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SUSTAINABILITY

# Does the Everlane Sale Mark the Death of Millennial Sustainability?

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Ultra-fast fashion giant Shein is planning to acquire former sustainable fashion wunderkind Everlane, in a deal valuing the latter brand at \$100 million, Puck reported. If ever there was a metaphor for the state of sustainable fashion in 2026, this is it.

Launched in 2011, Everlane came up in the age of “ethical capitalism” and millennial optimism, when the general consensus was that the most sustainable thing people could do was eat a vegan diet, boycott air travel, and put their dollars behind brands that bucked the status quo. With its promises of “radical transparency” on pricing and supply chains, Everlane was well-positioned to capitalize on this, and its elevated basics quickly gained a devoted following — not to mention a \$600 million valuation at its 2020 peak.

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So, when unconfirmed reports about the deal began circulating online on Sunday, shockwaves rippled through the sustainable fashion sector. On LinkedIn, industry leaders decried “the end of an era”, drawing parallels with the equally shocking news last month that sustainable sneaker brand Allbirds — another darling of the direct-to-consumer (DTC) boom — is rebranding as an AI company. “What’s the point in all of this?” wrote one user on LinkedIn, one of many second guessing their careers

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The backlash from Everlane's followers was similarly swift and conclusive. "Everlane just nuked their entire customer base," said one Instagram user, commenting on the brand's most recent post. "The hypocrisy is astounding," added another.

LVMH-backed investment engine L Catterton acquired a majority stake in Everlane in August 2020, reportedly paying \$85 million as the lead in Everlane's Series F funding round. Neither Everlane nor L Catterton responded to a request for comment on the reports of the Shein acquisition; Shein declined to comment. The lack of on-the-record confirmation likely means the deal has not yet been signed, explains competition lawyer Alex Stratakis, a partner at London law firm Pinsent Masons. As such, official confirmation and closing could still be several months away, pending regulatory approval. How complicated that process becomes is hard to predict, he adds.

"The two companies offer quite differentiated products — one is very sustainable, the other one not at all sustainable, in my opinion — and they exist in the very competitive space of fashion retail, so I don't see why any competition authority would be concerned about loss of competition," Stratakis continues. Where the deal might run into complications is on the national security side, if the US government — whose "erratic" approach could try to block a Chinese acquisition on the basis of protecting US consumer data — takes aim at Shein. But this is "beyond speculation" at this stage, Stratakis says.

In the meantime, critics are musing on the apparent misfit between Everlane and Shein, which has been hailed over the coals for alleged labor infractions and its spiraling environmental impact, with US and UK regulators even stepping in to halt its Western IPO ambitions, citing ethical concerns. But the deal makes more sense than initially appears.

Everlane launched with a message of radical transparency, sharing how much it cost to make its clothes and the mark-ups it applied. It later expanded this approach to include listing its factories and signaling to consumers that its clothes were the product of ethical and transparency-led decisions, such as clean chemistry or responsible forestry. But the brand's sustainability chops took a hit in 2020, when an investigation

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code of ethics”.) Sales faltered, and the situation worsened when consumers started demanding more than basic designs.

This is not the first time Shein has invested in a struggling DTC player. In 2023, Shein acquired ailing fast fashion company Missguided, before licensing it back to founder Nitin Passi and the joint venture he started with Shein, Sumwon Studios. That same year, Shein invested in Sparc Group, the joint venture behind Forever 21. And two years on, it partnered with French fast fashion brand Pimkie through the Shein Xcelerator initiative, plugging Pimkie into its DTC services and global sales platform. Missguided, in particular, has performed well under Shein. But Everlane would mark the first time Shein has invested in a brand outside the fast fashion bracket.

It’s possible that Shein would allow Everlane to continue running autonomously, in an attempt to preserve its sustainability ethos and the credibility that could lend its new owner, albeit with more funding and its \$90 million debt cleared. It could also plug Everlane into its on-demand supply chain, following a similar strategy to Reformation, another early pioneer of sustainable fashion, which has previously credited on-demand manufacturing with helping to maintain product breadth without driving up emissions.

“What Shein and models like it have demonstrated to the industry is that a technology-led, data-enabled operating model can work,” says Mairi Fairley, partner at international strategy consultancy OC&C. “In a world of cost inflation, [brands] need to be better than ever at having the right product in front of the right customer at the right time. Using tech infrastructure to enable that has been unbelievably powerful. If some of that can be injected into Everlane, alongside [its] sourcing model — which for [its] positioning is best in class — that represents a really interesting opportunity.”

Shein’s latest move shows the gravitational pull of fast fashion in a market otherwise weighed down by headwinds and disruption. Everlane would not be alone in succumbing to this: just look at the recent spate of high-low collaborations and luxury

does this deal sound the alarm for sustainable fashion as we know it?



Everlane became synonymous with the 'normcore' aesthetic during the DTC boom. Photos: Getty Images / Artwork: Vogue Business

## Does sustainability sell?

When Everlane was at its peak, consumers could use it to signify their morals. The clothes it made — quality closet basics — weren't revolutionary. Likewise, it was the low-carbon promise of Allbirds's merino wool sneakers that innovated, rather than its aesthetic. Their basic designs became a go-to for Silicon Valley's anti-fashion crowd, but never managed to set the wider market alight.

In later years, this selling point became a sticking point. Life got more expensive post-pandemic, consumers readjusted their priorities, and the workaday 'normcore' aesthetic wasn't enough to keep consumers hooked. "The problem with Everlane is they were producing 'radical' [marketing] content, but the products [at least

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Investors and brands alike have had to adjust to the say-do gap in sustainability, swallowing the bitter pill that consumers simply won't pay a premium for sustainable products, and sustainability is rarely the main motivation for buying. "When brands like Everlane and Allbirds first emerged, investors saw them as the next generation of purpose-led consumer brands. The expectation was that consumers would increasingly pay a premium for transparency, sustainable materials, and ethical production, so these brands could scale very quickly on the strength of their mission and community," says Pallak Seth, co-founder and executive chair of manufacturing group PDS, which regularly invests in sustainable fashion-focused startups through PDS Ventures.

"The market today is much more disciplined," he explains. "Investors are now focused less on the sustainability narrative alone and more on fundamentals — profitability, customer acquisition efficiency, supply chain defensibility, and long-term resilience. The expectation is no longer simply 'Can sustainability drive brand heat?' But 'Can sustainability improve the economics and durability of the business?'"

## Can sustainable fashion stay the course?

If the Everlane deal does go ahead, it won't be the first time a lauded sustainable fashion pioneer has charted an unexpected course. Earlier this year, sneaker brand Allbirds rebranded as an AI company, to the bafflement of many. And in 2024, New York-based designer Mara Hoffman shuttered her namesake label after what appeared to be a boom period, citing an unwillingness to take on outside investment. "I was really standing at an inflection point. To take it to the next level, it would have taken outside investment, it would have taken money, it would have taken partnership," Hoffman says. "I never wanted to be in that position of sitting in enormous debt, of owing an outsider excessive amounts of money, or losing [my] name and my IP."

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These curveballs are a symptom of the state of sustainable fashion, which, according to Hoffman, is only getting harder to navigate. As a result, the list of cult sustainable fashion brands that have either closed or pivoted is ever-growing. In 2023, London-born womenswear brand Dai closed its doors as it struggled to balance its sustainable mission with a level of growth that would satisfy shareholders. Celebrated Australian brand Kit X closed a year later, with its founder Kit Willow launching a decarbonization consultancy instead. And Nashville-based Elizabeth Suzann, American brand Wray, and Romanian label Loud Bodies have all met the same fate since the pandemic.

British brand Kitri, known for its limited production runs and use of certified fabrics, closed its doors last week after nine years in business. Founder Haeni Kim says it's a sign of the times: "The market has become incredibly difficult to navigate, and consumers have become aware of what an impossible standard sustainability is." Where brands like Everlane rose by claiming to make each product as sustainable as possible, she explains, today's consumers take a more holistic approach, buying less but better, and focusing more on how they use and care for garments than on the upfront sustainability.

For Kim, the future of sustainable fashion hangs in the balance. "I definitely felt the pull of fast fashion," she says. "It felt like we couldn't beat the system, however hard we tried. Once those bigger, faster giants understand what customers like, the way they can move in, master it faster and cheaper, and sometimes with even better quality — it's really hard to fight against. They could use better fabrics than us because they could order bigger quantities. Ultimately, we were just fighting against this gigantic machine. The competition felt impossible."

The emphasis has shifted, agrees Seth. "Today, the conversation is much more commercially grounded. Sustainability is no longer viewed separately from business performance; it is increasingly tied to resilience, efficiency, and supply chain agility. Investors and brands have realized that the most scalable sustainability solutions are often the ones that also improve speed-to-market, reduce waste, optimize inventory,

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That's partly why Gusain believes that by tapping into speed and volume rather than rejecting it, brands like Everlane can not only survive, but expand their sustainability goals and grow their positive impacts. "If you ask a company why [it's] not growing much, it'll say, 'We want conscious growth, we don't want to expand too much.' But in a market that is not fair, this does not work. You get thrown out of the market, which is what keeps happening," he says. If brands want to make an impact, they need market share, and according to Gusain, that can require "shaking hands with the devil" — a major departure from the moral distinction brands once sought to set themselves apart from.

## Is there another way forward?

Everlane's acquisition could paint a bleak picture for the future of sustainable fashion. But there is still another vantage point, says communications strategist Erin Allweiss, whose client roster at No. 29 Communications includes textile-to-textile recycler Circ and French footwear brand Veja. "There is a way to scale, and it's to do it much slower," she says. "Veja has been doing this for 21 years; Mara [Hoffman] was in business for 24 years. People just need to be careful about who their investors are, the decisions that they make, and not scale too fast. Brands like Everlane and Allbirds, or brands that have taken on significant VC investors, have to scale in a way that is out of sync with their ethos."

Despite some shared values, Hoffman describes her namesake brand and Everlane as very different beasts, with very different theories of change. Everlane and Allbirds launched into highly competitive markets with mass appeal, hoping to take everyday pieces and make them more sustainable. Scale was a prerequisite. For smaller brands like Hoffman's, the intention is very different.

"Everlane was built with the intentionality of huge growth [...] it wasn't born from an artist's heart or mind to create something authentic and meaningful," she says. For Hoffman, the art had to come before the commerce. "I got to that very important fork

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This line of thinking has no place in a venture-backed startup, says Maxine Bédât, founder and director of sustainability think-and-do tank the New Standard Institute (NSI), who ran a VC-funded clothing brand based on transparency around the same time as Everlane's heyday. "You had to sell your company as a tech play," she explains. "In VC land, everything is like: what is the KPI you're chasing? And if something you're doing cannot be encapsulated in a KPI that can be seen in a chart, then it's considered a waste of money." It's why so many sustainability-oriented companies now choose to forego VC funding altogether.

If the Everlane deal represents the end of an era for the consumption-centric sustainable fashion of old, says Bédât, the new era is about showing up as citizens. And rather than putting individual brands on a pedestal, it's about raising the bar for all brands, whether they shout about sustainability or not.

Bédât is focusing her efforts on winning regulatory progress as a lead advocate behind New York's Fashion Act, which seeks to legally mandate disclosure and due diligence across the supply chain. "Legislators need to know that these are things that constituents care about. If everybody that was shopping at Everlane because they thought they were doing the right thing, made one phone call or sent one email [to their political representative], we could have dramatically more significant results. It comes back to having your voice heard as a citizen instead of a consumer. That's how we're going to see real progress, so I'm excited about that era going forward."

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