

Factsheet:

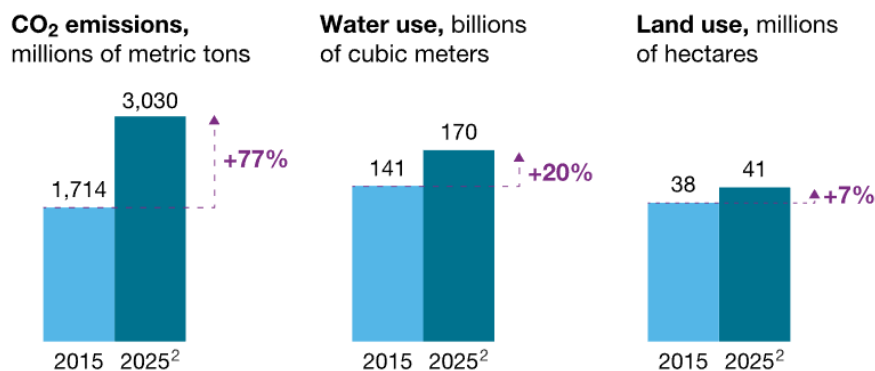
Factsheet: Backstage with Luxury's Take on Sustainability

Sustainable fashion or eco-fashion does not have a single destination. It is a journey that a fashion brand or business needs to constantly learn and change to minimise its negative impact on the environment, the earth, and all citizens. Every brand, every fashion designer can choose their own sustainability formula that best suits their values, beliefs, people, and financial resources. Every step, even the smallest, is important.

The global ethical fashion market reached a value of nearly \$6,345.3 million in 2019, having increased at a compound annual growth rate (CAGR) of 8.7% since 2015. The market is expected to grow from \$6,345.3 million in 2019 to \$8,246.1 million in 2023 at a compound annual growth rate (CAGR) of 6.8%. The growth is mainly due to the growing awareness about using ethical fashion for sustainability. The market is expected to grow from \$8,246.1 million in 2023 to \$9,808.5 million in 2025 at a CAGR of 9.1%. The market is expected to grow and reach \$15,173.7 million in 2030 with a CAGR of 9.1% (The Business Research Company, 2020)

According to Remy, Speelman and Swartz (2020), as consumer spending increases, especially in emerging economies, the environmental impacts of the clothing industry can greatly increase (Figure 1).

Increases in environmental impact if 80% of emerging markets achieve Western per capita consumption levels¹



¹Rest of world maintains its current levels of per capita consumption.

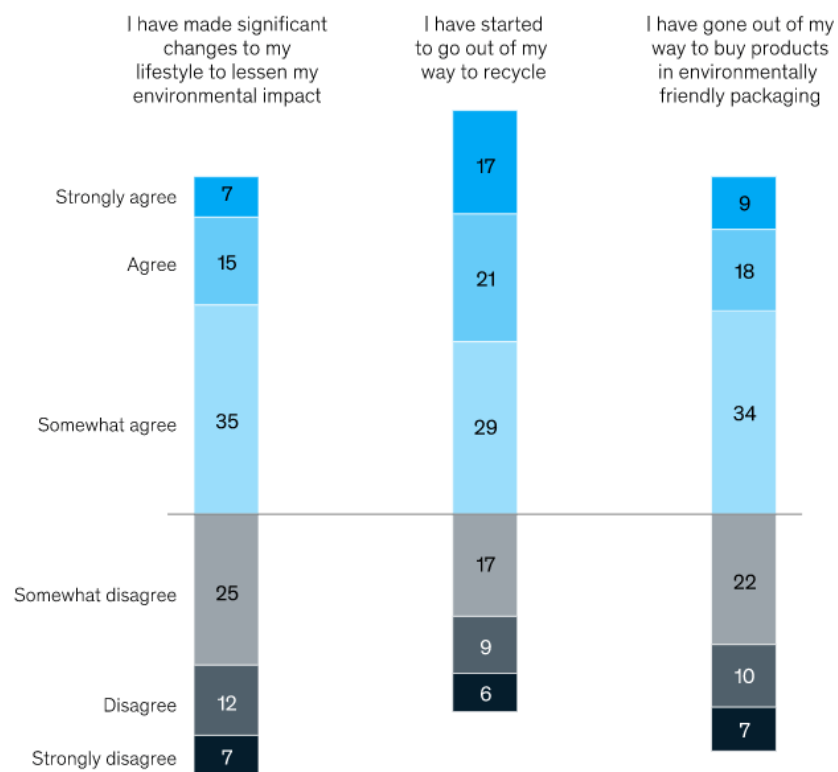
²Estimated.

Figure 1: Estimate of environment impact from clothing consumption

Author by: Remy et al., (2020).

Consumers have begun to change their behaviour accordingly (*Figure 2*). Of the consumers surveyed, 57% have made significant changes to their lifestyle to reduce their environmental impact and more than 60% said they have tried to recycle and buy products. products in environmentally friendly packaging (Granskog et al, 2021).

Change in behavior during COVID-19 crisis, % of respondents (n = 2,004)¹



¹Figures may not sum to 100%, because of rounding. Question: Thinking about your habits and attitudes over the past several weeks compared with prior to the COVID-19 crisis, to what extent do you agree with the following statements?

Figure 2: Change in behaviour during Covid-19 crisis toward sustainability

Author by: Granskog et al., (2021).

As consumers begin to care more about the environmental footprint of everything they do, with 60% of millennials saying they want to shop more ‘sustainably’, it’s no wonder ethical clothing is in fashion (Hodgson, 2020).

According to Selfridges, more than 60% of their customers want to shop sustainably and 90% want to buy less, but better - while the social and environmental impact of their purchases is important to 84% (Davis₃, 2021).

No leather, feathers, fur, skin since day one (Stella McCartney, 2021).

This summer, 32 companies - including fast-fashion and high-fashion brands - signed the fashion pact, including household names like Chanel, Ralph Lauren and Prada, as well as H&M Group and Zara. The pledge promises to fight greenhouse gas emissions and emphasizes sustainability in the industry (Davis₃, 2021).

Luxury global group Kering is the latest to embrace the rental market, announcing a significant investment in premium bag rental subscription service Cocoon. Cocoon offers customers a variety of memberships to choose from, giving them access to more than 35 different luxury brands – from classic brands like Prada and Gucci, Chanel and Dior, as well as fashion products more pages from Bottega Veneta and Balenciaga (Davis₂, 2021).

Burberry has pledged to become climate positive by 2040. The brand has committed to cutting emissions across its extended supply chain by 46% by 2030, and to supporting others in improving their own carbon journeys (Davis₁, 2021).

REFERENCES

Davis₁, J. (2021, June 11). *'Burberry to be climate positive by 2040'*. Retrieved July 15, 2021, from <https://www.harpersbazaar.com/uk/fashion/fashion-news/a36694857/burberry-climate-positive-sustainability/>

Davis₂, J. (2021, June 24). *'Kering's investment in luxury BAG service Cocoon Shows rental market is booming'*. Retrieved July 15, 2021, from <https://www.harpersbazaar.com/uk/fashion/fashion-news/a36823612/kering-invests-bag-rental-service-cocoon/>

Davis₃, J. (2021, March 12). *'How are luxury retailers taking on sustainability?'* Retrieved July 15, 2021, from <https://www.harpersbazaar.com/uk/fashion/fashion-news/a29386990/luxury-retailers-sustainability/>

Granskog, A., Lee, L., Magnus, K., & Sawers, C. (2021, March 12). *'Survey: Consumer sentiment on sustainability in fashion'*. Retrieved July 15, 2021, from <https://www.mckinsey.com/industries/retail/our-insights/survey-consumer-sentiment-on-sustainability-in-fashion>

Hodgson, S. (2020, July 13). *'Green is the new black: Stitching together sustainable fashion brands'*. Retrieved July 15, 2021, from <https://fabrikbrands.com/sustainable-fashion-brands/>

Remy, N., Speelman, E., & Swartz, S. (2020, August 19). *'Style that's sustainable: A new fast-fashion formula'*. Retrieved July 15, 2021, from <https://www.mckinsey.com/business-functions/sustainability/our-insights/style-thats-sustainable-a-new-fast-fashion-formula>

The Business Research Company (2020). *'Global Ethical Fashion Market Report Opportunities and Strategies'*. Retrieved July 14, 2021, from <https://www.thebusinessresearchcompany.com/report/ethical-fashion-market>.

Stella McCartney (2021). *'Sustainability: Stella McCartney US'*. Retrieved July 15, 2021, from <https://www.stellamccartney.com/us/en/sustainability/sustainability.html>