Sustainability in small luxury companies: challenges and strategies to overcome them

Laura Chaves

Abstract

Although sustainability has increasingly become a competitive factor for companies, being more sustainable can be a challenge for luxury brands, as luxury and sustainability are often seen as an oxymoron. Moreover, the body of knowledge about the sustainable business practises of small luxury firms is also lacking. Therefore, this dissertation aims to identify the specific challenges faced by small luxury brands when trying to be more sustainable and the best practices in responding to them. To answer the research question, I employed a qualitative methodology and conducted a multiple-case study of three small luxury brands: Matilde Jewellery, Majatu Studio, and Washed Ashore. The main findings of the study reveal that small luxury brands face challenges mainly related to their size and consequent lack of resources, combined with the additional costs required for committing to sustainability. Among some of the best practices identified to face these challenges are extending products' lifecycle by focusing on quality and durability, shifting to innovative sustainable alternatives to balance production costs, resorting to sustainability certification and collaboration, among others. These challenges, as well as the strategies to overcome them, were divided in the findings section into challenges related to: (1) sourcing responsibly, (2) communicating sustainability, and (3) measuring sustainability progress.

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Resumo

Embora a sustentabilidade seja cada vez mais um fator competitivo para as empresas, ser mais sustentável pode ser um desafio para as marcas de luxo, já que o luxo e a sustentabilidade são muitas vezes vistos como contraditórios. Para além disso, o número de estudos sobre as práticas de negócio sustentáveis em pequenas empresas de luxo também é escasso. Esta dissertação tem como objetivo identificar os desafios específicos de sustentabilidade enfrentados pelas pequenas marcas de luxo e descrever exemplos de melhores práticas para responder aos mesmos. Para responder à questão de investigação, utilizei uma metodologia qualitativa e realizei um estudo de caso múltiplo sobre três pequenas marcas de luxo: Matilde Jewellery, Majatu Studio e Washed Ashore. As principais conclusões deste estudo revelam que as pequenas marcas de luxo enfrentam desafios principalmente relacionados com a sua dimensão e consequente falta de recursos, aliada aos custos adicionais necessários para ser-se mais sustentável. Entre algumas das melhores práticas identificadas estão o prolongamento do ciclo de vida dos produtos, ao apostar na qualidade e durabilidade, a mudança para alternativas sustentáveis inovadoras para equilibrar os custos de produção, o recurso à certificação de sustentabilidade e colaboração, entre outros. Estes desafios, bem como as estratégias para os enfrentar, foram divididos em desafios relacionados com: (1) o fornecimento sustentável, (2) comunicar a sustentabilidade e (3) medir o progresso sustentável.

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"Education is the most powerful weapon which you can use to change the world."
- Nelson Mandela

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List of acronyms and abbreviations

CE – Circular economy

ESG - Environmental, Social, and Corporate Governance

FSC – Forest Stewardship Certified

N/A – Not applicable

NGO – Non-governmental organization

RQ – Research question

SD – Sustainable development

SME – Small and medium enterprises

TBL – Triple bottom line

WCED - World Commission on Environment and Development

1. Introduction

Since the beginning of the 1990s, the luxury market has been thriving (Truong et al., 2009). According to Bain & Company (2022), after declining in 2020 as a result of the pandemic, the market expanded by 13 to 15 percent to €1.14 trillion in 2021. This boom was due to two main factors. On one hand, improved global economic conditions have contributed to an improved environment. On the other hand, the democratization of the luxury concept has led lower classes of society to progressively consume luxury goods (Truong et al., 2009). Thus, firms have been diverging from luxury's fundamental principles, offering products that are more accessible than traditional luxury products and approaching a mass market (J. N. Kapferer & Michaut, 2015). This democratisation of luxury can result in the reassessment of the brand's image and the loss of its luxurious essence (Plażyk, 2015).

The luxury industry relies on sustaining access to unique and scarce natural resources, which are currently threatened by population growth, the present climate crisis, declining biodiversity, and excessive demand. This requires that luxury businesses can guarantee the preservation of these resources, making sustainable practises of the utmost priority (Campos et al., 2019; Ranfagni & Ozuem, 2022). However, the luxury industry has been heavily criticised for failing to appropriately address social and environmental issues as part of its main business goals (Jain, 2019). Additionally, the younger generation of luxury consumers is demonstrating a rising interest in the sustainable origin of the items they purchase and becoming more concerned with social and environmental issues (Pencarelli et al., 2019). Therefore, governments, NGOs, customers, and the media are pressuring luxury companies to lessen the harm caused by the industry's supply chain (Ranfagni & Ozuem, 2022).

While these pressures have brought environmental and social management to the forefront of many businesses' agendas (Szabo & Webster, 2021), to what extent luxury and sustainability may be reconciled is still a matter of debate (Pencarelli et al., 2019). Nevertheless, from an academic standpoint, both luxury consumption and the topic of sustainability have been the subject of a considerable number of academic studies and research (i.e., Kapferer & Michaut, Kapferer & Bastien, Pencarelli et al., among others). However, there is a notable lack of research on the sustainable path of small brands, and virtually little study on small luxury brands (Malesios et al., 2021; Parisi & Maraghini, 2010). Thus, it becomes relevant to make this distinction, since companies of different sizes will naturally have different approaches to this

topic (Parry, 2012). To contribute to fill this gap, I propose to answer the following research question (RQ):

How can small luxury brands be more sustainable?

Sustainability is an increasingly pressing issue from a managerial standpoint, thus identifying successful strategies, and providing practical recommendations will assist managers in addressing this topic. Moreover, the actions undertaken by luxury firms, as well as the behaviour of their consumers, can directly impact the environment, the management of natural resources, and society as a whole. In this way, encouraging discussion of this issue among all parties involved—including managers—could lead to a more conscientious behaviour.

To answer the RQ, I employed a qualitative methodology and conducted a multiple-case study on three luxury brands: Matilde Jewellery, Majatu Studio, and Washed Ashore.

This dissertation is structured in nine chapters. In the introduction, the issue is briefly discussed, the gap is emphasised, and the RQ is addressed. Then, a literature review was conducted in which the terms of the RQ are defined, previous studies on the topics and their limitations are reviewed. The methodological decisions made for this study are covered in the next chapter. I then give a succinct overview of the selected brands in the empirical setting chapter, connecting them to the phenomenon under study. Then, I present the answer to the RQ in the findings chapter. The findings are compared with the literature review in the discussion that follows. Finally, the conclusion includes a summary of the main findings, a discussion of the study's limitations, future suggestions for more research, and recommendations.

2. Literature review

This literature review reveals that luxury companies have been facing several challenges such as environmental challenges, namely its reliance on maintaining access to rare and unique natural resources while simultaneously minimising its environmental and social damage, the democratization of luxury and a shift in consumers' behaviours and expectations towards an increasing concern with sustainability. Overall, it highlights how luxury is affected by this shift and how urgent it is for luxury brands to consider sustainability as a business imperative. Even though research on how luxury brands might become more sustainable and the challenges in committing to it has been sparsely applied to the case of small brands, I intend to help fill this gap.

Firstly, I will introduce the non-consensual definition of the concept of luxury, contrast traditional luxury to modern luxury and present the main challenges faced by this industry. Secondly, I will outline definitions of sustainability and sustainable development (SD) and discuss how these concepts relate to luxury, namely the contradictions between them and how sustainability can be aligned with a luxury strategy. I will then highlight some of the ways in which luxury brands are committing to sustainability and end by focusing my research on the challenges small firms face in their pursuit of sustainability.

2.1 Understanding luxury

Luxury is an ambiguous concept since its meaning can vary from person to person and change over time (J.-N. Kapferer, 1997; J.-N. Kapferer & Bastien, 2009). Even though many researchers have tried to clarify it, there is no clear definition for what luxury means. There is, however, a set of common characteristics that scholars use to define this concept, such as a high price, heritage, craftsmanship, scarcity, and uniqueness.

In this section of the literature review, I will start by discussing the meaning of luxury. Then, I will enumerate some challenges the luxury industry is facing nowadays such as the democratization of the concept, the growing shift in customers' preferences and behaviours and increasingly alertness to greenwashing, as well as environmental challenges.

2.1.1 What is luxury?

Numerous definitions of luxury have been proposed in the academic literature (J. N. Kapferer & Michaut, 2015). However, there lacks an agreement among scholars on a definition of it since

luxury is a multidimensional concept. According to J.-N. Kapferer (1997), "what is luxury for some is just ordinary for others: while some brands are qualified as luxury brands by one half of public opinion, others are simply considered as 'major brands' by the other half." (p. 252). Moreover, it is not static, what is luxury today might vary over time (J.-N. Kapferer & Bastien, 2009).

Despite its ambiguous character, luxury can be linked to several characteristics that are commonly used to describe it. Broadly speaking, the following aspects are associated with it: (1) superior quality linked to an upscale packaging, a high price and an extensive warranty; (2) scarcity and uniqueness – luxury goods shouldn't be mass-produced since they are associated with high quality raw material and thus (3) a higher price; (4) hedonism – the purchase of a luxury good is generally a hedonistic experience associated with pleasure and satisfaction; (5) heritage and long history – respecting tradition and craftmanship; (6) a strong aesthetic appeal; (7) superfluousness, as luxury goods are not necessary to ensure survival; and it should have a unique, distinctive and clearly positioned brand image (8) (Dubois et al., 2001; Pencarelli et al., 2019) .

J.-N. Kapferer (2012) clearly distinguishes between the numerous meanings of luxury, including the concept of "luxury", "my luxury," "the luxury sector," and "the luxury business model." Luxury as an "absolute concept" typically represents social stratification and creates distinction; most frequently, "my luxury" refers to a small personal luxury purchase; the economic sector of luxury refers to the growth of luxury; and luxury as a business model refers to luxury's distinctive business model, which is distinguished by a particular strategy with precise and stringent criteria to be followed. According to the author, luxury follows a unique business model, different from fashion and premium. It becomes relevant to emphasize the difference between luxury and fashion, where J.-N. Kapferer & Bastien (2009) make this distinction based on two main aspects, the relationship to time – luxury is based on durability and fashion relates to ephemerality; and relationship to self - luxury is for oneself, whereas fashion is not. Thus, luxury is based on strict principles that uphold the exclusivity of luxury and the non-comparability of brands that follow them (J.-N. Kapferer & Michaut-Denizeau, 2020, p. 3).

2.1.2 Challenges of luxury

2.1.2.1 Democratization of luxury

Luxury at its traditional form reflected a niche, restricted to the fortunate ones who could afford it, whereas modern luxury is a rapidly expanding sector that targets a broader customer (J.-N. Kapferer & Valette-Florence, 2016). Despite relying on rarity, many brands have adopted the "abundant rarity" strategy, a qualitative rarity that goes beyond objective rarity (J.-N. Kapferer, 2012). Thus, luxury brands have become increasingly visible, from large billboards on the streets to stores in airports and capital cities of the world (J.-N. Kapferer, 2012; J.-N. Kapferer & Laurent, 2016).

This growth has led to the emergence of new brands that seek for volume and favourable financial results. These brands carry an image of a luxury brand but mass-produce their goods, moving away from luxury's fundamental principles by offering affordable products and services such as accessories and second or third lines, which cannot be classified as luxury items (J.-N. Kapferer, 2013; J. N. Kapferer & Michaut, 2015).

Regardless of promising craftsmanship and the preservation of heritage, many brands are extending their operations to low-cost facilities to increase their market share. (J.-N. Kapferer & Michaut-Denizeau, 2017, p.130). This goes against a true luxury strategy, that aims to enhance exclusivity and govern the whole value chain (J.-N. Kapferer & Bastien, 2009). The democratization of luxury can impact the industry image and lead the public to have a negative view of the overall sector, creating a challenge for luxury brands.

2.1.2.2 The new luxury consumer

The market for luxury products is ever-changing and developing (Plażyk, 2015). In the past few decades, the luxury sector has seen a shift in consumers' quality expectations towards social and environmental decisions and a growing interest in sustainability of the luxury goods they buy (Pencarelli et al., 2019). Moreover, they are also willing to pay a premium for sustainably produced goods (DeBeers Group, 2022). This growing sense of responsibility is a result of shifting values, beliefs, and aspirations among people all over the world (Jain, 2019). Additionally, a new generation of luxury consumers, millennials, is assuming control and reshaping the market (J.-N. Kapferer & Michaut-Denizeau, 2020). This generation is starting to increasingly consume luxury goods while being concerned with sustainability issues (Leslie et al., 2013; Rolling & Sadachar, 2018).

Although consumers are progressively concerned with sustainability and the origin of the products they buy, they are also more alert to greenwashing. Greenwashing can be understood as any dialogue that misinforms and leads people into adopting positive beliefs about an organization's environmental behaviour by overstating its efforts or representing themselves as environmentally conscious when in fact they are not (de Freitas Netto et al., 2020; Szabo & Webster, 2021; Torelli et al., 2020). By incurring in greenwashing, brands risk customers having negative attitudes toward label claims, leading to them having a bad image of the product (D'Souza et al., 2006). This creates a challenge for luxury brands, who must move away from greenwashing by demonstrating that they are paying more attention to sustainability concerns than just "lip service" (Athwal et al., 2019).

2.1.2.3 Environmental challenges

As stated by Campos et al. (2019), the luxury industry depends on maintaining access to rare and unique natural resources, which are now endangered by factors such as population expansion, climate change, declining biodiversity, and scarcity because of high demand. The price and even the availability of some luxury items might be affected in the future by the cost of essential materials. Therefore, the luxury industry must guarantee the natural resources utilised in manufacturing are preserved. This relies on companies adopting innovative methods to rebuild and renew the ecosystems and finding new kinds of sustainable natural resources or develop raw material alternatives, creating a new challenge for luxury firms (Campos et al., 2019).

2.2 Sustainability in luxury

Defining sustainability is a complex task, since its concept appears to lack a clear understanding among researchers and practitioners (Morelli, 2011). Moreover, sustainability and luxury are still perceived as contradictory for several reasons, namely one's interpretation of luxury, the rapid growth and high visibility of the sector and the lack of communication of sustainable practices from brands. Nonetheless, it is undeniable that these concepts are increasingly becoming a business imperative for luxury (J.-N. Kapferer, 2010), which is why it is important to understand their definitions and meaning.

On one hand, I will discuss the commonly accepted meaning of sustainability and SD. On the other hand, I will look into the sustainable luxury paradox, namely the reasons for conflict between both concepts, as well as common pinpoints between sustainability and luxury.

2.2.1 Sustainability overview

Just as luxury has several facets, so does sustainability. There seems to be a lack of consensus among scholars regarding the definition of the terms 'sustainability', 'corporate sustainability' and 'sustainable development', which have been progressively used by companies in their reports (Morelli, 2011). Nevertheless, it is noticeable that challenges such as climate change, decreasing ecological variety and socioeconomic inequities have pushed researchers to focus more on these topics (Kunz et al., 2020).

In the late 1980s, businesses were pushed to handle the environment more responsibly because of shifting public expectations and pressure from environmental activists and NGO's (Gatti & Seele, 2014). These increasing environmental concerns and pressures to adopt an ecologically responsible behaviour have pushed environmental management to the forefront of the agendas of many businesses (Szabo & Webster, 2021).

In 1987, the publication of *Our Common Future* by the World Commission on Environment and Development (WCED) was what sparked the interest in corporate sustainability (Carcano, 2013). In this report, SD was defined as "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987, p. 37) and required the simultaneous integration of environmental, economic, and equity principles (Bansal, 2005).

Given the complex nature of sustainability, Elkington (1998) created the triple bottom line (TBL) concept to facilitate and operationalize its implementation in companies (Ranjbari et al., 2021), in which he claims that the three aspects of sustainability (economic, social and environmental) should be employed to achieve SD. This concept is based on the idea that a business may be managed in a way that not only prioritises profits, but also improves the lives of people and the environment. At a corporate level, sustainability can impact product and process design, brand equity and even company reputation (Carcano, 2013). Furthermore, it can be an opportunity for brands to set themselves apart from competitors (Shashi et al., 2021).

2.2.2 The sustainable luxury paradox

Even though the term sustainable luxury has been in use for more than a decade, (Bendell & Kleanthous, 2007), it is still unclear to what degree luxury and sustainability may be reconciled (Pencarelli et al., 2019). Sustainability is not usually connected with luxury, to the point where the two concepts are often viewed as contradictory (Ranfagni & Ozuem, 2022). In fact,

sustainability is rarely mentioned when talking about luxury brands (J. N. Kapferer & Michaut, 2015). Thus, one question arises: why is luxury perceived as incompatible with sustainability? The following subsections describe several reasons why these are often seen as conflicting concepts.

2.2.2.1   Perceived contradictions between luxury and sustainability

Luxury is originally associated with excess, irrational purchases, extravagance, and waste (Dubois et al., 2005; Hennigs et al., 2013). In contrast, sustainability is associated with a modest lifestyle focused on reducing, preserving, and respecting the planet's resources in order to ensure the fulfilment of the next generations' needs (J.-N. Kapferer, 2010; Ranfagni & Ozuem, 2022). Generally speaking, only the rich can afford luxury goods which inevitably makes luxury a sign of inequality (J.-N. Kapferer, 2010), creating a sense of social stratification and going against SD's dimension of social equity (J.-N. Kapferer & Bastien, 2009).

As mentioned above, luxury is a highly subjective concept. J. N. Kapferer and Michaut-Denizeau (2017) find that consumers' perspectives on luxury can influence their perceived incompatibility between luxury and sustainability. Thus, if consumers view luxury as superficial, they are more likely to see sustainable luxury as oxymoron. In accordance with this, J. N. Kapferer and Michaut (2015) demonstrated that this contradiction is lower for those who perceive luxury as extreme quality. Furthermore, they demonstrated that the perceived degree of conflict between luxury and sustainability depends on the customer's age. However, it should be noted that this last study was conducted only from French luxury consumers, which represents a limitation.

Overall, these studies show the importance of luxury brands to position themselves correctly and progressively underline attributes such as product quality, heritage, traditional savoir-faire and craftsmanship, and set themselves up to appeal to younger generations of luxury buyers (J. N. Kapferer & Michaut, 2015).

2.2.2.2   The rapid growth of the luxury sector

As previously mentioned, luxury is a rapidly growing sector that has attracted new luxury brands that seek to increase their market share. This has led these brands to deviate from luxury's core principles (J. N. Kapferer & Michaut, 2015). "The pursuit of higher volume puts more strain on sustainability concerns, such as rare species preservation, origin of raw

ingredients and working conditions in factories" (J.-N. Kapferer & Michaut-Denizeau, 2017, p.130).

This creates two challenges. On one hand, it can further increase the level of contradiction perceived between luxury and sustainability, negatively affecting consumers' perception of the luxury sector. On the other hand, it makes it more difficult for such brands to appeal to customers through exclusivity (Bendell & Kleanthous, 2007).

2.2.2.3 Luxury as a highly visible sector

Many times, luxury has come under scrutiny from the general public for falling behind with SD principles and for following unsustainable practices (Jain, 2019; J.-N. Kapferer, 2013). J.-N. Kapferer (2010) argues that luxury is criticized not necessarily due to its impact on the planet's resources (which compared to the fashion industry are much less significant) but because of its high exposure and significant symbolic nature, which makes it an easy target for sustainability advocates.

2.2.2.4 Lack of communication

One other aspect that can lead luxury and sustainability to be perceived as conflicting concepts is the fact that when it comes to sustainability, most luxury brands keep a low profile (J. N. Kapferer & Michaut, 2015). Kapferer (2013) further argues that "luxury has moved forward but does not talk much about it" (p. 131). After all, luxury is "not comparable", which is why such brands rarely discuss the features of their products and their business practices, finding other ways to transmit their history to customers. Otherwise, the dream would be put at risk (J. N. Kapferer & Michaut, 2015). They seem to avoid disseminating such information to maintain the dream image and believe that the best approach is to be discrete, as sustainability already suffers from enough greenwashing (J.-N. Kapferer & Michaut-Denizeau, 2017). Until recently, influencers, celebrities, and luxury brands avoided discussing sustainability out of fear of shattering the "luxury dream" by bringing up this matter (Niemtzow, 2018).

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2.2.3 Sustainability as part of luxury's essence

In the literature, some researchers point to a contradiction between luxury's values and sustainability, whereas others find that, if correctly handled, environmental and social responsibility could represent an opportunity for luxury brands (Nash et al., 2016). J.-N. Kapferer (2010) argues that sustainability and luxury share a focus on rarity and beauty and "at

a managerial level, durability is a central tenet of luxury companies" (p. 42). In fact, if luxury's essential aspects such as heritage, timeless design, durability and excellence are emphasized, luxury will be strongly linked to sustainability (Hennigs et al., 2013). True luxury is managed with a "long term" perspective, and luxury is by essence durable, intended to pass on through generations, which goes hand in hand with sustainability and SD (J.-N. Kapferer, 2010).

2.3 Sustainable practices within luxury brands

Li & Leonas (2019) showed that, even though many established luxury companies are still reticent about their environmental claims, several new luxury companies are emerging in the market with innovative perspectives and practises regarding sustainable development. In response to customer and industry concerns, these businesses are encouraged to embrace sustainable luxury production with the intent of achieving SD. These new businesses' attempt at having SD as their business model strategy brings novelty to the luxury sector (Li & Leonas, 2019). In this section of the literature review, I will address some of the practices that luxury brands are using to address sustainability.

To match the preferences of ecologically conscious consumers, businesses have been using green marketing techniques to highlight their environmental initiatives in order to increase their competitive edge (Campos et al., 2019). As previously mentioned, one way to integrate sustainability into a business model is by considering the TBL framework. Campos et al. (2019) presented a systematic example of several practices that the luxury fashion industry is using to address its sustainability challenges. Although the paper draws on relevant examples and lessons, it is not based on empirical evidence, reinforcing again the need to conduct additional empirical research on this subject.

The following table presents those practices in accordance with the TBL framework, drawing on the three dimensions of sustainability: environmental, social, and economic.

TABLE 1: Sustainability practices and TBL

Type of practice	Description
Social practices	Ensuring fair labour conditions and protecting the well-being of employees
	Promoting inclusivity and diversity
	Supporting social causes and partnering with other organizations (i.e., NGOs)
Environmental practices	Vertical integration
	Shifting to environmentally friendly materials
	Innovating with vegan raw materials
	Using laboratory made stones or materials
Economic practices	Extending the product life cycle
	Engaging in the second-hand and rental market
	Upcycling

Source: Author. Table created based on Campos (2019). Luxury fashion and sustainability: looking good together

Social practices are mainly based on the welfare of individuals and supporting social causes by engaging in humanitarian actions. Environmental practices are mostly focused on the sourcing of the materials used. Finally, economic practices relate to promoting a circular economy (Campos et al., 2019).

2.4 Barriers for small luxury brands

The increasing emphasis on mainstreaming sustainability suggests that more focus has been placed on translating global sustainability initiatives into everyday business practises and shaping management systems correspondingly. Despite the fact that sustainability has been increasingly addressed in the literature, sustainability in small businesses is frequently overlooked, and literature on sustainable practises of small companies is scant (Parisi & Maraghini, 2010; Parry, 2012). In their study, Bansal & Roth (2000) identified motives for businesses to reduce their environmental impact and divided them into four main areas, them being legislation, stakeholder pressure, economic opportunities and ethical motives. Nevertheless, it becomes important to make the distinction between large and small firms, as the way in which businesses respond to environmental issues will depend on their size (Parry, 2012).

Álvarez Jaramillo et al. (2018) conducted a systematic review on the main barriers that small and medium-sized enterprises (SMEs) find in pursuing sustainability. From a total of 175 barriers identified, the author found the main ones to be the lack of resources, high costs of implementing sustainability initiatives and lack of knowhow. Similarly, Dey et al. (2020) identified in the literature several barriers for SMEs to adopt a circular economy (CE), them being "lack of financial support, inadequate information management system, lack of proper technology, lack of technical resources, lack of financial resources, lack of consumer interest in the environment, lack of support from public institutions, lack of qualified professionals in environmental management, and lack of commitment on the organisational management" (p. 2147).

2.5 The gap

Overall, there has been relatively little research done on the difficulties small luxury firms have in being sustainable and on potential solutions to overcome those challenges. While literature on sustainability in small firms fails to include the luxury sector, the current research on sustainable luxury focuses mainly on large luxury groups. Therefore, it is relevant to understand the difficulties small luxury brands experience in becoming more sustainable as well as the approaches that can be used to address these issues. I suggest addressing the following RQ to close this gap in the academic literature:

How can small luxury brands be more sustainable?

3. Methodology

The subsections that follow describe the research design, data collection, and data analysis. I begin with an explanation of the methodology employed (3.1), then describe how data was gathered (3.2), and end with its analysis (3.3). Finally, I will also describe the main constraints encountered while collecting data.

3.1 Research design

As previously demonstrated, this issue has received scant research. Although sustainability has been increasingly discussed in the literature, the topic of sustainable luxury is often overlooked (J. N. Kapferer & Michaut, 2015). When focusing on the sustainable path of small businesses, essential little in-depth research is available (Parisi & Maraghini, 2010).

To develop this dissertation, a qualitative research was the most appropriate approach, since qualitative data are helpful for developing theories when the phenomenon being examined is novel or hasn't been investigated before, or when an established theory has flaws or hasn't held up to empirical testing (Graebner et al., 2012). By using a qualitative method, it is possible to get memorable instances of crucial management issues and topics that advance the field (Rynes & Jr., 2004), with sustainability being one that is particularly pertinent. The sustainable luxury concept is characterised by a multiplicity of cultural, organisational, and institutional factors; thus, a qualitative approach is intended to assess these environments (Birkinshaw et al., 2011).

To answer the RQ, I chose to examine various organisations operating in the same industry, therefore constructing a comparative case study. I found a multiple case study to be the most suitable approach of qualitative research, as numerous examples of evidence are frequently viewed as more compelling than a single case, and as a result, the overall research is viewed as being more robust (Yin, 2009).

The process of selecting the companies to study was not linear, nor was it easy. In the initial stages of my study, I focused solely on the luxury jewellery sector and began to contact fine jewellery companies. However, because it was extremely challenging to receive responses, I made the decision to broaden my study to include other luxury-related fields, including fashion. I then started looking for other companies, smaller ones, and get new perspectives to further develop my study. In that regard, I grew my list of businesses and from a list of over fifty (50) brands, I attempted to contact their employees through e-mail, LinkedIn, Instagram, and phone

calls. Table 3 in the appendices provides a detailed list of all brands contacted, in alphabetical order.

After broadening my research to luxury brands in the fashion sector, the criteria for selecting cases were the following: (1) the brand had to be small and relatively recent, (2) it had to meet most of the requirements of a luxury brand analysed in the literature (2.1.1), and (3) to demonstrate the search for a more sustainable path. The search for a more sustainable path was identified through initiatives such as the search for more sustainable alternative materials, a concern for the social aspect of sustainability such as providing fair wages and working conditions, transparency when it comes to communicating about the supply chain and company practices, and an overall active presence of sustainability in all the company's communication.

Out of the firms contacted, most did not respond at all; some replied favourably to a first e-mail but never got back to me; nine (9) stated unwillingness to participate and five (5) were willing to cooperate: Matilde Jewellery, Leitão & Irmão, Majatu Studio, Washed Ashore and Josefinas. Even though I conducted both interviews, I decided to disregard Leitão & Irmão and Josefinas, due to time constraints and lack of depth in the data available. Finally, it led me to select three cases that differ in context and geography: Matilde Jewellery, Majatu Studio and Washed Ashore.

I considered these firms suitable to answer my RQ, as all of them are relatively new and small businesses launching themselves in the luxury world. All three are born-sustainable companies that are progressively and successfully making efforts towards achieving sustainability. Comparing their approaches towards this topic, it was possible to pinpoint contextual differences and examine common points when it comes to the challenges faced in pursuing sustainability, as well as their different strategies to address them.

3.2 Data collection

I collected primary and secondary data. To collect primary data, I conducted seven (7) interviews with the brands who responded favourably to my request, all of them with the founders of the companies (see tables 3 and 5 in appendices). These interviews consisted of videocall semi-structured interviews as well as subsequent asynchronous e-mail exchanges. When expressing my interest in the brands, I was redirected to the most suitable person to help me, who in all cases was the founder of the company. It was crucial for my research to be able to talk to the founders directly since it gave me the opportunity to gather reliable insights on

this topic. As these are recent companies with very few employees, the founders were those who could best inform me on their perception about sustainability.

All interviews started with broad questions about the brands' history and long-term goals, as well as the interviewees' duties within the company, to allow for the conversation to develop. These were followed by open-ended questions to not only ensure all topics were addressed, but also to give the interviewees the opportunity to freely share their thoughts and opinions. The table 4 in the appendix 2 summarizes the main topics covered during the interviews, which can be divided in challenges and strategies, sustainability inside the company, key metrics and sustainability progress, and sustainability in luxury.

Although adapted for each case, the interview guide was always structured considering the RQ, addressing issues such as the main challenges companies face in their sustainability commitment and how it fits the companies' strategy. At the end of every interview, I requested important internal documents that could help me complement the data collected, even though this was not always achievable. The table 5 in the appendix 3 shows a summary of the primary data collected.

To supplement the primary data, I gathered secondary data from various sources. I carefully analysed the corporate websites and social networks of each of the brands to understand how they communicate sustainability online. Additionally, I searched and compared blog posts, media articles in newspapers and magazines, online interviews, podcasts, and other videos that could help me understand how these luxury brands position themselves when it comes to being sustainable. Finally, a systematic search was conducted in newspapers with the brands' names. A summary of the secondary data collected is available in the appendix 3.

During my data collection I faced various limitations, particularly in triangulating the data and facing time constraints. Contacting companies to arrange meetings was a complex and lengthy process, as responses were most often slow. Some brands such as Matilde Jewellery were only available to answer my questions through e-mail. Although through video call, the interviews with the founders of Majatu Studio and Washed Ashore were much more fluid and enriching since there was space for an open conversation.

To complement what the founders had said, I tried to arrange interviews with other employees of the brands, as well as suppliers and certification companies, which unfortunately was not achievable. As these are recent and small businesses, publicly available information was very

scarce, which made it difficult to collect reliable and rich secondary data. Concrete information about the companies' results regarding sustainability achievements and metrics was not provided from all brands, which resulted in a limitation to the data collection process.

3.3 Data analysis

To analyse the qualitative data, I transcribed all the conducted interviews into a word document, where I wrote over thirty (30) pages of data. Then, I underlined pertinent passages, not only the ones that would be relevant to answering my RQ, but also interesting aspects that were not necessarily obviously linked to it. Finally, I proceeded to classify and arrange the data to find themes and their relationships. To do this, I resorted to coding, which consists of examining a meaningful section of your empirical material and labelling it with a word or small phrase that describes its substance (Skjott Linneberg & Korsgaard, 2019).

The codes and categories were originated not only from the primary and secondary data collected, but also from the theoretical framework, as well as the RQ. I first started to label data from the literature review, the interviews and from secondary data, such as newspaper articles and corporate websites, identifying meaningful sections and categorizing them into empirical themes (see figure 1 in appendix 4). By doing so, I identified forty-four (44) empirical themes. I then aggregated the empirical themes into conceptual categories. I consistently compared codes derived from theory with codes derived from primary and secondary data and re-labelled them to minimize overlaps and identify links between codes. Here I identified nine (9) conceptual categories. In the third and last phase of the data analysis, I compared the categories to the RQ to ensure that my analysis encompassed all of the pertinent aspects of the study. Lastly, I ended up with the definitions of three (3) final codes: "Reasons for being sustainable", "Challenges of being sustainable" and "Ways of being sustainable".

The following table exemplifies the coding process used for analysing primary data, the interviews. The remaining codes originated are detailed in the appendix 4, figure 1.

TABLE 2: Example of coding from interviews' quotes

Examples of quotes	First-order code	Category	Theme
"It [certification] still is one of the first questions asked when speaking to any potential brand partners or third parties (…). If a brand partner processes no sort of certification relating to sustainability standards, then we see that as a "red flag." (Interview with founder & director of Matilde Jewellery) *"I am very happy we are doing these certifications we are doing, and I think it is good that we have to get re-examined each year. I think certifying bodies are cracking down on being more diligent and detailed. From our experience it is not easy to get certified."* (Interview with founder or Washed Ashore)	Resorting to third-party certification and eco-labels	Environmental practices	Ways of being sustainable
"We know and we work so that a Majatu Studio piece purchased now is in good condition and can be used in 5, or 10 years. Don't lose form and don't be irreparably damaged. Which even gains an intrinsic value with time, this new synonym of wealth and luxury, which also gives quality to what we do and makes our products premium and high-end." (Majatu corporate website) *"We prefer to be sustainable in what we are sure we can be and still maintain quality, rather than exaggerating our efforts just to look good. For that, we try to make sure all we produce is durable, from the clothes to its packaging, because nothing reflects more sustainability in luxury than durability"* (Interview with founders of Majatu)	Extending products' lifecycle	Economic practices	

Source: Author

4. Empirical setting

The selected brands are presented in this chapter. Following a brief overview of each company's history, their key products and long-term goals are discussed. Then, I will present the main drivers that led these brands to commit to being more sustainable. To provide some insights into the brand values, interviews with the founders were employed.

4.1 Matilde Jewellery

Matilde Jewellery is a London based jewellery brand launched in December 2020 by Matilde Mourinho, after completing a master's degree in Entrepreneurship in Fashion & Creative Industries. Matilde decided to create Matilde Jewellery and use only lab-grown diamonds and recycled gold in opposition to the conventional, frequently destructive mining business after focusing her research and studies on the jewellery industry, and more specifically the sustainable jewellery sector. Matilde offers a range of sustainable luxury jewellery, including rings, earrings, ear cuffs, necklaces, bracelets, and charms for both men and women.

"Our materials carry none of the environmental and social costs associated with the traditional jewellery industry while still being of the highest-quality, making them a more meaningful choice."[1]

Matilde Jewellery counts with its Founder and Director and works alongside a PR and a Branding agency. Currently, it operates solely online, selling and shipping its products worldwide exclusively through its website, except for occasional in person events in London. One long-term goal for the brand is to open a permanent shop, in London and in Portugal.

The values of the brand include sustainability, transparency, and fairness. Matilde recently started to work alongside Positive Luxury, an organization that aims to accelerate luxury brands' sustainability efforts, in order to measure, manage, and report their impact across ESG (Environmental, Social, and Governance) indicators.

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[1] Cited in Matilde Jewellery (2021). *Our brand.* Retrieved from:
https://Matilde jewellery.com/pages/about-our-brand

4.2 Washed Ashore

Washed ashore was created in Los Angeles in 2015 by founder Larada Lamson, who has always had a fascination with jewellery and the role it has always played in human history. Larada was born in Thailand, which led her to study archaeology and art history. It was through studying ancient artifacts that she was introduced to the craft of jewellery manufacturing. As she decided to make it a mission to recycle jewellery, it was only in 2019 that she was able to make it all recycled and post-consumer. Despite her love for jewellery, sustainability was a must, as the commercial side of it, namely the mining industry, has a detrimental social and environmental impact.

"Washed Ashore was founded around core values of defence of the ocean and preservation of marine resources, community, education, and people empowerment. To us, sustainability is not a trend, it is our lifestyle and everything we strive for."[2]

The brand sells its products online through its website, but also partners with some sustainable stores in the US, who sell their jewellery. It offers fine jewellery for women, namely bracelets, necklaces, rings, and earrings, but the founder is planning to soon expand the brand to menswear and homeware as well. As a small business, Washed Ashore currently counts on its founder and other three employees to ensure its operations.

Washed Ashore's values include compassion, accountability, transparency, and traceability. The brand has also been working with Positive Luxury since 2019 to assess its sustainability efforts and measure its impact. Their long-term goals include having their own factory.

4.3 Majatu Studio

Majatu Studio is a Portuguese luxury slow-fashion brand developed in December of 2020, during the pandemic, when two childhood friends from Viana do Castelo, Sara Peixoto and Jorge Ribeiro, decided to join forces and launch a 100% national brand. As both shared a common passion for fashion and luxury, they decided to start a brand based on timeless, minimalist, and sustainable designs, against the adversities resulting from the pandemic.

Even though Majatu is a "ready-to-wear" brand, it focuses on producing its designs in small quantities or upon orders, wanting to differentiate themselves from fast-fashion brands that

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[2] Cited in Washed Ashore (2019). *Sustainability*. Retrieved from:
https://www.washedashore.co/pages/sustainability

mass-produce collections each season. It aims at producing statement pieces designed to fit every body type which can last a lifetime in people's wardrobe and never go out of fashion.

> *"We know and we work so that a Majatu.studio piece purchased now is in good condition and can be used in 5, or 10 years. (...) Which even gains an intrinsic value with time, this new synonym of wealth and luxury, which also gives quality to what we do and makes our products premium and high-end."*[3]

As Majatu is still a small business, Sara and Jorge are the only ones responsible for managing every aspect of it, as they rely on fabric suppliers to obtain their materials, and a workshop in Barcelos to produce their designs. Majatu sells high quality garments, from shirts, pants, hoodies, t-shirts, and overcoats, all in neutral colours and for all genders, including even a genderless collection. They have launched three collections so far and are preparing to launch the fourth one.

Some of the values transmitted by the brand are durability, sustainability, inclusion, diversity, and timelessness. Majatu's long-term goals reside mainly in the brand's internationalization.

4.4 Motivations for sustainability

Understanding the driving forces that led these firms to choose to be more sustainable is crucial. Assessing the motivations behind each company's drive to become more sustainable reveals that these firms no longer view sustainability just as a differentiator, but rather as a necessity for their survival and a business imperative.

For Matilde Jewellery, sustainability was at the core of the brand since the moment of its creation, as the founder always knew that her brand had to be sustainable. She saw sustainability as a business imperative, not only because of the irreversible detrimental impacts of mining, but also because of the continuously evolving behaviour of consumers, who are paying more attention to the place of origin of the products they purchase. She emphasised how considering sustainability while buying fine jewellery is no longer an optional extra for consumers.

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[3] Cited in Majatu Studio (2019). *Sustainability*. Retrieved from:
https://www.majatustudio.com/pages/sustainability

"I think more and more being sustainable is a business imperative due to the everchanging behaviours of consumers. As previously said, consumers are putting more and more focus on the origin of the pieces they buy into and the effect they have environmentally and socially."

(Interview with founder of Matilde Jewellery)

The founder of Washed Ashore shares the same mindset, since she considered from the start that for her brand sustainability was a fundamental aspect, not only to ensure long-term success to her business, but to go against the traditional jewellery making method. As she expressed a passion for jewellery making, she realized that she would need to find a different approach to ensure the conservation of natural resources.

"I could not believe the impact that mining specifically has on the environment and the people (…) So I said, if I am going to do jewellery, there is no way that I am going to do it in that way. There has to be another way. So here we are."

(Interview with founder of Washed Ashore)

Sustainability also represents a core value for Majatu, and the founders disclosed that they never saw sustainability as a differentiating factor or an attribute they needed to promote, but rather something that has been implicit in the brand since its creation.

"Creating a brand without sustainability in mind is no longer even a consideration. As conscientious individuals, we intend to use our brand to make the world a more pleasant place to live."

(Interview with founders of Majatu)

With the fashion industry being one of the most polluting, the brand's founders want to counter this traditional fashion mentality and encourage a more conscious consumption. They also reinforced the importance of taking sustainability one step at a time. As the brand grows, they will have access to other materials and resources and are always open to exploring the concept of sustainability further.

5. Findings

As previously mentioned, existing literature fails to acknowledge how small luxury firms can be more sustainable. Despite the mainstreaming of research on corporate sustainability, the luxury industry is overlooked, and the sustainable path of small luxury brands has received little attention.

In this chapter I proceed to analyse the data collected to answer the RQ: *"How can small luxury brands be more sustainable?".* To do this, I will compare the approaches to sustainability of the three firms studied and the initiatives they have taken to be more sustainable. Then, I will assess the challenges these firms face in their pursuit for sustainability, namely challenges regarding responsible sourcing, communicating sustainability to customers and measuring their own sustainability progress.

The information gathered over the course of these few months allowed me to analyse some of the major issues affecting these businesses and, in addition, to identify the effective strategies used to address them. Therefore, I chose to divide the findings chapter into three main sections: sourcing responsibly (5.1), communicating sustainability (5.2) and measuring sustainability progress (5.3).

5.1 Sourcing responsibly

Due to the scarcity of finite resources and their increased environmental impact, access to conventional luxury materials is decreasing. One way for luxury brands to overcome this is to explore other unconventional innovative materials that one would not normally associate with luxury goods. Nevertheless, this search for new sustainable materials comes with challenges that might be difficult for luxury brands, especially small ones to endure. In the following subsections, I will enumerate some strategies the analysed brands employ in order to be more sustainable, followed by the obstacles by them recognized on their road toward sustainability, as well as the strategies employed to overcome them.

5.1.1 Managing production costs

Costs are one of the primary challenges for every luxury firm and the interviewed companies are a clear example of that.

For Matilde, the best way to differentiate from the traditional and detrimental mining industry is to source its materials responsibly. It recognizes the irreversible environmental and social

impacts that mining for gold and precious stones can have. Thus, Matilde uses only 100% recycled 14k gold and lab-grown diamonds when producing its jewellery.

"As controlled and regulated as these practices and methods can be, it still causes irreversible damage that can be avoided by opting for more sustainable and ethical options, such as lab-grown diamonds and recycled gold."

(Interview with founder of Matilde Jewellery)

During the interviews, the founder and director revealed that, just as organic food is often more expensive than fast food, 100% recycled gold is about 20% more expensive than newly sourced gold, which can increase production costs for their jewellery. Being a jewellery brand for everyone is one of the business's goals. Therefore, a challenge for the brand when using sustainable alternatives is balancing the cost of production with fair pricing, while keeping the quality as high as possible.

"We want to keep our pieces as high quality as possible, but we also want to keep prices fair and as accessible as possible. Sometimes finding the balance with this, or even being able to do so, is tricky."

(Interview with founder of Matilde Jewellery)

To maintain this balance, the brand seeks to use other innovative sustainable materials that make production more accessible while keeping quality and design intact. To overcome this challenge, Matilde uses solely laboratory grown diamonds as opposed to the natural diamond normally found in luxury jewellery. The brand sources its diamonds from Madestones, a distributor based in Antwerp which has recently become carbon neutral certified.

Whilst a natural diamond must go through a complex series of processes to become a gemstone, a laboratory-made diamond goes directly from the laboratory to the jewellery manufacturer, which makes them more accessible than mined diamonds. Using this alternative lowers costs while ensuring transparency and traceability, which are almost unattainable with mined diamonds.

"While natural diamonds go through many more stages such as exploration, mining, sorting, onto cutting and polishing, lab-grown diamonds go straight from a lab and then are cut and polished in the exact same way. This brings costs down, as well as ensuring traceability and transparency that becomes nearly impossible with natural diamonds."

(Interview with founder of Matilde Jewellery)

5.1.2 Managing the lack of durability of some sustainable alternatives

Quality and durability are two of the main aspects that characterize luxury products. In this sense, in their commitment to sustainability, it is important for these brands to be able to achieve their sustainability goals while maintaining product quality and design.

Being a fashion brand, Majatu had a different view from the other interviewed brands on sustainability and responsible sourcing. During their interviews, the founders revealed that in fashion, being 100% sustainable is a difficult goal to achieve, not only because of the amount of additional costs that come with it, but also because some sustainable materials can lack durability and therefore still be environmentally harmful.

"Often, people only think that a brand is sustainable when it uses sustainable materials, or so-called sustainable. But this can be contradictory, as some of the sustainable materials don't last very long, such as fabrics to replace leather, which we have experienced first-hand.

(Interview with founders of Majatu)

Thus, the founders shared that the most important way to be sustainable was for every aspect of the brand to embed durability, and not necessarily just the source of their materials. By creating timeless pieces that last and never go out of fashion, Majatu wants to contribute to reducing the consumerism and mass production that so characterize the fashion industry. The brand opts for a more "artisanal" production rather than industrial, by keeping a low stock, and for those items they predict to sell less, selling upon request. In addition, fabric and other materials that are not used in past collections are reused in the next ones.

They further stressed the importance of looking at luxury fashion as something timeless to overcome this challenge. The key is to design minimalist pieces that have a long lifespan and serve as meaningful investments for customers.

"We prefer to be sustainable in what we are sure we can be and still maintain quality, rather than exaggerating our efforts just to look good. For that, we try to make sure all we produce is durable, from the clothes to its packaging, because nothing reflects more sustainability in luxury than durability."

(Interview with founders of Majatu)

However, using more and more organic materials and investing in innovations to make their production increasingly sustainable is an important step and is in the plans, the founders revealed.

5.1.3 Keeping a balance between sustainability and luxury attributes

One way that these companies find to include sustainability in their operations is to make sure that it is present in all aspects of the brand, namely their packaging. However, it can be demanding to balance luxurious and attractive packaging with the use of environmentally friendly materials. The three cases analysed have different approaches to this issue and find different ways to include sustainability in it.

Washed Ashore offers a full recyclable packaging, from every element such as display cards to the tape used to seal each package. Nevertheless, the founder shared in the interviews that this reflects a challenge the brand is currently going through. Due to the company's size, it is defiant to provide packaging that is 100% sustainable and able to safeguard jewellery during shipping, while still being aesthetically pleasing. The founder added that a minimum quantity order is frequently required by packaging firms, adding to the expenditures that a small business like Washed Ashore finds challenging to bear. Ultimately, it is difficult to provide a sensory packaging experience that is characteristic of a luxury product and use fully recycled materials.

"A problem we are having at hand is packaging. The challenge is making sustainable packaging that is elevated and protects the jewellery that goes in transit. That is difficult because a lot of sustainable packaging brands have a minimum quantity order, which comes to a lot of money. This for us is a challenge because we are a relatively small business."

(Interview with founder of Washed Ashore)

This reflects a sustainable luxury paradox, as they need to limit it to the bare essentials while still creating an engaging luxurious unboxing experience. The use of packaging materials from sources with sustainability certification can be one way to achieve this. Companies often resort to collaboration with certification companies or suppliers to design more sustainable packaging.

One example of this is Matilde Jewellery. All elements of Matilde's packaging are sustainable and FSC (Forest Stewardship Council) certified, which means that it comes from responsibly managed forests and supply chain that provide environmental, social, and economic benefits. Its jewellery dust pouches are made from organic pre-washed canvas and are Fairtrade, meaning they are produced according to rigorous economic, environmental, and social standards. Additionally, their jewellery boxes and postcards are made from paper recycled from coffee cups. Matilde partnered with One Tree Planted, so that for every postage box resulting from an order, a tree is donated and planted in that person's name.

"I think that for a brand to be sustainable every aspect of the business needs to have sustainability in mind. From email, to website, to social media, to marketing, to PR, to packaging, to product design and development, and so on. It really all needs to think about sustainability."

(Interview with founder of Matilde Jewellery)

Majatu finds other ways to ensure sustainability goes through their packaging as well, by focusing on durability rather than just the materials used. Because they do not want to offer just one more recycled box, Majatu's products are shipped in premium blue boxes that have an emotional value added and can be something people will want to save and reuse to decorate. These boxes are shipped inside another paper box, which in turn is made from recycled paper. The founders revealed that even though not all elements of the packaging are sustainable, the company's motto remains, everything the brand does is intended to last.

"We try within what we can to be as sustainable as possible. We have blue compact paper boxes, and the idea behind the boxes was that they would be a pretty object that people want to keep and use as decoration. Everything we create, we create with the intention of lasting."

(Interview with founders of Majatu)

5.1.4 Managing limitations when upcycling

Repurposing outdated luxury products via innovation and environmental consciousness was one important practice mentioned by two of the interviewed brands, Matilde Jewellery and Washed Ashore.

For Washed Ashore, it is crucial that every gemstone and diamond collected is post-consumer, taken from old jewellery and repurposed, and used in their designs. The founder believes that doing this can help promote a circular economy and significantly reduce carbon emissions, minimizing the negative issues associated with mining and gemstone processing.

"Although I am a big advocate for certifications, I consider that sourcing is key, always. That is why I went with post-consumer jewellery. You know exactly where they come from, and this jewellery is lying around and creating waste instead of being used to create beautiful jewellery."

(Interview with founder of Washed Ashore)

As a sustainable brand, they carry an untraditional way of designing jewellery. Instead of creating a complete and planned collection, they use what is available and what they believe will work to create the envisioned jewellery pieces.

"We do things almost in reverse where instead of designing and thinking 'this needs ruby, this needs opal', we look at what we have collected from second-hand stores and pawn shops and then we

work from that. (...) So I think that is something that is not a traditional way of designing, but because it's a sustainable brand, we had to tweak and do things backwards."

(Interview with founder of Washed Ashore)

However, the founder went on to explain that when dealing with post-consumer stones only, it becomes hard to produce a significant inventory for a particular type of jewellery because the gemstones utilised are derived from vintage or pre-owned jewellery. This is a difficulty when designing a whole line of jewellery, as it restricts the number of identical items that may be manufactured.

"We cannot provide a large inventory for a single style since the stones are only available as much as a piece of vintage or second-hand jewellery will allow us."

(Interview with founder of Washed Ashore)

Despite being a constraint, it is intrinsic to the usage of post-consumer stones and a "compromise" the company makes by using second-hand stones. As a result, the founder emphasised the need of being upfront with wholesale clients and, most importantly, with customers regarding this scarcity necessity to overcome this challenge, reinforcing once again the importance of being transparent.

"We make sure to be transparent to our wholesale accounts and mostly to our customers about this shortage requirement. This is a sacrifice we are willing to make by using second-hand, post-consumer gemstones."

(Interview with founder of Washed Ashore)

5.2 Communicating sustainability

To be successful, luxury brands must be able to strike a balance between the essence of a luxury brand and the appropriate message regarding sustainability. However, this balancing presents unique obstacles for each of the interviewed businesses.

Results have shown that when it comes to communicating sustainability to the outside, these brands have different perspectives on how this can best be done. All firms agreed, however, that educating consumers and equipping them with the appropriate resources and information may have a significant impact.

5.2.1   Misconceptions around alternative sustainable materials

As mentioned above, Matilde uses only laboratory-made diamonds. In one of the interviews, the founder of Matilde specified that there are still misconceptions around the use of lab-grown

diamonds since it is a relatively recent alternative and because there is still not much detailed information about it.

"I would say the main challenge is the perception around lab-grown diamonds, which is still wrong for many. Many think that lab-grown diamonds are fake or synthetic diamonds, however they are visually, physically, and chemically identical to natural diamonds. They are cut, polished, and set in the same way and are indistinguishable to the naked eye."
(Interview with founder of Matilde Jewellery)

While natural diamonds grow naturally underneath the earth for years and years, lab-grown diamonds can take only about 3-4 weeks to be made as they are produced by recreating the geological conditions under which natural diamonds form in a controlled setting. The founder reinforced that, despite being created in a laboratory, these diamonds are identical to mined diamonds, conflict-free and *"take up a fifth of the carbon emissions of mined diamonds."* Furthermore, she assured that product quality and design can be maintained while using a sustainable alternative to traditional jewellery materials.

"Using sustainable alternatives such as lab-grown diamonds and recycled gold has no effect on the quality of the product or in the design process. You can create the exact same product as a 'traditional' non sustainable jewellery brand and the design and quality will be the same."
(Interview with founder of Matilde Jewellery)

Nevertheless, a challenge the brand currently faces is to be able to communicate to customers who do not essentially seek for lab-grown diamonds. Although most of their consumers specifically look for lab-grown diamonds and sustainable alternatives, there are also customers who may not necessarily look for Matilde because of its values.

"On the other hand, we also have customers that may not necessarily look for Matilde because of our sustainability, transparency, and fairness values, but see it as a plus. The main challenge is communicating to this group of customers that are not as interested in lab-grown diamonds."
(Interview with founder of Matilde Jewellery)

The founder stressed the importance of focusing on communicating to customers who at first might not identify with their products as well. To face this challenge, they focus on being transparent and offering the information and resources to educate these consumers about their products, for them to become fully informed.

"I believe we should not preach to anyone what they should buy or not, and instead we put focus on providing all consumers with the tools and resources they need to educate them so they can ultimately make their own final informed decision.

To this kind of customers, we think it's important to also educate them on our brand and the way we do things and why it makes a difference to the world we live in."

(Interview with founder of Matilde Jewellery)

This is mostly done through their social media pages and corporate website, in which there is a section dedicated to sustainability, where the brand shares a little about the production process of its jewellery, what materials are used, what certificates its suppliers hold, and some facts and figures about the industry and lab-grown diamonds. Furthermore, the brand sometimes hosts occasional pop-up stores to make the brand concept known in a more intimate way.

5.2.2   Misconceptions around recycled materials

Recycling materials and repurposing used luxury products was a common practice among interviewees to achieve sustainability.

Matilde's metal suppliers buy used gold that has been worn out in the form of unwanted jewellery and jewellery processing elements. This gold is then recycled and melted down to create new jewellery pieces. The founder shared that as there is so much excess gold in the world already, using recycled gold was the best alternative, instead of contributing further to the gold mining industry.

"I spent a lot of time researching the jewellery industry specifically because of the potential harm it may cause to society and the environment. I decided to look for eco-friendly options, like recycled gold."

(Interview with founder of Matilde Jewellery)

Similarly, Washed Ashore's jewellery is made solely of 100% recycled materials, to minimize the sourcing of new and raw resources in general. Their jewellery is manufactured with recycled gold and silver, and every gemstone and diamond collected is post-consumer. The brand sources its materials from unconventional sources to embellish its jewellery, such as abalone shells derived from waste. These abalone shells come from a farm in Phuket, Thailand, which are retrieved from food waste and would not normally be repurposed. Moreover, instead of going for the traditional round pearls, they choose to employ 100% natural Japanese Akoya Keshi pearls. These pearls become a by-product of the pearl industry when the pearl formation process does not occur as expected. Washed Ashore also carries a recycling program, through which consumers can give a new purpose to old jewellery they no longer use.

"If you have a necklace you are no longer using, we would take that, take out the stones, we melt the gold or the silver back, and then we will make them into new jewellery pieces."

(Interview with founder of Washed Ashore)

However, the founder admitted that since the recycled aspect can convey the idea of low quality for some, communicating sustainable luxury products can be challenging.

"The fact that we are selling recycled jewellery, automatically people think we are making jewellery out of plastic bottle caps when they first hear about it. A big challenge is still existing in the luxury market, it must be elevated but still sustainable. When you picture sustainability, you don't necessarily think of luxury jewellery, which is a big challenge: how we can marry that together."

(Interview with founder of Washed Ashore)

To face this, she stressed the importance of being transparent and relatable. As the brand is planning to extend to menswear and homeware, they are working on providing an "immersive experience", so that consumers can relate to the brand and better understand its values. To do this, they are planning to provide customers with documentary-structured videos to educate them about the current impact of the industry and why they use the practices and materials they use.

"We are working on semi-documentary videos because I believe in an immersive experience. If we put our products out there and people don't relate, they won't care. So showing the impact in many ways is a way to be transparent and relatable."

(Interview with founder of Washed Ashore)

Furthermore, the brand tries to overcome this by showcasing their products in physical stores, so that consumers can personally relate to the pieces. As well as for the online customers, they strive to provide accurate and thorough information about the jewellery pieces through their social media and corporate website.

5.2.3 Dealing with different consumer expectations toward sustainability

As previously mentioned, the founders of Majatu noted that environmentally conscious consumers often only see as sustainable products those that are made with sustainable materials. This restriction of sustainability to eco-friendly materials presents a challenge for the brand when it comes to conveying its sustainable nature.

While communicating out the efforts made toward sustainability, actively promoting all their initiatives is not a priority for Majatu Studio. The founders shared that sustainability is

something that was born with the brand and therefore, they prefer to educate consumers about the numerous ways to be sustainable.

"We will always do everything in our power to make people understand that being sustainable is not just limited to the use of organic or recyclable materials, but a whole mentality that goes far beyond that."
(Interview with founders of Majatu)

Although they have a section on their website dedicated to clarifying to consumers how sustainability is embedded in the brand, the aim is not to use sustainability as a differentiating factor. Instead, it is communicated through brand values, based on quality and durability.

"There is a lot of greenwashing out there and even though this new generation is educated about it, it is very easy to be misled as a consumer by a brand. We don't want to take part on that, we don't make posts about sustainability, instead we want to show our customers that there are many ways to be sustainable and in what we are able to, we will do better."
(Interview with founders of Majatu)

To address this, Majatu aspires to be a brand that focuses on key areas of contemporary society. In addition to their environmental concerns, the founders express a commitment to promote aspects such as inclusiveness and diversity. Additionally, they mentioned the importance of working towards a genderless concept, manufacturing pieces for all body types.

"As a brand we want to make a difference not only from an environmental point of view but also from a social point of view. (…) Above all, we want to be a brand that thinks about current problems in society, such as sustainability and inclusion, and work on them."
(Interview with founders of Majatu)

5.3 Measuring sustainability progress

Measuring sustainability progress, either internally in the company through specific KPIs, or resorting to third parties that provide some type of certification is a relevant part of being sustainable, and although all the analysed brands support this, they also revealed some challenges. In response to the question *"how do you assess your progress in terms of sustainability?"*, all firms acknowledged some difficulties owing to their scale.

"As a relatively small and new brand, having only launched less than 2 years ago, we haven't been at a size where we could have as many tools as we would have liked to measure our progress."
(Interview with founder of Matilde Jewellery)

None of the businesses have a department devoted only to sustainability within the company. Not because they do not consider it necessary, but because their size and resources does not permit it.

"At the moment we do not have a specific department dedicated specifically to sustainability due to the size of the company, but everything that we do from within comes that that – being sustainable."

(Interview with founder of Matilde Jewellery)

To offset this shortage of resources, founder of Matilde Jewellery emphasized the need of consistently incorporating sustainability into the company's dialogue.

"The conversation around sustainability and sustainable development is a constant within our team. It has to be, because every aspect of the business needs to have sustainability in mind."

(Interview with founder of Matilde Jewellery)

Collaboration with other organisations, particularly certification bodies, is an additional method through which these small businesses find to successfully monitor their progress towards sustainability. All the firms studied recognize the importance of having external validation, through certification, to give credibility to their sustainable efforts. These external recognitions encourage luxury brands to share their sustainable strategies, efforts, and achievements. Nonetheless, certification entails additional costs for these small companies, and each one of them had a different approach towards this topic.

The founder of Matilde Jewellery explained that carrying third-party certifications was essential for her brand, as one method to ensure that sustainability is achieved as much as possible within the business is by making sure that partners and third parties reflect their values.

"I think it is extremely important, and from the point of view of Matilde I think it's vital. (…) I think if there isn't clear communication or transparency between a brand and the third parties then there is something missing."

(Interview with founder of Matilde Jewellery)

Additionally, when negotiating with potential brand partners or collaborators, one important requirement is certification relating to sustainability standards.

"It [certification] still is one of the first questions asked when speaking to any potential brand partners or third parties (…) If a brand partner processes no sort of certification relating to sustainability standards, then we see that as a 'red flag."

*(*Interview with founder of Matilde Jewellery)

From the perspective of the brand, certification can help separate from greenwashing and boost consumer trust.

"I think greenwashing is a big issue in the industry right now (…) And sometimes it's hard to distinguish which brands are simply using the word 'sustainable' and greenwashing, and which brands truly are doing what they can to be as sustainable as possible. Having certification as 'proof' enhances trust from consumers."

(Interview with founder of Matilde Jewellery)

Founder of Washed Ashore shares a similar opinion, as certification is also an important requirement when it comes to deciding on which suppliers to work with. As being certified requires for the certifications to be renewed each year, along with a very strict and complex process, the founder shared that certifying entities are getting stricter about being more careful and specific.

"I am very happy we are doing these certifications we are doing, and I think it is good that we have to get re-examined each year. I thin certifying bodies are cracking down on being more diligent and detailed."

(Interview with founder of Washed Ashore)

Additionally, she stressed the importance of these certificates to hold the company accountable for its impact in a more "official" way.

"It is important because it opens doors for the brand. Not only with other brands but other stakeholders. It is an investment. Also, it holds me accountable, and helps people not just believe what I put up on the brand's website."

(Interview with founder of Washed Ashore)

Despite that, she noted that the fees required for obtaining certification are significant, making it difficult for a small brand beginning its luxury business to attain.

"Anything that comes out regarding certifications I am on the lookout for that. We are a small company, however, and the fact that you must pay fees to be certified limits the number of certifications one can achieve."

(Interview with founder of Washed Ashore)

Certification takes several additional steps that can significantly increase a company's expenses. To be certified, brands must demonstrate that they have the requisite resources to be 100% certified and analyse each of the factories with whom they do business with. Thus, the scenario is different for Majatu, and the founders shared that carrying a certificate for organic fabric is

part of the brand's goals. Although they see certification as being an important investment, the brand does not yet carry any sustainability label.

"To obtain certification, we must demonstrate that we have the resources necessary to be 100% certified and examine each of the factories with whom we collaborate on an individual basis. (…) it is a step we will only be able to take when our brand grows a bit more."

(Interview with founders of Majatu)

As presented in the table 9 of the appendix 5, a summary of the main findings shows the interviewed brands' ways of being sustainable, their challenges while becoming more sustainable, as well as practices that reflect strategies to address those challenges.

6. Discussion

When reviewing the findings, it becomes evident that they support what was previously stated in the papers examined in the literature review. As the literature points to a growing urgency on the part of companies to opt for more sustainable pathways (Campos et al., 2019), the brands studied reflect this precisely. Due to the industry's increasing environmental and social impact, scarcity of natural resources, shifting customer behaviours, and stakeholder pressures, (Gatti & Seele, 2014; Rajeev et al., 2017; Szabo & Webster, 2021) luxury firms can no longer continue to disregard sustainability; they must view it as a business imperative instead (Shashi et al., 2021).

"In an era where competition is vast and information is at the consumer's fingertips, it is essential for luxury brands to have a fully sustainable and transparent business strategy."

(Campos et al., 2019)

Despite the growing commitment of businesses to incorporate sustainability into their agendas, some experts contend that luxury and sustainability are contradictory, while others find parallels between the two concepts. J.-N. Kapferer (2010), for instance, emphasised that sustainability and luxury find common ground in durability, and the example of Majatu is consistent with this claim. The brand finds that the search for more environmentally friendly materials does not always reflect sustainability. To overcome the inherent challenges of being a sustainable luxury fashion brand, it focuses on combining the values of timelessness and durability with the concept of sustainability.

It was intriguing to learn how businesses in two distinct luxury categories, fashion, and fine jewellery, can have such diverse perspectives and beliefs regarding their commitment to sustainability. Whilst two of the brands, Washed Ashore and Matilde Jewellery, value the responsible sourcing of their materials above all, Majatu as a fashion brand, sees sustainability way beyond that. With regard to the implementation of sustainable practices, findings show that the initiatives of all the companies studied are consistent with the TBL concept proposed by Elkington (1998) and discussed in the literature. To effectively advance towards a more sustainable path, all brands recognized the importance of combining a quest to increase profits while improving people's lives and respecting the environment. To manage this, all firms tackle the three aspects of sustainability (economic, social, and environmental) in their practices.

It was possible to conclude that all the firms under study are, at some level, involved in the paradox of sustainable luxury in their pursuit for a more sustainable route. They must

effectively manage and promote sustainability in order to strike a balance between maintaining the essence of luxury while guaranteeing the preservation of natural resources used in production (Campos et al., 2019).

However, dealing with sustainability while trying to maximise profitability is a challenging undertaking, especially when looking at small luxury business emerging in the market. A discrepancy in the way of dealing with sustainability between large and small companies was stressed in the literature. It was possible to confirm through the cases studied that many of the challenges faced by these luxury brands while addressing sustainability are consistent with what was previously tackled in the literature. Even though there is little research on sustainability in small luxury firms (Malesios et al., 2021; Parisi & Maraghini, 2010), existent studies suggest that the way in which businesses approach environmental issues is influenced by their size and, subsequently, their resources (Álvarez Jaramillo et al., 2018; Parry, 2012). My findings reflect just that, as I found that overall, the main issue for all three (3) firms resides in their size and inherent limitations of resources, the high costs for implementing sustainability practices and, at some level, lack of knowhow.

7. Conclusion

The purpose of this study was to understand what initiatives small luxury brands are putting at practice to be more sustainable, the main challenges that these luxury brands face while doing so, and what strategies can be applied to address them. To answer the RQ: *'How can small luxury brands be more sustainable?'*, a qualitative study was conducted, using a multiple case study. Three (3) small luxury brands were analysed, all of them recent in the luxury market and concerned with including sustainability in their agenda.

Although small, these brands have been successful by combining the concept of a luxury brand with a growing concern for the environment. Despite differing from each other in several aspects, all brands recognize sustainability as an opportunity for the business, not necessarily just to differentiate themselves from the competition, but to respond to changes in consumer behaviour and alleviate the impacts of an environmental crisis that have become increasingly evident. Therefore, this study also contributes to acknowledge that engaging in more ethical and sustainable practices is no longer optional for luxury companies, but an imperative for business success.

While my results are in line with previous studies, they also contribute to empirically analyse the challenges these companies face in their day-to-day operations whilst trying to include sustainability in their value proposition. These brands that are emerging in the market differ from the large luxury groups in their approach to sustainability for several reasons, such as reputation and image issues, but also the resources they have. If successfully combining the essence of luxury with a more sustainable mindset was already challenging, being a small brand still starting in the luxury sector becomes even more defiant. In that sense, it was interesting to learn the perspectives of the founders of these companies and understand what strategies they employ to get around these problems.

Like all others, this study had limitations. In addition to the common limitations associated with a qualitative study, the data collection process was hampered by time constraints. The number of companies analysed is small, as is the number of employees interviewed. This is a limitation inherent to the fact that they are all small firms with few employees. In this sense, it would have been noteworthy to compare these companies' approaches to sustainability with the approaches of brands belonging to large luxury groups. Additionally, because the luxury brands selected fell into more than one category, there is a lack of specificity in the comparisons made between them, and the findings reached are broad.

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9. Appendices

Appendix 1: List of contacted brands

TABLE 3: Contacted brands

#	Brand	Method	Response Yes	Response No	Response No response
1	AERA	E-mail			X
2	Aimée Ann Lou	E-mail			X
3	Anne Sisterone	E-mail			X
4	Annette Welander	E-mail			X
5	Annoushka	E-mail			X
6	Armenta	E-mail			X
7	Boutique dos Relógios	Phone number			X
8	Bulgari	E-mail; LinkedIn			X
9	Cartier	E-mail; LinkedIn		X	
10	Catbird	E-mail			X
11	Chopard	E-mail			X
12	Cinco Store	E-mail; LinkedIn			X
13	Claude & Me	E-mail			X
14	David Rosas	E-mail; Phone number			X
15	Eugénio Campos	E-mail; Phone number			X
16	Eve and Daphnée	E-mail			X
17	Facet	E-mail; LinkedIn		X	
18	Gabriela Hearst	E-mail			X
19	Gaem	E-mail		X	
20	Garrard	E-mail; Instagram; LinkedIn		X	
21	Gilles Joalheiros	E-mail			X
22	Gucci	E-mail; LinkedIn		X	
23	IWC Schaffhausen	E-mail		X	
24	JEM	E-mail			X
25	Josefinas	E-mail; LinkedIn	X		
26	La Fervance	E-mail			X
27	Leitão & Irmão	Phone number	X		
28	Longchamp	E-mail			X
29	Luís Onofre	E-mail			X
30	Madestones	E-mail			X
31	Majatu Studio	E-mail	X		
32	Mark Cross	E-mail			X

33	Matilde Jewellery	E-mail	X		
34	Mejuri	E-mail			X
35	Monica Vinader	E-mail			X
36	Panerai	E-mail			X
37	Pippa Small	E-mail			X
38	Positive Luxury	E-mail; LinkedIn		X	
39	Pyrrha	E-mail			X
40	Smiling rocks	E-mail			X
41	Stella McCartney	E-mail		X	
42	Stephen Einhorn	E-mail			X
43	Swatch group	E-mail			X
44	Tiffany & Co.	E-mail			X
45	Torres Joalheiros	Phone number			X
46	Tous	E-mail			X
47	Van Cleef & Arpels	Phone number; E-mail		X	
48	Verlas	E-mail			X
49	Washed Ashore	E-mail	X		
50	WOLF	E-mail			X
51	YOKO London	E-mail			X

Source: Author

Appendix 2: Main topics covered during interviews

TABLE 4: Main interview topics

Topic	Description
Challenges and strategies	The main challenges currently faced by the companies regarding sustainability and what are the initiatives taken to overcome them.
Sustainability inside the company	How sustainability matters inside the company; how it fits the company's strategy; how important it is from the founders' perspective to obtain sustainability credentials; long-term goals for sustainable development; and sustainability initiatives undertaken by the companies.
Key metrics and sustainability progress	How sustainability progress is evaluated within the companies, what metrics are used and how sustainability is communicated inside the company.
Sustainability in luxury	What are the challenges of being a sustainable luxury brand; what are the best ways to communicate sustainability and challenges faced in doing so.

Source: Author

Appendix 3: Primary and secondary data tables

TABLE 5: Summary of primary data collected

#	Case	Type of data	Name of the interviewee	Method	Organization	Position in the organization	Date of the interview	Length of the interview
1	Matilde Jewellery	Interview	Matilde Mourinho	E-mail	Matilde Jewellery	Founder & director	19-Oct	N/A
2	Matilde Jewellery	Interview	Matilde Mourinho	E-mail	Matilde Jewellery	Founder & director	16-Nov	N/A
3	Washed Ashore	Interview	Larada Lamson	Video Call	Washed Ashore	Founder	11-Nov	60 min.
4	Washed Ashore	Interview	Larada Lamson	E-mail	Washed Ashore	Founder	30-Nov	N/A
5	Majatu Studio	Interview	Sara Peixoto	Video call	Majatu Studio	Founder & CEO	15-Nov	60 min.
6	Majatu Studio	Interview	Jorge Ribeiro					
7	Majatu Studio	Interview	Sara Peixoto	E-mail	Majatu Studio	Founder & CEO	12-Dec	N/A

Source: Author

TABLE 6: Secondary data collected – Matilde Jewellery

#	Case	Type of data	Title of the document	Name of the author	Name of his/her organization	Date of publication	Source	Date of access
1	Matilde Jewellery	Company website	Matilde Jewellery	N/A	Matilde Jewellery	N/A	https://Matilde jewellery.com/	28-Oct
2	Matilde Jewellery	Certification website	Positive Luxury - Matilde Jewellery	N/A	Positive Luxury	N/A	https://www.positiveluxury.com/our-members/Matilde-jewellery/	28-Oct
3	Matilde Jewellery	Interview (blog)	Matilde Mourinho is cleaning up the industry with her sustainable jewellery brand	Annie Darling	Tatler	February 15th 2022	https://www.tatlerasia.com/style/jewellery/Matilde-mourinho-sustainable-jewellery	28-Oct

#	Case	Type of data	Title of the document	Name of the author	Name of his/her organization	Date of publication	Source	Date of access
4	Matilde Jewellery	Interview (blog)	Matilde Jewellery: a marca de joias da talentosa filha de José Mourinho é um sucesso	Vítor Machado	New in Town	January 4th 2022	https://www.nit.pt/compras/moda/Matilde-jewellery-a-marca-de-joias-improvaveis-da-filha-de-jose-mourinho	28-Oct
5	Matilde Jewellery	Online magazine	Matilde Mourinho wants to change the perception of lab-grown diamonds	Amy de Klerk	Harper's BAZAAR	November 17th 2021	https://www.harpersbazaar.com/uk/fashion/jewellery-watches/a38276232/Matilde-jewellery/	28-Oct
6	Matilde Jewellery	Online newspaper	Matilde: um ano de joias sustentáveis de alta qualidade	Sofia Fonseca	Diário de Notícias	November 20th 2021	https://www.dn.pt/viver/Matilde-um-ano-de-joias-sustentaveis-de-alta-qualidade-14333199.html	28-Oct
7	Matilde Jewellery	Online newspaper	Matilde Mourinho: "Sou de Setúbal e o mar sempre fez parte da minha vida"	André Filipe Oliveira	Correio da Manhã	December 19th 2020	https://www.cmjornal.pt/pesquisa/?q=Matilde+mourinho	30-Nov

Source: Author

TABLE 7: Secondary data collected – Washed Ashore

#	Case	Type of data	Title of the document	Name of the author	Name of his/her organization	Date of publication	Source	Date of access
1	Washed Ashore	Certification website	Washed Ashore	N/A	Positive Luxury	N/A	https://www.positiveluxury.com/our-members/washed-ashore/	7-Nov
2	Washed Ashore	Online magazine	Washed Ashore jewelry: embodying natural energies	N/A	Eluxe magazine	October 7th 2020	https://eluxemagazine.com/fashion/washed-ashore/	30-Nov

#	Case	Type of data	Title of the document	Name of the author	Name of his/her organization	Date of publication	Source	Date of access
3	Washed Ashore	Company website	Washed Ashore	N/A	Washed Ashore	N/A	https://www.washedashore.co/pages/sustainability	5-Nov
4	Washed Ashore	Online brand directory	Washed Ashore - ethically made jewelry	N/A	Ethical brand directory	N/A	https://ethicalbranddirectory.com/brand/washed-ashore/	7-Nov
5	Washed Ashore	Online magazine	Washed Ashore: Noble jewelry brand to protect the seas	N/A	Haus von Eden	N/A	https://www.hausvoneden.com/marken-guide/washed-ashore/	30-Nov
6	Washed Ashore	Online magazine	Washed Ashore: Sustainability is not a trend but the future!	N/A	Mochni	N/A	https://mochni.com/eco-brand/washed-ashore/	30-Nov
7	Washed Ashore	Online magazine	An Ocean Lover's Dream Brand	N/A	Global Garbs	N/A	https://www.globalgarbs.com/blog/ethical-jewelry-brand-washed-ashore	30-Nov
8	Washed Ashore	Online magazine	Washed Ashore - the Californian jewellery brand with organic origins	Yuliia Romaniuk	L'Officiel	March 4th 2022	https://www.lofficielmonaco.com/woman/washed-ashore-the-californian-jewellery-brand-with-organic-origins	30-Nov

Source: Author

TABLE 8: Secondary data collected – Majatu Studio

#	Case	Type of data	Title of the document	Name of the author	Name of his/her organization	Date of publication	Source	Date of access
1	Majatu Studio	Company website	Majatu.studio	N/A	Majatu Studio	N/A	https://www.majatustudio.com/pages/about-us	14-Nov

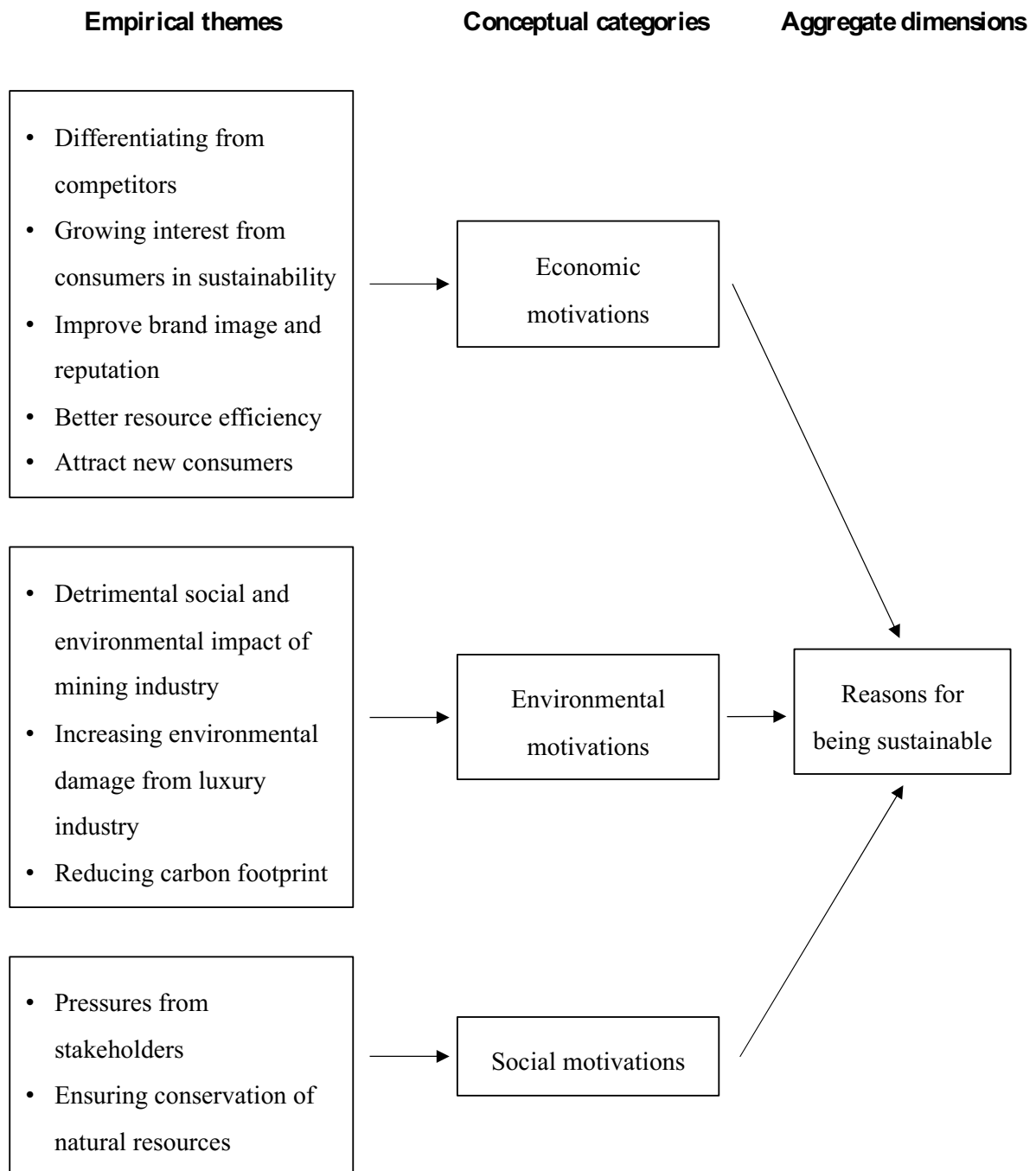|							
2	Majatu Studio	Blog	MAJATU. STUDIO: a nova marca de luxo 100% portuguesa	Margarida Ribeiro	Time Out	January 12th 2021	https://www.timeout.pt/lisboa/pt/noticias/majatu-studio-a-nova-marca-de-luxo-100-portuguesa-011221	14-Nov
3	Majatu Studio	Online newspaper	Majatu.Studio: aqui há peças confortáveis, intemporais e 100% fabricadas em Portugal	Ana Luísa Bernardino Ana Luísa Bernardino	MAGG	January 9th 2021	https://magg.sapo.pt/moda/artigos/sabado-majatu-studio-aqui-ha-confortaveis-intemporais-e-100-fabricadas-em-portugal	14-Nov
4	Majatu Studio	Blog	MAJATU: a primeira marca de luxo portuguesa focada na criação de peças confortáveis	N/A	New in Town	January 5th 2021	https://www.nit.pt/tag/majatu-studio	14-Nov
5	Majatu Studio	Online newspaper	É confortável, democrático e tornou-se uma farda do confinamento. Será que o fato de treino veio para ficar?	Mauro Gonçalves	Observador	January 17th 2021	https://observador.pt/especiais/e-confortavel-democratico-e-tornou-se-uma-farda-do-confinamento-sera-que-o-fato-de-treino-veio-para-ficar/	30-Nov
6	Majatu Studio	Online newspaper	Majatu.Studio aposta no luxo intemporal	N/A	Portugal Têxtil	November 11th 2021	https://www.portugaltextil.com/majatu-studio-aposta-no-luxo-intemporal/	30-Nov

Source: Author

Appendix 4: Coding trees from data

FIGURE 1: Coding tree

| **Empirical themes** | **Conceptual categories** | **Aggregate dimensions** |

- Differentiating from competitors
- Growing interest from consumers in sustainability
- Improve brand image and reputation
- Better resource efficiency
- Attract new consumers

Economic motivations

- Detrimental social and environmental impact of mining industry
- Increasing environmental damage from luxury industry
- Reducing carbon footprint

Environmental motivations

Reasons for being sustainable

- Pressures from stakeholders
- Ensuring conservation of natural resources

Social motivations

Source: Author

- Additional cost of capital for being sustainable
- Engaging in a circular economy
- Lack of durability of some sustainable materials
- High cost of certification fees
- Shifting behaviors of luxury consumers
- Democratization of luxury

Economic challenges

- Scarcity of finite resources and increased environmental impact
- Ensuring and preserving natural resources used in production
- Detrimental environmental impact of mining industry

Environmental challenges

Challenges of being sustainable

- Keeping prices fair
- Protecting the well-being of society
- Misconceptions around lab-grown diamonds
- Misconceptions of recycled materials in luxury
- Dealing with different consumer expectations towards the various ways of being sustainable

Social challenges

Empirical themes   **Conceptual categories**   **Aggregate dimensions**

- Upcycling
- Engaging in second-hand and rental market
- Extending products' lifecycle
- Vertical integration
- Balancing the cost of production with other sustainable materials

→ Economic practices

- Identifying new types of sustainable natural resources or create substitutes for current raw materials
- Resorting to third-party certification and eco-labels
- Focusing on quality and durability
- Looking at fashion as timeless
- Innovating with sustainable packaging
- Using unconventional innovative materials
- Being transparent to stakeholders

→ Environmental practices → Ways of being sustainable

- Promoting gender equality
- Promoting diversity
- Adopting philanthropic strategies
- Collaborating with other organizations
- Providing fair working conditions
- Ensuring well-being of employees
- Disclosing progress and sustainability initiatives on corporate websites and social media
- Producing locally

→ Social practices

Appendix 5: Summary of main findings

TABLE 9: Table of main findings

	Matilde Jewellery	Washed Ashore	Majatu Studio
Challenges of being sustainable	• Balancing production costs with fair pricing • Overcoming misconceptions around lab-grown diamonds • Communicating sustainability • Being able to assess sustainability progress	• Balancing sustainability and luxury attributes • High cost of sustainable materials • Misconceptions around recycled materials • Limitations of being certified • Limitations of using post-consumer stones (upcycling)	• Lack of quality and durability of some sustainable materials • Dealing with different consumer expectations on sustainability • Being able to assess sustainability progress • High cost of certification fees
Sustainability practices	• Use of 100% recycled gold • Providing sustainable packaging • Reducing production costs with more accessible sustainable alternatives (lab-grown diamonds) • Communicating to customers who don't specifically seek for their products • Collaborating with certification companies and non-profits • Incorporating sustainability in every aspect of the brand (i.e., packaging) • Adopt philanthropic strategies	• Upcycling • Use of 100% recycled gold and silver • Offering an immersive experience to educate consumers • Being transparent to wholesale accounts and customers about shortage requirement associated with upcycling • Collaborating with certification companies • Provide accurate and thorough information about the products online	• Extending products' lifecycle by producing timeless and high-quality designs • Opt for an "artisanal" way of production • Promoting inclusion and diversity • Extending quality and durability to every aspect of the brand (i.e., packaging) • Educating consumers on various ways to be sustainable • Being transparent about supply chain • Addressing current societal topics

Source: Author