

APPAREL AND ACCESSORIES

Luxury leaders drive sustainability movement as pandemic encourages transparency

November 6, 2020



Senior leaders now see sustainability as an opportunity for innovation and not a sacrifice. Image courtesy of Kering.

By ELLEN KELLEHER

Executives of major fashion brands are driving efforts to make the industry more sustainable, an area that was once the preserve of a young, environmentally conscious minority.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

During a panel at [Launchmetrics](#)' Performance digital summit on Nov. 5, industry experts reviewed sustainability advancements that are likely to propel luxury and fashion brands to become more environmentally conscious. High on the list was the commitment of senior leaders to find ways to incorporate sustainability practices as a way to lend authenticity to their brands.

"What we see now are more and more C-suite executives are wanting to internalize sustainability and actually start looking at how the businesses can actively be more sustainable instead of just talking about the sustainability story," said Diana Verde Nieto, founder and CEO of [Positive Luxury](#), London. "Traditionally, it was the very passionate young individuals at the bottom of the organization who were shouting and screaming about sustainability changes at the door."

The panel was moderated by freelance fashion writer Dana Thomas, author of *Fashionopolis*, which details abuses in the fashion industry.

Fashion pollution

The damage the fashion industry inflicts on the planet is ruinous and the sector has a way to go before sustainability efforts have an impact.

Ms. Thomas estimates that about 100 billion garments are produced in a year and of that wardrobe, 80 billion are sold. The remainder are destroyed before even hitting the shop floor. Of the clothes that are sold, less than 10 percent are recycled and on average, any garment is worn just seven times before it is tossed.

According to the World Bank, the clothing industry bears responsibility for 20 percent of all industrial water pollution

and 10 percent of all carbon emissions.



The Paris shows are considered wasteful extravaganzas by some in the sustainability world. Image credit: Getty Images

"Where do all of these clothes go after we're done with them? To incinerators or landfills," Ms. Thomas said. "More than two-thirds of all clothes contain polyester and polyester is essentially plastic."

The silver lining of the pandemic is that it is creating real human change.

Ms. Verde Nieto added that another reason senior leaders have become more interested in sustainability is that institutional investors have been actively looking at this issue before buying stakes in companies.

"There's becoming a real correlation between the value of a business and their sustainability investment," she said.

Echoing Ms. Verde Nieto's thoughts on the panel was Nicolaj Reffstrup, CEO of the sustainable Scandinavian fashion company [Ganni](#).

"What inspires me at the moment is the transparency and the honest conversations you can have," he said. "Like we're all in a state of distress, so you can have really profound discussions with your industry peers about stuff you wouldn't normally talk about."

Another trend highlighted was how the new reliance on digital channels is a key piece of the sustainability puzzle.

"When the digital opportunity came along, it was obvious that it was all going to change and everyone felt they needed to get out in front first and we actively and uncomfortably closed stores," said Anya Hindmarch, founder of her eponymous [accessories label](#). "That was hard."

Ms. Verde Nieto also made the case that both old and new brands are evaluating supply chains to assess their impact on the environment.

"What's particularly inspiring is that a lot of people within companies, especially at the CEO level, are making changes when it comes to sustainability," she said. "They do not want to go down in history as the ones that have not made the changes."

Ms. Hindmarch foresees a future where the more eco-conscious fashion industry relies less on shows and the rhythm of seasons to cut costs and reduce its carbon footprint.

"It's quite hard when you have a business that embraced an old model and now it needs to accept a new model," she said. "I think to a certain extent, the customer needs us in the middle so we might have to take a lower margin and they might need to pay a bit more and we can sort of meet in the middle until we get through this."

Meanwhile, Mr. Reffstrup supports the introduction of a carbon tax for the industry on the view that nothing regulates human behavior like financial punishment.

Sustainability domino effect

The push to embrace sustainability is gathering pace as the pandemic encourages executives at companies in the luxury space to take a more honest approach to guiding their businesses.

This fall, Walpole, the sector body for British luxury, launched its Sustainability Working Groups as online forums to discuss eco-conscious behavior that consumers are increasingly expecting from brands.

The move came months after the London-based organization introduced its British Sustainability Manifesto. More than 50 luxury brands have signed up to follow sustainable practices across their entire organization,

notwithstanding the pressures from the ongoing COVID-19 pandemic ([see story](#)).

Some companies have also become more public about finding ways for consumers to join their journeys to a completely sustainable future.

Recently, German fashion house Hugo Boss unveiled its first capsule collection of recycled pieces to strongly encourage its shift towards a more environmentally-conscious fashion industry ([see story](#)).

Another interesting trend is the rise of the secondhand market as consumers increasingly fill their closets with secondhand items. According to the recent survey by the Boston Consulting Group, 10 million more shoppers purchased a second-hand product in 2019 than did in 2018, driven by sustainability and affordability ([see story](#)).

As the impact of sustainability evolves, more of its consequences will filter into the fashion industry and consumers will be left with better buying choices, according to panelists.

"You have vastly different ways to access clothing these days," Ms. Verde Nieto said. "You don't have to buy them new."

"There's a huge variety of different models today," she said.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.