

GOVERNMENT

European luxury embraces sustainability while US preps for Paris Agreement exit

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Chopard redesigned the Palme d'Or using sustainable and ethical materials. Image credits: Chopard

By DANNY PARISI

President Donald Trump has expressed the likelihood of the United States backing out of the Paris Agreement in a series of tweets, dealing a major blow to global efforts to combat climate change.

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Despite being one of the most powerful countries in the world, the U.S. will be one of the few countries that is no longer in agreement with the deal if it leaves. This runs counter to not just the rest of the world's countries, but also major figures in the luxury industry, which have been moving toward sustainability in recent years.

"The prevalent attitude of luxury brands moving forward is the embracing of responsible business to grow amid the political turmoil," said Diana Verde Nieto, co-founder and CEO of **Positive Luxury**, London. "The U.S. government's regressive attitude toward the Paris Agreement is all the more incentive for brands to achieve their purpose by taking leadership positions."

Climate action

Climate change is a major threat to international order, the environment and, without exaggerating, the ongoing existence of the human race.

It is with that knowledge that the 147 nations came together in Paris last year to sign the Paris Agreement with the goal of reducing climate change and global warming by 2020. While some criticized the agreement for not having stricter binding measures to ensure countries actually comply with the rules, many still celebrated it as the first major international move towards combatting climate change.

But now, President Trump is expected to take the U.S., which is the second highest contributor of greenhouse gases that are warming the planet, out of the agreement.

Many luxury brands are aware of the dangers of climate change and are already taking steps to combat it.

LVMH's carbon fund

"As luxury brands, quality and exclusivity cannot be compromised, hence, the strain on resources is of paramount

concern. A threat to a luxury brand's raw material is a threat to their DNA," Positive Luxury's Ms. Verde Nieto said. "Because of this, luxury brands work to mitigate climate change, much in the same way that the Paris Agreement outlines," she said. "They pioneer in innovations, invest in sustainable solutions, drive high-impact research and create alternatives to secure their core existence.

"Furthermore, luxury brands are increasingly driven to use their business as a force for good. Actions that protect the three pillars of People, Planet and Profit are actions that propel their luxury business - these actions align with the Paris Agreements, regardless of today's political debate."

Trump has even faced backlash from some of his own advisors. Elon Musk stated that he would drop out of his role on a White House advisory council if Trump drops the Paris Agreement ([see story](#)).

While big businesses are often partly to blame for the lack of action on climate change, due especially to powerful lobbying firms beholden to fossil fuel companies, luxury brands tend to be more forward-thinking about climate change, with some including Tiffany & Co. even pleading directly with President Trump not to take the US out of the Paris Agreement ([see story](#)).

"Nevertheless, Tiffany & Co.'s plea to Donald Trump to remain within the Paris Agreement is a demonstration of their consternation toward such retrogression," Ms. Verde Nieto said.

Sustainable luxury

Many luxury brands are well aware of the devastating effect that climate change will have on their businesses if left unabated, aside from the general havoc it will wreak on the entire world.

For example, NASA predicts that the sea level will rise by four feet by 2100, if nothing is done to stop it.

While four feet may seem like nothing, that increase could flood massive areas of low-lying or coastal regions around the world. This will have a devastating effect on South Asian countries where much manufacturing is done. The region is also an important emerging market for luxury brands in terms of retail, hospitality and local consumers traveling abroad to make high-end purchases ([see story](#)).

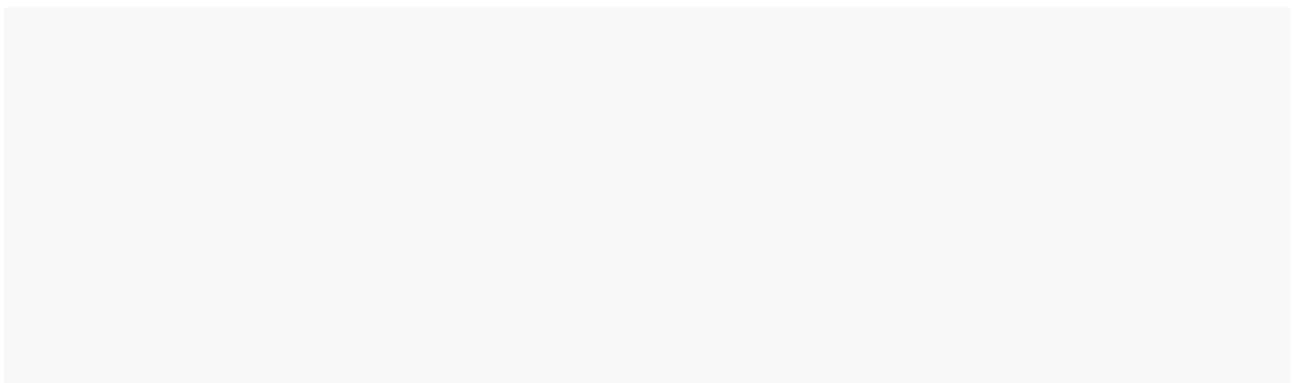
Kering recently released a study on the environmental impact of python farming in South Asia for use in leather goods, showing a care for the effect its business practices have on the world ([see story](#)).

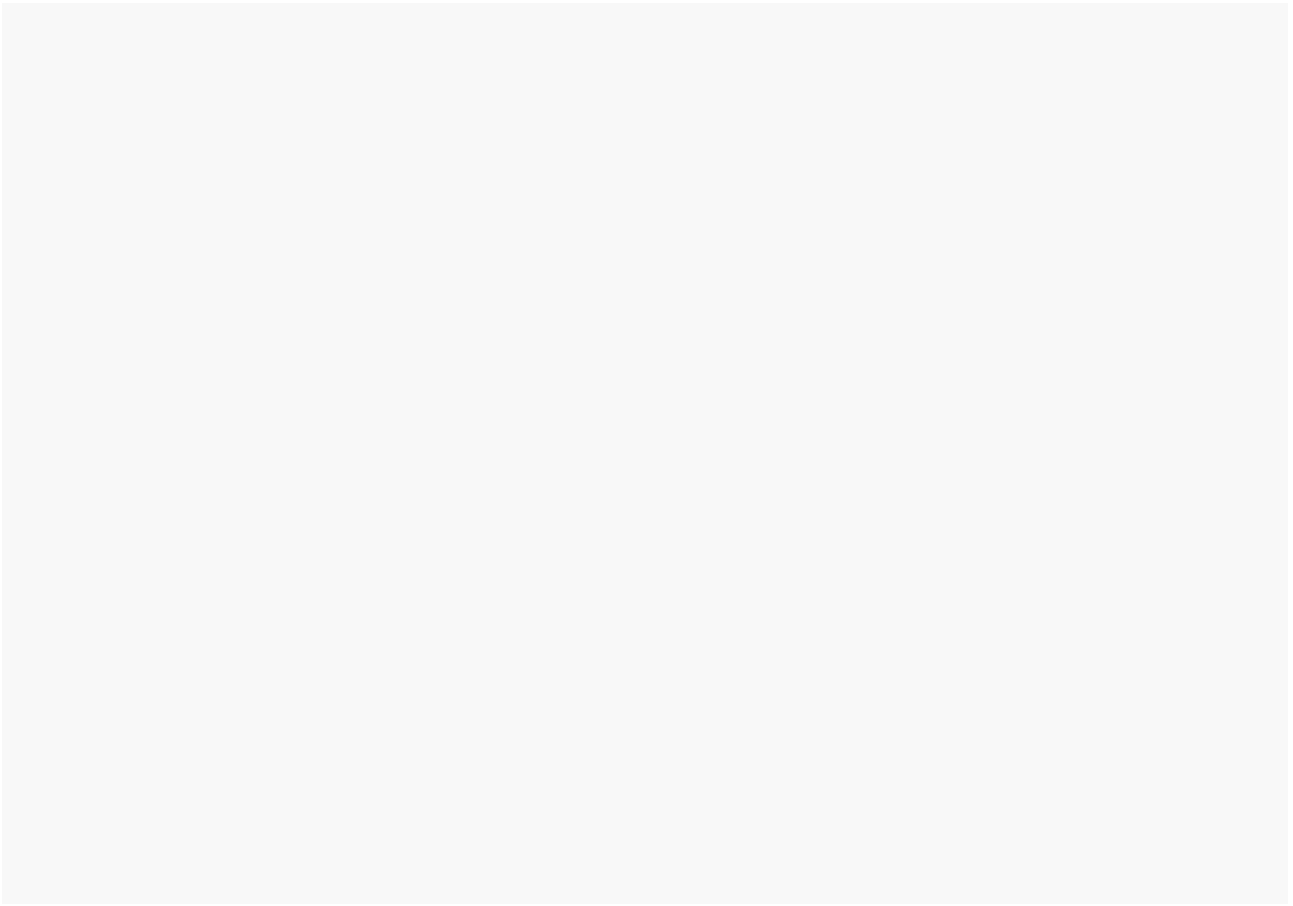
LVMH has been particularly transparent about its environmental impacts and sustainable efforts on social media.

Shared in a series of posts on its corporate social account on Facebook, LVMH offered insights into various programs and strategies implemented by the conglomerate and brands found within its stable, which includes Louis Vuitton, Bulgari and many others. Transparency has become a necessity as consumers are increasingly aware of and concerned about how and where the products they buy are made and the social and environmental impact they may have ([see story](#)).

LVMH is also a major partner during the annual Green Week hosted by the European Commission which encourages environmentally friendly initiatives from European businesses ([see story](#)).

Even high-profile luxury events have been making sustainability and environmental consciousness a major part of their messaging. Take Chopard's partnership with the Cannes Film Festival, which redesigned the iconic Palme d'Or trophy.





A post shared by Tiffany & Co. (@tiffanyandco) on May 9, 2017 at 5:00am PDT

Tiffany weighed in on the move. Image credit: Tiffany via Instagram

The redesign does not change the appearance of the palm-shaped trophy, given to the year's best film, but instead incorporates ethical diamonds into the structure ([see story](#)).

If the U.S. pulls out of the Paris Agreement, the country will be further removed from its self-proclaimed position as "leader of the free world," a trend that has been ongoing in many areas since President Trump's tumultuous ascent.

"The U.S. president's intention to pull out of the Paris Climate Accord seems to undermine his position as a forerunner in international relations," Positive Luxury's Ms. Verde Nieto said. "The political turmoil that seems to accompany every executive order from the Trump administration is predictable in being unpredictable.

"For the luxury industry as for all others, volatility prevails," she said. "Looking at the current trends in the luxury industry toward trust, transparency, on-demand customer services, brands are reinventing their services in a way that reflects the volatility that many customers are surrounded by."

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