projects, the manner of execution, the schedule and the way in which progress will be monitored.
3. To monitor the implementation of the CSR policy from time to time.

The Board then considers the committee's recommendations, approves the policy and the annual action plan, and ensures that the funds are spent as planned. In this way the Act places responsibility for CSR at the level of the Board, which is where decisions about a company's business strategy are also made. This is an important point for the fashion industry, because the

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same Board that approves the committee's plans also decides how the company sources and produces its garments.

6.3 CSR Expenditure

Under Section 135(5), a company must spend at least two per cent of its average net profits during the three immediately preceding financial years on CSR activities. Net profit for this purpose is calculated in accordance with Section 198 of the Act and does not include certain items such as profits from branches outside India and dividends received from other companies in India that are themselves covered by Section 135.

The money must be spent on activities listed in Schedule VII. These include eradicating hunger and poverty, promoting education, promoting gender equality and women's empowerment, ensuring environmental sustainability and ecological balance, protecting flora and fauna, promoting skill development, and rural development projects, among others. Several of these are directly relevant to the fashion industry. A company could, for instance, support skill training for women in garment-producing regions or fund environmental restoration projects. Preference is to be given to the local areas around the company's operations.

The Rules also place certain limits and conditions on CSR spending:

- **Administrative overheads:** These are capped at five per cent of the total CSR expenditure for the financial year.
- **Ongoing projects:** Multi-year projects of up to three years may be undertaken as ongoing projects. Any unspent amount allocated to them must be moved to a special Unspent CSR Account within thirty days of the end of the financial year and spent within three years.
- **Other unspent amounts:** Money that is not spent on an ongoing project must be transferred to a fund specified in Schedule VII within six months of the end of the financial year.
- **Excluded activities:** Contributions to political parties, activities undertaken in the normal course of business and activities meant only for the benefit of the company's own employees and their families do not count as CSR.
- **Impact assessment:** Companies with an average CSR obligation of ₹10 crore or more in the preceding three years must carry out an independent impact assessment of projects with an outlay of ₹1 crore or more that have been completed for at least a year.

The exclusion of activities carried out in the normal course of business deserves attention. A fashion company cannot count the cost of meeting its own legal duties, such as paying lawful

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wages or maintaining a safe factory, as CSR spending. These are obligations under other laws, and CSR is meant to be additional to them.

6.4 Legal Compliance and Penalties

Compliance with Section 135 has both a reporting side and an enforcement side. On reporting, a company must include an annual report on CSR in its Board's report, in the prescribed format, covering the CSR policy, the composition of the committee, the amount spent and the projects undertaken. Where the company has not spent the full amount, the Board must explain the reasons. Companies must also file details of their CSR activities with the Ministry of Corporate Affairs in Form CSR-2, which is submitted along with the annual financial filings.

The enforcement regime has become stricter over time. In its original form, Section 135 followed a "comply or explain" approach: a company that did not spend the required amount only had to give reasons in its Board's report. Amendments introduced in 2019 and 2020 replaced this with a firmer rule. Unspent funds must now be transferred to the Unspent CSR Account or to a Schedule VII fund within the time limits described above. If a company fails to do so, Section 135(7) provides a monetary penalty. The company is liable to pay twice the amount that should have been transferred, or ₹1 crore, whichever is less. Every officer in default is liable to a penalty of one-tenth of that amount, or ₹2 lakh, whichever is less.

These penalties show that the law now takes CSR spending seriously. But they also reveal what the law does not do. Section 135 looks at whether money has been spent and reported correctly. It does not ask whether the company's own factories, suppliers and production methods are free from harm. A company can meet every requirement of Section 135 and still be linked to unsafe workplaces, low wages or environmental damage in its supply chain. For that reason, CSR compliance has to be read alongside the company's separate duties under labour, environmental and company law. The next part of this article turns to fast fashion itself and the social and environmental problems that raise this concern.

7. Role of Companies in Promoting Sustainable Fashion

Companies play a significant role in promoting sustainable fashion because their decisions regarding production, sourcing, pricing and waste management directly influence the fashion industry's social and environmental impact. Responsible corporate governance requires companies to look beyond short-term profits and adopt business practices that protect people and the planet while ensuring long-term financial growth.

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7.1 Integrating Sustainability into Corporate Strategy

Companies should make sustainability an essential part of their business strategy rather than treating it merely as a marketing activity. This includes reducing unnecessary production, improving resource efficiency and designing durable garments. Better demand forecasting can also reduce unsold inventory and financial losses. Sustainable practices may require initial investment, but they can help businesses reduce operational costs, manage risks and strengthen consumer trust over time.

7.2 Ethical Sourcing and Protection of Workers

Fashion companies should ensure that their suppliers follow applicable labor laws and maintain safe working conditions. This includes monitoring working hours, wages, workplace safety and the treatment of employees. Companies should establish clear supplier policies and conduct regular, risk-based assessments to identify violations. Responsible sourcing helps protect workers while reducing the risk of labor disputes, reputational damage and supply-chain disruptions.

7.3 Environmental Responsibility and Waste Management

Companies can promote sustainable fashion by using resources efficiently, reducing harmful emissions and improving textile waste management. Recycling programme, repair services and the reuse of materials can reduce dependence on new raw materials. Businesses should also consider producing according to actual demand instead of encouraging excessive consumption. Such measures support environmental protection while helping companies manage inventory and production costs more effectively.

7.4 Role of CSR under the Companies Act, 2013

In India, Section 135 of the Companies Act, 2013 provides the statutory framework for Corporate Social Responsibility (CSR) for companies meeting the prescribed financial thresholds. The CSR framework requires eligible companies to comply with applicable governance, expenditure and reporting requirements.

Schedule VII includes activities relating to environmental sustainability and ecological balance. Fashion companies covered by the CSR provisions may therefore support eligible environmental initiatives, such as ecological restoration and other permitted sustainability projects. However, CSR should not be confused with a company's entire sustainability obligation. CSR expenditure does not replace compliance with applicable environmental, labor

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or other laws. Companies must integrate responsible practices into their regular business operations as well as undertake eligible CSR activities.

7.5 Transparency and Responsible Corporate Governance

Companies should disclose relevant information about their environmental performance, sourcing practices and sustainability initiatives accurately. Transparent reporting allows investors, consumers and other stakeholders to assess whether corporate commitments are being implemented in practice. Boards of directors and senior management should also monitor sustainability-related risks and establish accountability mechanisms. Companies must avoid misleading environmental claims, commonly known as greenwashing, because such claims can damage consumer trust and create legal or regulatory risks.

8. Challenges in Implementing CSR in the Fast Fashion Industry

Although Corporate Social Responsibility (CSR) encourages businesses to consider their social and environmental impact, implementing it in the fast fashion industry presents several challenges. The industry's dependence on low production costs, rapid manufacturing and complex supply chains often conflicts with the objectives of sustainable and ethical business practices.

- **Conflict Between Profit Maximization and Sustainability:**

One of the major challenges is the conflict between short-term profitability and long-term sustainability. Fast fashion companies compete by offering trendy clothes at affordable prices. However, using sustainable materials, improving factory conditions and adopting cleaner technologies may increase initial production costs. Companies may therefore hesitate to invest in responsible practices when they believe these investments could reduce profit margins or make their products less competitive. This creates a fundamental corporate governance challenge: balancing shareholders' financial expectations with the interests of workers, consumers and the environment.

- **Complex Supply Chains and Lack of Monitoring:**

Fast fashion companies often outsource production to multiple suppliers and subcontractors across different countries. Monitoring every stage of production becomes difficult, particularly when suppliers operate under different legal and regulatory systems. Even when a company

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adopts a CSR policy, ensuring its effective implementation throughout the supply chain can be challenging. Weak monitoring may allow labor exploitation, unsafe working conditions and environmental violations to continue unnoticed. Therefore, written commitments alone cannot guarantee responsible corporate conduct.

- **High Costs of Sustainable Practices:**

Sustainable materials, cleaner manufacturing technologies, waste-treatment facilities and independent supplier audits may require substantial investment. Smaller suppliers may lack the financial resources and technical expertise needed to meet these standards. This creates difficulties for both brands and manufacturers. If fashion companies demand higher standards while continuing to impose extremely low prices on suppliers, the cost of sustainability may be transferred to the very businesses least capable of bearing it.

- **Weak Implementation and Greenwashing:**

Another challenge is the gap between CSR commitments and actual business practices. Some companies may publicize environmental initiatives to improve their brand image without making meaningful changes to production or sourcing practices. Misleading or unsupported claims about a product's environmental benefits are commonly described as greenwashing. Such practices weaken consumer trust and may attract regulatory scrutiny where applicable laws are violated. Effective CSR therefore requires measurable targets, reliable information, transparent reporting and genuine accountability rather than promotional statements alone.

- **Limitations of the Legal and Regulatory Framework:**

Fashion companies may operate across several jurisdictions, each having different labor, environmental and disclosure requirements. Differences in enforcement, monitoring capacity and regulatory standards can make compliance difficult.

In India, Section 135 of the Companies Act, 2013 applies CSR obligations to companies that meet the prescribed thresholds. However, CSR compliance does not automatically ensure that every stage of a company's supply chain is free from labor or environmental violations. Companies must separately comply with the laws applicable to their operations and business relationships. Thus, effective CSR requires not only a formal legal framework but also proper implementation, board-level oversight and meaningful monitoring.

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9. Suggestions and Recommendations

The challenges associated with fast fashion demonstrate the need for a more responsible approach to corporate governance. Companies must move beyond short-term profit maximization and adopt practices that balance economic growth with social welfare and environmental protection. The following recommendations can help promote responsible and sustainable fashion in India.

- **Strengthening Board-Level Accountability:**

Boards of directors should treat sustainability as an important part of corporate strategy and risk management. Companies should establish clear sustainability targets, regularly review their progress and assign responsibility to appropriate members of management. This would ensure that environmental and social concerns are considered during business decisions rather than being addressed only after a problem arises.

- **Improving Supply-Chain Transparency:**

Fashion companies should conduct regular, risk-based assessments of their suppliers and subcontractors. They should verify compliance with applicable labor and environmental laws and take corrective action when violations are identified. Greater supply-chain transparency can reduce the risk of worker exploitation, improve accountability and protect companies from reputational and operational damage.

- **Promoting Sustainable Production and Waste Reduction:**

Companies should reduce overproduction by improving demand forecasting and adopting efficient inventory management systems. They should also encourage the use of durable materials, recycling, garment repair and responsible waste disposal. These practices can reduce environmental damage while minimizing material wastage, storage expenses and losses from unsold inventory.

- **Making CSR More Effective:**

Companies covered by Section 135 of the Companies Act, 2013 should ensure that their CSR activities comply with the statutory requirements and address meaningful social and environmental concerns. Eligible initiatives may include environmental sustainability, ecological restoration and other activities permitted under Schedule VII. CSR should also be

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supported by measurable objectives and transparent reporting. Companies must remember that CSR expenditure cannot replace their responsibility to comply with applicable labor, environmental and other laws governing their regular business operations.

- **Encouraging Ethical Consumerism:**

Companies should provide accurate information about the materials, durability and environmental impact of their products. They should avoid misleading sustainability claims and promote responsible consumption through garment-repair services, recycling initiatives and longer-lasting designs. Consumers can then make more informed purchasing decisions, encouraging businesses to compete on quality and responsibility rather than price alone.

- **Strengthening Legal Compliance and Enforcement:**

The government and relevant regulatory authorities should promote effective implementation of existing labor, environmental and corporate laws. Clear reporting standards, appropriate inspections and timely action against violations can improve accountability across the industry. Greater awareness among companies about their legal obligations would also help prevent non-compliance and reduce the risk of disputes.

- **Supporting Small Suppliers and Manufacturers:**

Large fashion brands should recognize that smaller suppliers may lack the resources required to adopt sustainable technologies and improve working conditions. Companies can support them through reasonable purchasing terms, technical assistance, training and long-term supply agreements. Shared responsibility can make sustainability more achievable throughout the supply chain instead of placing the entire financial burden on smaller manufacturers.

9. Conclusion

The fast fashion industry has played an important role in economic growth by creating employment opportunities and supporting business development. However, its focus on producing clothes quickly and at low prices has also created several social and environmental problems. Water pollution, textile waste, carbon emissions, low wages, poor working conditions and the exploitation of workers are some of the major concerns that cannot be ignored.

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In India, Section 135 of the Companies Act, 2013 provides a legal framework for Corporate Social Responsibility (CSR) by making it mandatory for eligible companies to contribute towards social welfare and environmental development. However, simply spending money on CSR activities is not enough to solve the problems caused by fast fashion. Companies must also follow labour and environmental laws and take responsibility for their own manufacturing practices and supply chains.

This study shows that sustainable fashion is not just about fulfilling social responsibilities; it is also important for the long-term success of a business. Companies that focus on ethical sourcing, fair wages, safe working conditions, sustainable production and waste reduction can build a better reputation and gain consumers' trust. They can also avoid future legal and financial problems. Along with this, proper monitoring, responsible leadership and strict implementation of existing laws are necessary to bring real improvements.

Ultimately, the aim should not be to completely eliminate the fast fashion industry but to make it more responsible and sustainable. Businesses need to maintain a balance between profit, people and the environment. True corporate social responsibility is not just about how much money a company spends on social causes; it is also about how responsibly it treats its workers, consumers and the environment in its everyday operations. Only when companies take genuine responsibility for their actions can the fast fashion industry grow in a way that benefits both society and the environment.

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