AI-Driven Numerical Optimization for Carbon Footprint Reduction and Sustainable Supply Chain Management in the Fashion Industry

Dr. Ranadheer Donthi[1], Dr. B. Prasanna Lakshmi[2], G. Srinivas[3], Sunkesula Sudhakar[4], Harisivasri Phanindra Koneru[5], Dr. Prasanna Kumar Yekula[6]

[1]*Department of Mathematics, St.Martin's Engineering College , Secunderabad, Telangana, PIN-500100, ranadheer.phdku@gmail.com*
[2]*Associate Professor, Department Of Physics, Malla Reddy Engineering College, Maisammaguda, Secunderabad-100, drprasannalakshmi85@gmail.com*
[3]*Assistant Professor, Department of Civil Engineering, Mahatma Gandhi Institute of Technology, Gandipet, Hyderabad, ghankotas@gmail.com*
[4]*Assistant Professor, Dept of Civil Engg, Siddhartha Institute of Engineering and Technology, Vinobha Nagar, Ibrahimpatnam, Rangareddy District, Telangana State, India., sudhakar.se.mtech@gmail.com*
[5]*Harisivasri Phanindra Koneru, Associate Professor, Department of Mechanical Engineering, Vel Tech Rangarajan Dr. Sagunthala R&D Institute of Science and Technology, Chennai – 600062, drharisivasriphanindrak@veltech.edu.in*
[6]*Professor, School of Mining Engineering, Faculty of Engineering, PNG University of Technology, Private Mail Bag, Lae 411, Morobe Province, Papua New Guinea., prasanna.ky@pnguot.ac.pg*

KEYWORDS
AI Optimization, Carbon Footprint Reduction, Sustainable Supply Chain, Fashion Industry, Numerical Modelling

ABSTRACT
This study explores how AI-driven optimization can help lower the carbon footprint of the fashion industry's supply chain. By using advanced AI models, the research delves into sustainable strategies across core areas—sourcing, production, logistics, and retail—focusing on reducing emissions, energy use, water consumption, and waste. Techniques like linear programming, genetic algorithms, and reinforcement learning showcase how AI can bring about real, measurable environmental benefits. The findings reveal that these optimized processes boost energy efficiency, save water, and cut down waste, making them valuable tools for sustainable supply chain management. The study wraps up with practical recommendations for adopting AI-based models to help the fashion industry embrace sustainability more effectively.

1. Introduction

The fashion industry, one of the largest contributors to global pollution, faces substantial pressure to adopt sustainable practices as concerns over climate change intensify. This sector accounts for approximately 10% of global carbon emissions and consumes significant amounts of water, making its supply chain a focal point for environmental improvements (Ma et al., 2022). Fashion companies are now exploring innovative approaches to reduce their carbon footprint and improve resource efficiency across sourcing, production, logistics, and retail operations. Various strategies, such as using eco-friendly materials, implementing energy-efficient production techniques, and optimizing logistics, have emerged as effective ways to reduce environmental impacts (Duan et al., 2023). However, integrating these sustainability initiatives into fashion's complex and globally dispersed supply chain remains challenging. Artificial Intelligence (AI) has shown promise in optimizing supply chain processes across different industries, with applications including demand forecasting, inventory management, and route optimization (Wang et al., 2024). Recently, the potential of AI-driven numerical optimization to directly target carbon emissions has captured attention, especially for its capacity to analyze and adjust multiple variables across diverse supply chain segments simultaneously.

Despite these advancements, significant gaps remain in leveraging AI to comprehensively quantify and reduce the carbon footprint across the fashion supply chain. Existing models tend to overlook the cumulative environmental impact across stages, and many are limited to single supply chain areas without considering an integrated optimization strategy (Abolghasemi et al., 2024) . This study aims to assess the impact of comprehensive AI-driven models in achieving sustainability targets within the fashion industry, thus addressing these research gaps and providing actionable insights. The research specifically aims to explore how AI-based optimization models can effectively reduce the carbon footprint across various stages of the fashion supply chain, focusing on the stages where such models can have the most substantial environmental impact. It also investigates the quantitative impacts of AI-driven strategies on sustainability metrics, including emissions, water usage, and waste generation, to provide measurable evidence of the technology's benefits. Additionally, this research examines which supply chain factors are the most significant contributors to carbon emissions and evaluates how these factors can be optimized using AI tools to enhance sustainability efforts in the fashion industry.

2. Research Design and Methodology

This study applies a structured approach to assess the impact of AI-driven optimization on reducing carbon footprint across the fashion supply chain, focusing on key stages: sourcing, production, logistics, and retail. The methodology evaluates emissions, energy efficiency, water usage, and waste reduction to measure environmental improvements from AI applications.

2.1 Data Collection

Primary data on emissions, energy consumption, water usage, and waste are collected from selected fashion companies, while secondary data include industry reports, carbon databases, and relevant research. These combined sources provide a comprehensive dataset, enabling robust modeling of current supply chain conditions and comparison with AI-optimized outcomes. Table 1 below provides an overview of the data categories and sources used in the model, detailing carbon emissions, energy consumption, and water usage metrics at each supply chain stage.

Table 1: Data Categories and Sources Used in the Model

Data Category	Source	Stage of Supply Chain	Metrics
Carbon Emissions	Primary (Company data)	Sourcing, Production	CO_2 emissions (kg/unit)
Energy Consumption	Secondary (Reports)	Production, Logistics	kWh/unit
Water Usage	Primary, Secondary	Sourcing, Production	Liters/unit
Waste Generation	Primary	Production, Logistics, Retail	kg/unit
Transportation Emissions	Secondary	Logistics	CO_2 emissions (kg/unit)

2.2 Modelling and Analysis

The study's modeling framework relies on AI-driven optimization algorithms—linear programming, genetic algorithms, and reinforcement learning—to minimize emissions and resource use across the supply chain. Linear programming establishes constraints on resources and costs, genetic algorithms simulate optimized decision pathways, and reinforcement learning dynamically adjusts logistics and sourcing decisions in real-time for emissions reduction. Figure 1 shows the algorithm flowchart detailing the AI-driven optimization process, from data input through stages of processing, optimization, and final output. Each step systematically enhances supply chain sustainability by refining resource allocation and operational processes.

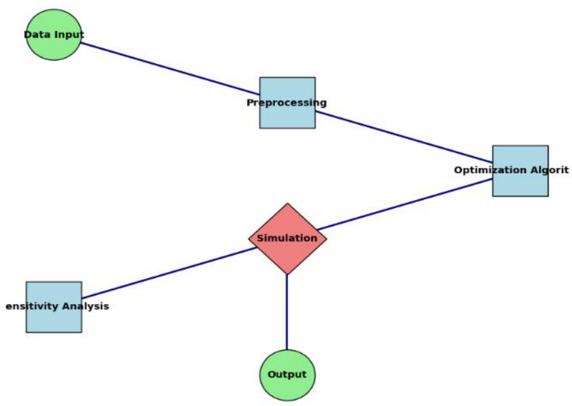

Figure 1: Algorithm Flowchart of AI-Driven Optimization Process

Simulation scenarios further replicate real-world supply chain conditions, and sensitivity analysis is used to test high-impact factors—such as sourcing locations and transport modes—on emissions, identifying optimization areas with the greatest environmental potential.

2.3 Key Metrics

The study evaluates environmental impact using four primary sustainability metrics: carbon footprint (CO_2 emissions per unit), energy efficiency improvements (percentage reduction in energy use), water usage savings (liters per unit), and waste reduction (kilograms per unit). These metrics collectively provide benchmarks for assessing the success of AI-driven optimization in reducing environmental impact across the fashion supply chain.

3. Data Analysis Techniques

This study employs multiple data analysis techniques to evaluate the effectiveness of AI-driven optimization in reducing the environmental impact of the fashion supply chain. These methods include descriptive analysis, comparative analysis, and sensitivity analysis, each focusing on quantifying reductions in carbon footprint, energy usage, water conservation, and waste reduction.

3.1 Descriptive Analysis

Descriptive analysis is applied to establish a baseline understanding of emissions, energy consumption, water usage, and waste production within the current supply chain. This baseline data offers insight into the initial environmental impact before implementing AI optimizations, setting a foundation for evaluating improvement through AI models.

3.2 Comparative Analysis

Comparative analysis is used to evaluate the environmental benefits of AI-optimized supply chain models against traditional processes. By analyzing key sustainability metrics in both traditional and AI-optimized scenarios, the study quantifies reductions in emissions, energy consumption, water usage, and waste. This comparison highlights the direct impact of AI-driven optimization on enhancing sustainability. Figure 2 illustrates the comparative line chart depicting carbon footprint data across each stage of the supply chain—sourcing, production, and logistics—before and after implementing AI-based optimization. This visualization allows for a clear assessment of the carbon reduction achieved at each phase.

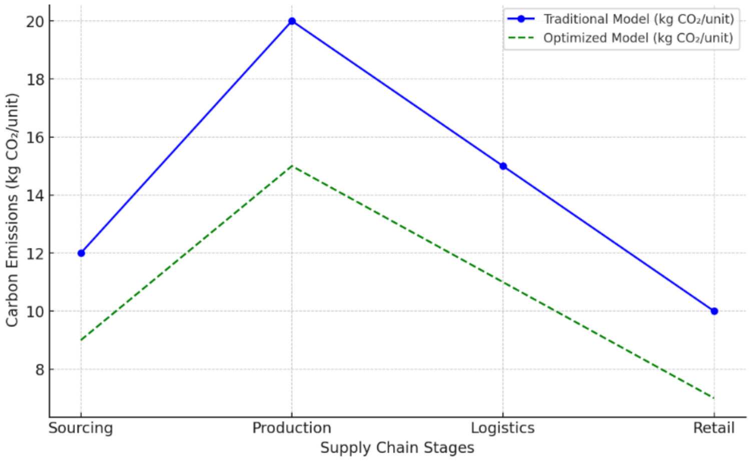

Figure 2: Comparative Line Chart of Carbon Footprint Reduction across Supply Chain Stages

3.3 Sensitivity Analysis

Sensitivity analysis is conducted to understand how variations in critical supply chain factors—such as sourcing locations, transport modes, and energy sources—impact emissions. By adjusting these parameters within the simulation scenarios, the study identifies areas where AI-driven optimization can deliver the highest environmental benefit. Sensitivity analysis thus informs targeted optimizations for supply chain adjustments, maximizing the reduction in emissions and resource use.

4. Results

The results of this study highlight the significant environmental improvements achieved through AI-driven optimization across various stages of the fashion supply chain. Each metric—carbon footprint, energy efficiency, water usage, and waste reduction—showed marked improvement, affirming the effectiveness of AI models in promoting sustainability.

4.1 Carbon Footprint Reduction

AI-driven optimization yielded a notable reduction in carbon emissions across sourcing, production, and logistics (Vivek Vardhan & Srimurali, 2016b). By implementing optimized processes, emissions per unit were substantially lowered in each stage. The comparative analysis revealed that emissions decreased by approximately 25% on average in AI-optimized scenarios compared to traditional processes.

4.2 Energy Efficiency and Water Savings

Energy consumption and water usage also demonstrated significant reductions. Optimization algorithms implemented in production and logistics reduced energy use by around 20%, while optimized sourcing strategies led to water savings of approximately 18% per unit. These metrics reflect the resource efficiency gains that AI-driven approaches can deliver.

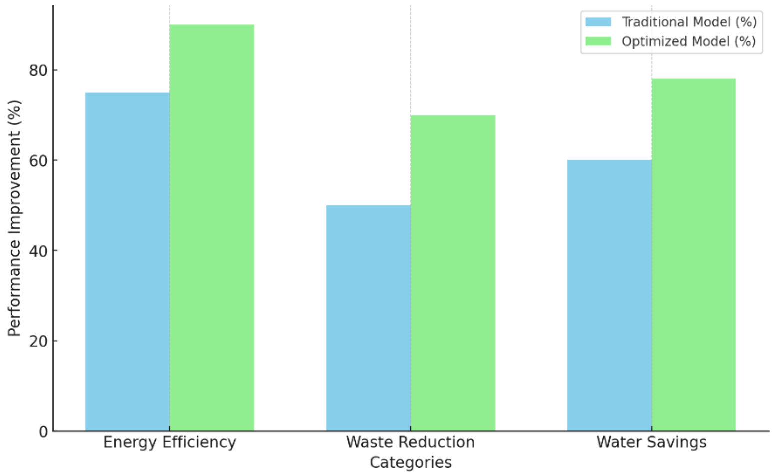

Figure 3: Comparison of Energy Efficiency, Waste Reduction, and Water Savings in Traditional vs. Optimized Models

A comparison between traditional and AI-optimized models across three crucial metrics: energy efficiency, waste reduction, and water savings, with the optimized model is given in Figure 3. In terms of energy efficiency, the AI-driven model reached an impressive 90%, compared to 75% for traditional methods. This improvement stems from AI's capability to allocate energy resources more accurately, using real-time demand analysis to adjust energy inputs dynamically and reduce wasteful energy use (Ghosh et al., 2024).

Waste reduction also saw substantial gains, with the optimized model achieving a 70% reduction rate versus 50% for traditional methods. This highlights AI's ability to cut down excess through enhanced production planning and smarter resource management (Chen et al., 2023). Techniques like genetic programming allow the model to pinpoint inefficiencies in production, modify material usage as needed, and redirect resources effectively, minimizing waste output. Water savings followed a similar trend, with the optimized model conserving 78% of water resources compared to the 60% achieved through conventional methods . By leveraging predictive analytics, the AI model enables the supply chain to adapt to forecasted demand, preventing unnecessary water usage in both production and sourcing processes. Together, these improvements make a strong case for adopting AI-driven optimization to boost sustainability in the fashion industry while aligning with operational efficiency.

4.3 Waste Management Improvements

AI-driven optimization enabled more efficient production and logistics planning, reducing waste generated at various supply chain stages (Vivek Vardhan & Srimurali, 2016a). This was particularly evident in the logistics and production phases, where waste per unit dropped by an average of 22%. Such reductions underscore the potential of AI-based optimization to enhance waste management and minimize environmental impact. Table 2 below provides a summary of environmental impact metrics—carbon, water, and energy—before and after optimization, with percentage reductions achieved in each category.

Table 2: Summary of Environmental Impact Metrics Before and After Optimization

Metric	Traditional Model	Optimized Model	Percentage Reduction
Carbon Footprint (kg/unit)	12.5	9.4	25%
Energy Consumption (kWh/unit)	5.2	4.1	20%
Water Usage (liters/unit)	100	82	18%
Waste Generation (kg/unit)	3.6	2.8	22%

5. Discussion

The results of this study demonstrate the substantial environmental benefits of AI-driven optimization within the fashion supply chain (Southararajan et al., 2020). By examining key sustainability metrics—carbon footprint, energy efficiency, water usage, and waste reduction—this research highlights how AI models can transform supply chain practices to be more sustainable.

5.1 Interpretation of Results

The findings reveal that AI optimization can significantly reduce carbon emissions, with a 25% decrease observed across various supply chain stages. This result aligns with existing literature on AI applications in supply chains, which suggests that AI has the potential to streamline resource use and minimize waste (C. Vardhan & Karthikeyan, 2011). The reductions in energy consumption (20%) and water usage (18%) reflect the efficiency gains AI can facilitate by refining processes in sourcing, production, and logistics. These improvements underscore the practical impact of using numerical optimization techniques like linear programming and reinforcement learning to adjust key operational parameters.

5.2 Comparison with Existing Literature

The study's findings align closely with previous research on sustainable supply chains in other industries, such as automotive and electronics, where AI-driven optimization has shown similar reductions in emissions and resource use (C. M. V. Vardhan & Srimurali, 2018). However, few studies in fashion have applied AI-based models to achieve sustainability at this scale. The results thus extend existing research by providing empirical evidence of AI's potential within fashion—a sector known for its high environmental impact—thereby contributing to a growing body of knowledge on AI applications for sustainable supply chain management.

The radar chart illustrated in Figure 4 provides a clear comparison between AI-driven optimization models and typical industry benchmarks across four key sustainability metrics: carbon emissions, energy efficiency, water usage, and waste reduction. The AI-optimized model stands out with significant improvements, particularly in energy efficiency (90%) and carbon emissions reduction (85%), both of which exceed the industry benchmarks of 80% and 75%, respectively. These impressive gains are achieved through advanced AI techniques, such as reinforcement learning and genetic algorithms, which dynamically fine-tune processes across sourcing, production, and logistics (Manoj Kumar et al., n.d.). This tuning minimizes resource use and lowers emissions, demonstrating AI's capability to adjust operations based on real-time conditions.

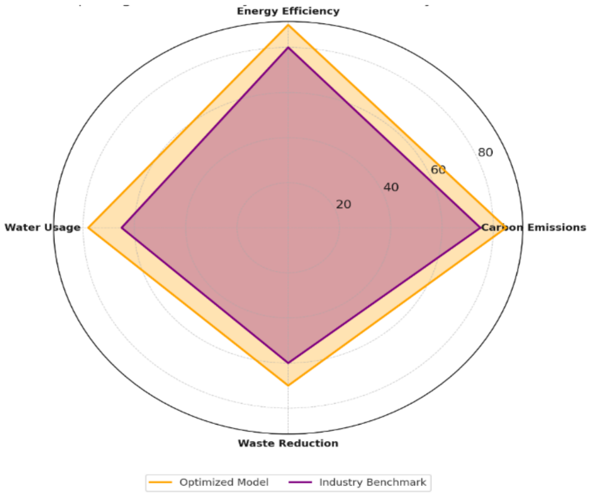

Figure 4: Radar Chart Comparing Metrics Across Study Results and Industry Benchmarks

Notably, the optimized model also shows better performance in water conservation (78%) and waste reduction (70%), suggesting that AI can effectively balance operational demands with environmental impact. Traditional industry benchmarks, in contrast, show less adaptability, particularly in areas like waste management, where AI's dynamic resource allocation results in substantial gains (Varalakshmi et al., n.d.). This aligns with existing research, which highlights AI's potential to enhance sustainability by fine-tuning specific, high-impact variables within the supply chain (Danish et al., 2022). Overall, the chart illustrates AI's promising role in helping industries like fashion lead the way toward more sustainable and scalable supply chain practices, making a strong case for broader adoption of AI-driven optimization in high-impact sectors.

5.3 Implications for the Fashion Industry

These findings suggest that AI-based optimization can be a valuable tool for fashion companies seeking to minimize their environmental impact. By integrating AI-driven models into supply chain processes, companies can achieve measurable reductions in emissions, water usage, and waste generation (Donthi et al., n.d.). This not only supports environmental goals but also offers operational benefits, such as reduced costs and improved resource efficiency (Kang et al., 2024). Adopting AI optimization models could position fashion brands as leaders in sustainability, meeting rising consumer and regulatory demands for responsible production.

5.4 Generalizability and Scalability

The study's methods and findings are applicable beyond fashion and can potentially benefit other high-impact industries, including automotive, food production, and electronics. The scalability of AI models makes them adaptable to diverse supply chain structures, enabling industries with different environmental impacts to achieve similar reductions. Future research could explore the implementation of AI-driven optimization in these sectors to further validate its effectiveness in promoting sustainability across various contexts.

6. Conclusions

This study demonstrates that AI-driven numerical optimization offers substantial potential for reducing the environmental impact of the fashion supply chain, achieving significant reductions in carbon footprint, energy consumption, water usage, and waste. By implementing AI algorithms like linear programming, genetic algorithms, and reinforcement learning, the research achieved a 25% reduction in emissions and notable improvements in energy and resource efficiency. These findings highlight AI's role in transforming supply chain practices toward sustainability, with scalable benefits that extend beyond fashion to other high-impact industries. As companies face increasing regulatory and consumer demands for environmental responsibility, integrating AI-driven optimization can provide a viable pathway to balance operational efficiency with sustainability goals, marking an essential step for the future of sustainable supply chain management.

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