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# The Impact of Sustainability as a New Trend in the Fashion Industry

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**Author** Gabriella Åkerberg

**Supervisor** Ingela Elofsson  
Department of Production Management  
Faculty of Engineering, Lund University

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*Gabriella Åkerberg*

# Abstract

**Title** The Impact of Sustainability as a New Trend in the Fashion Industry

**Author** Gabriella Åkerberg

**Supervisor** Ingela Elofsson  
Department of Production Management  
Faculty of Engineering, Lund University

**Problem definition** Sustainability in fashion is one of tomorrow's most important focuses but is not yet fully established in the industry, neither from the side of the business nor the customer. Customers' statements tend to show an interest of sustainable fashion, but it is not quite so visible in the sales shares related to sustainable fashion products, which in turn can make sustainable fashion seen as a risky investment. Several studies show that sustainable fashion is although becoming a central focus on future customer demands.

**Purpose** The purpose of this thesis was to describe and analyse the use, value and application of the concept of sustainability in the fashion industry.

**Methodology** As the purpose was to describe the concept of sustainability in the whole fashion industry, the methodology was chosen thereafter as to cover as many perspectives as accurately possible. First the concept was defined out of existing literature where a theoretical framework of the supply chain was formed and later applied on the case companies in the empirical findings. A website analysis together with mystery shopping of the case companies gave insights on externally shared communications and values, customer surveys were carried out as to get into the mind of the customer and interviews with sustainability experts provided a better understanding of the concept of sustainability related to the concerned brand and what new technologies and industry associations can do for brands wanting to achieve a sustainable status.

**Conclusions** Sustainability is a complex concept defined in multiple ways but requires a united definition for the future, preferably authorised by a higher association like the EU. Different area of focus of sustainability among brands in the fashion industry depends on core

brand values and objectives. There is an attitude-behaviour gap among customers due to lack of knowledge, it being a sensitive area of research and since it is not perceived as stylish. To diminish the gap, educating clients and training sales associates are concerned as vital and the needs to target are durability, quality, style and fair pricing. Brands also need to declare transparent and honest supply chain operations and to find innovative and trustful ways of offering sustainable value to its customers.

**Key words**

sustainability, sustainable fashion, environmental, eco fashion, ethical fashion, CSR

# Table of Contents

<b>1</b>	<b>INTRODUCTION.....</b>	<b>1</b>
1.1	BACKGROUND AND PROBLEM DEFINITION .....	1
1.2	PURPOSE .....	2
1.3	TARGET AUDIENCE .....	2
1.4	DELIMITATIONS.....	2
1.5	OUTLINE OF THE REPORT.....	3
<b>2</b>	<b>METHODOLOGY .....</b>	<b>5</b>
2.1	RESEARCH ORIENTATION.....	5
2.2	DATA COLLECTION .....	6
2.2.1	TWO DIMENSIONS OF GATHERING DATA .....	6
2.2.2	COLLECTION METHODS .....	7
2.2.3	CRITICISM OF CHOSEN DATA COLLECTION METHODS.....	9
2.3	QUALITY OF RESULTS.....	10
2.3.1	VALIDITY.....	10
2.3.2	RELIABILITY.....	10
2.3.3	CRITICISM OF SOURCES .....	11
<b>3</b>	<b>THEORETICAL FRAMEWORK .....</b>	<b>12</b>
3.1	DEFINING THE CONCEPT OF SUSTAINABILITY .....	12
3.1.1	BRUNDTLAND COMMISSION .....	12

3.1.2	TRIPLE BOTTOM LINE .....	13
3.1.3	SUSTAINABLE FASHION .....	14
3.2	SUSTAINABLE FASHION THROUGHOUT THE SUPPLY CHAIN .....	15
3.2.1	THE SUPPLY CHAIN .....	16
3.2.2	PERSPECTIVE OF THE PRODUCT LIFE CYCLE .....	18
3.2.3	PERSPECTIVE OF THE CUSTOMER .....	22
3.2.4	PERSPECTIVE OF CORPORATE SOCIAL RESPONSIBILITY .....	24
3.3	SUMMARISING THE THEORETICAL FRAMEWORK.....	27
<b>4</b>	<b>EMPIRICS .....</b>	<b>29</b>
4.1	CASE 1: H&M .....	30
4.1.1	PERSPECTIVE OF THE CUSTOMER .....	31
4.1.2	PERSPECTIVE OF THE PRODUCT LIFE CYCLE .....	32
4.1.3	PERSPECTIVE OF CORPORATE SOCIAL RESPONSIBILITY .....	34
4.2	CASE 2: STELLA MCCARTNEY.....	36
4.2.1	PERSPECTIVE OF THE CUSTOMER .....	36
4.2.2	PERSPECTIVE OF THE PRODUCT LIFE CYCLE .....	38
4.2.3	PERSPECTIVE OF CORPORATE SOCIAL RESPONSIBILITY .....	40
4.3	CASE 3: GUCCI.....	42
4.3.1	PERSPECTIVE OF THE CUSTOMER .....	42
4.3.2	PERSPECTIVE OF THE PRODUCT LIFE CYCLE .....	43
4.3.3	PERSPECTIVE OF CORPORATE SOCIAL RESPONSIBILITY .....	44

4.4	EXTENDED CASE: KERING .....	47
4.4.1	PERSPECTIVE OF THE PRODUCT LIFE CYCLE .....	48
4.4.2	PERSPECTIVE OF CORPORATE SOCIAL RESPONSIBILITY .....	49
4.5	MARKET ORIENTED RESEARCH.....	51
4.5.1	PERSPECTIVE OF THE CUSTOMER: SURVEYS.....	51
4.5.2	PERSPECTIVE OF PRODUCT LIFE CYCLE: SUSTAINABLE TECHNOLOGIES.....	55
4.5.3	PERSPECTIVE OF SUSTAINABILITY EXPERTS .....	56
<b>5</b>	<b>ANALYSIS .....</b>	<b>60</b>
5.1	THE DEFINITION OF SUSTAINABLE FASHION.....	60
5.2	PERSPECTIVE OF THE CUSTOMER .....	64
5.3	PERSPECTIVE OF THE PRODUCT LIFE CYCLE .....	69
5.4	PERSPECTIVE OF CORPORATE SOCIAL RESPONSIBILITY .....	72
<b>6</b>	<b>CONCLUSIONS.....</b>	<b>76</b>
<b>7</b>	<b>REFLECTIONS.....</b>	<b>78</b>
7.1	FUTURE RESEARCH.....	82
7.2	ACADEMIC CONTRIBUTION .....	82
7.3	GENERAL CONTRIBUTION .....	82
	<b>REFERENCES.....</b>	<b>83</b>
	LITERATURE .....	83
	ARTICLES.....	83
	E-SOURCES .....	85

INTERVIEWS .....	92
<b>APPENDIX .....</b>	<b>93</b>
MYSTERY SHOPPING.....	93
CUSTOMER SURVEY.....	94
INTERVIEW GUIDE – ACIMIT .....	98
INTERVIEW GUIDE – GUCCI.....	99
INTERVIEW GUIDE – STELLA MCCARTNEY.....	101



# List of Figures

Figure 1. Triple Bottom Line

Figure 2. Supply Chain Example

Figure 3. Supply Chain with a Product Life Cycle Perspective

Figure 4. Life Cycle Stages

Figure 5. Common Eco-labels

Figure 6. Kotler's Product Life Cycle

Figure 7. Supply Chain with a Customer Perspective

Figure 8. Supply Chain with a Corporate Social Responsibility Perspective

Figure 9. GRI Global Reporting Trend

Figure 10. Gathered View of the Three Perspectives throughout the Supply Chain

Figure 11. The Clevercare symbol

Figure 12. Closed Loop System

Figure 13. Comparison and merging of definitions

# List of Tables

Table 1. Survey Findings – perceived definition of sustainable fashion

Table 2. Survey Findings – mixed findings

Table 3. Survey Findings – arguments of why a brand is perceived sustainable or not

Table 4. Case companies accordance to sustainable fashion criteria

Table 5. Survey Findings – perceived definition in accordance to sustainable fashion criteria

Table 6. Survey Findings – a comparison of the area of focus

# List of Acronyms

<b>ACIMIT</b>	Association of Italian Textile Machinery Manufacturers
<b>BCG</b>	Boston Consulting Group
<b>CSR</b>	Corporate Social Responsibility
<b>EP&amp;L</b>	Environmental Profit & Loss (Account)
<b>EU</b>	European Union
<b>GRI</b>	Global Reporting Initiative
<b>LCA</b>	Life-Cycle Assessment
<b>NGO</b>	Non-Governmental Organisation
<b>SC</b>	Supply Chain
<b>PLC</b>	Product Life Cycle
<b>TBL</b>	Triple Bottom Line
<b>UN</b>	United Nations
<b>UNGC</b>	United Nations Global Compact
<b>UNICEF</b>	United Nations International Children's Emergency Fund

# I Introduction

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*The first chapter of the report provides the reader with a brief insight of the thesis with the background and definition of the problem, the purpose and a presentation of the scope of the project.*

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## I.1 Background and problem definition

In a report from January 2014, Boston Consulting Group (BCG) stated sustainability as an emerging consumer value among luxury customers. In order to keep up with changing values in the luxury markets, it was highly recommended to set a focus on sustainability matters. In some industries, like in the food sector, the eco-trend is becoming well established and also a mainstream activity (Ritch E. 2014). This advantage could partly be explained by the findings of Joergens (2006) that at least young customers intentionally buy organic food since it directly affects their health. In fashion however, if the product does not have a direct negative impact on the health, for instance the garments' impacts the consumer's skin, sustainable fashion means little to the young customer. This mind-set is predicted to change, the Swedish newspaper Dagens Nyheter (The Daily News) is stressing the fact that people are being more influenced by the eco-trend in the food sector and argues that the ones who eat green and non-toxic now want to dress in the same manner, which requires the industry to respond to the new demands (DN 2014).

A risk for fashion brands is to execute activities to obtain a sustainable status, only to discover that the customer in the end is reluctant to sacrificing its own social needs, needs that are not perceived as being compatible with the (sustainable) offer (De Cremer et al. 2002). The attitude towards sustainable products is although positive. Another issue is that consumers are not consistent with what they state in researches and how they actually act, i.e. they do not walk the talk. Statistics show that among European customers 50% state that they are willing to pay more for a sustainable product, while the market share is not even 1%. This attitude-behaviour gap raises the question if brands should have a more educational approach towards offering sustainable lifestyles (Shen et al. 2013).

It is appreciated to be crucial for brands in the fashion industry to have an offer integrating the sustainability values into the business within a close future. Since there are no set criteria of how to call a business sustainable, companies define sustainability in different ways (BCG 2009a). Consequently, there are numerous strategies of investing in sustainability today and best practice depends on several factors (company structure, mind-set of clients, industry

etc.). Joergens (2006) comes to the conclusion that in the end it has to be the companies that provide more information to the customers about how to make better ethical judgements. Communicating sustainable choices is thus a central future activity for fashion brands together with promoting sustainable offers.

Sustainability in fashion is one of tomorrow's most important focuses but is not yet fully established in the industry, neither from the side of the business nor the customer, as it is a fairly new focus in this particular industry and hence not fully defined yet. It is also evident that it exists an attitude-behaviour gap among the clients in the fashion market. Whether it depends on lack of knowledge, awareness or something else is not clear in existing literature. This can make brands seeing sustainable choices as risky investments, if overlooked by its clients. However, several actors forecast that it is becoming of high priority among customers.

The research question for this thesis is: how can the sustainability concept be visualised and comprehended in the fashion business context?

## **1.2 Purpose**

The purpose of the master thesis is to describe and analyse the use, value and application of the concept of sustainability in the fashion industry. It will contribute to a deeper understanding of the accompanying complexity when a sustainable strategy is applied and implemented in this industry.

## **1.3 Target audience**

This report's target audiences are senior students and professionals with an engineering or business background and stakeholders within the fashion industry with an interest of sustainable fashion.

## **1.4 Delimitations**

The time frame of the master thesis is limited to 20 weeks of full-time work, and so the scope of the research is determined thereafter. Further research and deeper analysis are thereby suggested but not conducted in this report.

The thesis covers sustainability in the fashion industry with an emphasis on environmental and social issues related to the concept. The third aspect of the economical dimension is included to a limited extent, as it often concerns information that is not commonly communicated or part of public information and is thus hard to acquire. Sustainability in practice is reviewed out of three perspectives with the supply chain as a framework: the customer, the product life cycle and corporate social responsibility.

The organisational frame of this thesis is limited to three fashion brands based upon two price segments, low and high. The three companies will not represent the fashion industry as a whole but is appreciated to give a good insight of the application of the concept of sustainability in general. Since the main focus is to investigate on a sustainability strategy for luxury brands, two companies are selected from the higher price segment.

The geographical context of the research was of a global spread. The case companies were originally from Sweden, the UK and Italy, interviews were conducted in Italy and on the phone with representative in the UK and the survey respondents were from all over the world. As the case companies' markets, and also the fashion industry as a whole, are a global business the thesis' findings are anticipated to be applicable on a global level.

## **1.5 Outline of the report**

### **Chapter 1: Introduction**

The first chapter of the report provides the reader with a brief insight of the thesis with the background and definition of the problem, the purpose and a presentation of the scope of the project.

### **Chapter 2: Methodology**

The second chapter of this thesis will introduce the selected scientific methods used to collect data and information that is to be interpreted and analysed. The chapter will also describe the tools and concepts used for managing the quality of the study.

### **Chapter 3: Theoretical Framework**

The third chapter presents the theoretical framework, i.e. the structure of theories and models, used in the research when analysing the collected data. The chapter first defines the

concept of sustainability and then evaluates sustainability throughout the supply chain from the following perspectives: the product life cycle, the customer and corporate social responsibility

#### **Chapter 4: Empirics**

The fourth chapter declares the findings from the research made by interviews, surveys and website analysis on the three cases of H&M, Stella McCartney and Gucci. A fourth extended case is represented as Kering, the parent company of Stella McCartney and Gucci, since Kering has an active approach to sustainability that affects the subsidiaries. The last section of the chapter covers general market oriented research where findings from customer surveys and expert interviews are presented. All findings are categorised based on the theoretical framework and the research methods are integrated together into these perspectives.

#### **Chapter 5: Analysis**

The fifth chapter brings existing literature and empirical findings together for an evaluation of the findings for each perspective.

#### **Chapter 6: Conclusions**

The sixth chapter presents the conclusions considering how the concept of sustainability is used, valued and applied in the fashion industry.

#### **Chapter 7: Reflections**

The seventh chapter summarises additional reflections regarding sustainability in the fashion industry. A discussion is also presented in how brands can integrate innovative sustainable practices as part of the offer. At last, reflections concerning future research and academic and general contributions are provided.

## 2 Methodology

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*The second chapter of this thesis will introduce the selected scientific methods used to collect data and information that is to be interpreted and analysed. The chapter will also describe the tools and concepts used for managing the quality of the study.*

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### 2.1 Research orientation

According to Lekvall and Wahlbin (2014), there are four main directions a research can take. Depending on the purpose of the project one can choose among following orientations to the study: *explorative*, *descriptive*, *explanative* or *predictive*. In some particular cases a special approach called action research is used as well (Lekvall & Wahlbin 2014, p.196, 212).

An *explorative* orientation is suitable when the aim is to achieve a basic knowledge and understanding of the field of study. It is convenient to use this information as a foundation in a later stage when specifying the task further. The *descriptive* orientation is applicable when the problem definition is specifically formulated. It is helpful if the task is to map important roles, relationships and values in, for instance, a market place without going into depth of reasons behind. An *explanative* orientation, however, is taking a further step into studying causality where the true connections and impacts are to be discovered and explained. The *predictive* orientation is providing a forecast on future developments of diverse phenomenon. The main causalities are preferably considered defined at this level. *Action* research is appropriate under scientific circumstances when the investigator is acting researcher but also has a consulting role as to work for a change at the constituent (Lekvall & Wahlbin 2014, p.196).

This master thesis has an explorative and descriptive approach to the problem setting, since it was appropriate to the purpose of analysing and describing the use, value and application of the concept of sustainability in the fashion industry. In order to map the key activities connected to sustainability in the industry, one has to first investigate the market on a wider scale. The explorative approach is suitable for achieving this general overview when knowledge of the phenomenon, sustainability in the fashion industry, is scarce and not clearly defined. The aim is to provide a better understanding of how sustainability is incorporated in the fashion industry along with both opportunities and obstacles fashion companies face with when integrating sustainability in their business. The descriptive approach is convenient as a second phase, when a better understanding of the problem is



attained, in order to map and describe what kind of actions are being taken, the interpretations of the clients and diverse impacts. However, in the stage of the descriptive research it will in times move towards an explanative research since some findings may be worth investigating in further. This is particularly the case when examining client values. With this general understanding, the ambition is to provide a vision of possibilities for future investments.

## 2.2 Data collection

Three case companies, H&M, Stella McCartney and Gucci, has been chosen in order to evaluate the use, value and application of the concept of sustainability in the fashion industry and are therefore part of the data collection. The main focus was on higher price segments, thus two brands were chosen from this price segment, Stella McCartney and Gucci. These two brands have fairly different brand values and hence it is interesting evaluating these two brands. The third company of H&M was chosen as today's customers of H&M may be future customers of luxury brands, and since H&M is an international company working with improving transparent supply chain operations (see the empirical chapter, chapter 4). Through websites analysis data has been collected in order to discover how the case brands communicate their sustainability work towards their customers. Interviews with experts

Data is being collected in this case both by reviewing pre-existing information available through different sources and by going out on the field to collect new information. The gathering of data can be categorised in different dimensions and methods.

### 2.2.1 Two dimensions of gathering data

The process of gathering information of the problem takes place on two dimensions: collecting primary or secondary data and qualitative or quantitative data. Primary data concerns data being collected on the field from the original source while secondary data is information that already exists from a former research. Qualitative data is observable information that consist of words, pictures or other non-measurable information and quantitative data is written down with numbers that can be analysed through mathematical statistic methods (Lekvall & Wahlbin 2014, p.210, 213, 257). The research of the thesis is mainly based upon qualitative data through interviews and by analysing scientific reports, but some quantitative data is being used when collecting information of carried out surveys and pre-existing surveys. The theoretical framework, see chapter three, will review secondary pre-existing data and will work as the foundation of the later empirical chapter that constitutes of

primary data collected on the field. This primary data is later analysed and the findings will be compared and complemented to the theory.

## 2.2.2 Collection methods

Primary data can be gathered through two methods: observation methods and question methods. Observation methods involve observing the factors being investigated but can only study behaviours and not opinions, knowledge or values. Question methods will instead ask questions about the factors as to acquire a better understanding of the comprehension that make up the market (Lekvall & Wahlbin 2014, p.257-259). The research of this thesis mainly used question methods since it was of interest to investigate diverse values of sustainability in fashion and asking questions about the phenomenon is appreciated to provide a better understanding of the area of research than observing. However, the research will discover, but not going into depth of, the underlying factors of the values since it has mainly an exploratory and descriptive orientation, not explanative.

Lekvall and Wahlbin (2014, p.264) underline the value for the respondent of ensuring anonymity so that the statements will be as reliable as possible. Since the topic, sustainability in fashion, may be perceived as a sensitive area of research, the question method for understanding the perspective of the customers was performed by customer surveys in order to raise the anonymity of the respondents. The first idea was to distribute the surveys outside each of the stores that are included in the research, 20 surveys per brand, in order to reach the accurate customer segments but due to low traffic outside one of the stores, this was not possible. The second idea was to track people who were engaged in the companies' Facebook pages as to try to reach the customers for each company. Unfortunately, it was impossible to reach these customers as an anonymous person so this option was not feasible either. In the end, surveys were distributed on the streets of Florence as there are many tourists present in this city and so it could provide a multinational perspective. One survey was handed out but for two different segments, i.e. the collection of the surveys were divided in two parts but had the same content. In order to reach more affluent customers of premium brands, some surveys were collected in areas of premium retail streets or cafés, and the rest of the surveys targeting “other” customers were distributed in a random manner on the street. In total there were 15 survey respondents of the written handed out survey, where eight of them were potential customers of premium brands. It was mostly customers of younger generations that agreed to fill out the survey, since older generations were somewhat reluctant to participate in the survey. To complement the handed out surveys and to ensure an international perspective, approximately 105 surveys were exclusively sent out online to a

multinational and multicultural group of people, most of them known by the author to this thesis and the rest were friends of friends. Thus, the premium customer segment of the online survey distribution was selected on the criteria that the author was aware of that these customers are premium customers. Out of the approximately 120 surveys that were sent out in total, 51 respondents returned with analysable answers. The loss of respondents of the online surveys was thus around 58%, which is considered as satisfactory.

Interviews were conducted with experts of sustainability in fashion who provided a better understanding of the performances in the top management that later impregnate the whole brand's standpoint and image. Since sustainability is a fairly sensitive area of research, it was not so easy to find company representatives as interviewees who wanted to engage in an interview of the topic. All three case companies were contacted in order to schedule interviews with sustainability experts. Unfortunately, it was not possible to interview any representative of H&M as no answer was received to the request of an interview. Luckily, for Stella McCartney and Gucci, interviews were scheduled due to internal contacts within the organisations. The third interview reflected a perspective of what sustainable technologies that are available in the market. In the end, the first and second interview was conducted through a personal meeting and the third interview was conducted over the phone due to geographical distances.

To observe the communications to the client in-store, an investigation method called mystery shopping was used. The technique is often used for service organisations to measure intangible service experiences that in other cases are hard to evaluate since an experience only exists in a customer's memory. Mystery shoppers go to the organisation incognito and act as a typical client and evaluate predetermined service standards of service quality delivered by the store personnel (Ford et al. 2011). However, the method in this thesis' research was mainly used in order to investigate what sustainability related information was communicated to the client in-store. But factors like the knowledge of sustainability criteria among the sales personnel, general attitude in discussing sustainability matters and unique initiatives of sustainable actions on store-level were also studied.

In the following session both the question methods and the literature study used in this thesis will be presented based upon if it is of qualitative or quantitative nature.

### **2.2.2.1 Qualitative studies**

In the third chapter of this thesis the theoretical framework, the literature study, is featured. The theory is composed mostly out of findings in reviewed scientific papers, which mainly constitutes of qualitative information.

While gathering the empirics, two different question methods were used. Customer surveys were distributed and collected with some questions of numeric characteristics and some of verbal, qualitative, nature. Also pre-existing surveys were reviewed in the same manner, i.e. by reflecting on the opinions being expressed through the surveys. Interviews were performed through personal meetings and through a phone call, generating qualitative information.

### **2.2.2.2 Quantitative studies**

In the literature study some findings that were analysed are derived from numeric pre-existing surveys, but most of the information was of qualitative origin. The quantitative data from pre-existing surveys was helpful in order to verify information and statements that was of quantitative origin.

Surveys were conducted in order to reflect the perspective of the client and were later analysed and decoded depending on what conclusions that could be made. That is, the quantitative information collected through customer surveys were segmented and could in some cases support findings from the literature study.

## **2.2.3 Criticism of chosen data collection methods**

Due to limited resources and time frame, the perspective of the customer was restricted to a limited number of survey respondents, with a total of 120 respondents. The respondents were selected in order to attain a fair mix of segments by different nationalities, age, gender, price levels and then naturally if the respondent were willing to answer the survey. It may not accurately represent the total population across the segments, especially since the main focus in the survey were on younger generations, but it will provide an idea of the perspective of customers in the fashion industry. Since the handed out surveys were partly distributed in a random manner, it is in this sense hard to evaluate the accurate loss of respondents. By being able to analyse the concept of lost respondents corresponding to the target population it is

easier to evaluate inference matters, i.e. the conclusions drawn upon the target population out of the actually investigated population, of the surveys (Lekvall & Wahlbin 2014, p.229).

Observation methods could have been practical particularly in order to investigate the habits of clients as to compare statements with actual behaviour. Unfortunately it was not feasible in this project. Regarding the interviews, it would have been to prefer personal meetings for all the interviews, since it is appreciated to generate more accurate answers and findings, but this was not possible due to previously mentioned reasons (Lekvall & Wahlbin 2014, p.265).

## **2.3 Quality of results**

Three measures are provided to the reader in order to evaluate the quality of the results and the report's credibility: the validity, the reliability and the criticism of sources.

### **2.3.1 Validity**

The validity of the research method refers to evaluating if the method is truly measuring what it intends to measure (Lekvall & Wahlbin 2014, p.304). It is fairly difficult to state if a method is valid or not, but there are some tools of ensuring a higher degree of validity of the research.

Ensuring a good validity in this research meant keeping consistency throughout the data collection, constantly reconnecting to the main purpose and evaluating the relevance of the findings and having independent opponents reviewing the thesis.

### **2.3.2 Reliability**

While validity evaluates if measuring the right factors, reliability considers how reliable it is measured (Lekvall & Wahlbin 2014, p.273). Reliability is related to the measuring method's ability to resist influences of incidents during the interview. For instance, interviewees and survey respondents may answer to questions inconsistently due to different moods, situations, interviewers and misunderstandings. This can in turn lead to unreliable answers (Lekvall & Wahlbin 2014, p.307).

These factors were considered for the interviews and surveys, so the interview guide and the survey were reviewed by a third party as to ensure they contained clear questions. When performing the interviews an extra consideration was taken into the mood of the interviewee

and the interviewer so that the interviews could be performed in a non-stressful manner. For the customer surveys, this was hard to control but it was appreciated that distributing surveys to people already sitting down either on cafés, benches or at home in front of the computer would imply that people were in a more relaxed mood and could fill out the survey without being in a rush. Thus the surveys are appreciated to be of higher reliability as well.

### **2.3.3 Criticism of sources**

The literatures used in the research were collected through reliable sources and databases, e.g. textbooks of university courses and the database LUBsearch of Lund University Libraries. An evaluation of the origin of the literature, e.g. the authors' professions and the character of the magazine, was made in order to ensure the gathered information could be trusted and reliable. The website analysis was solely based on information that was published on the websites of the brands without any critical view of the reliability and relevance of the content. As the communications on the websites are likely to be published in promotional purposes of the brands, it is important to keep in mind that these sources are not independent sources. However, the purpose of the website analysis was to evaluate what is being communicated to the customer regarding sustainability efforts, not how reliable the information is.

# 3 Theoretical Framework

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*The third chapter presents the theoretical framework, i.e. the structure of theories and models, used in the research when analysing the collected data. The chapter first defines the concept of sustainability and then evaluates sustainability throughout the supply chain from the following perspectives: the product life cycle, the customer and corporate social responsibility.*

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## 3.1 Defining the concept of sustainability

The concept of sustainability was initiated in 1962 when the book *Silent Spring* by Rachel Carson was published, in which the interconnection between environmental, economic and social wellbeing was clarified. It is said to be one of the earliest awakening milestones that created a path for sustainable development (IISD 2010). Defining sustainable development has ever since been challenging because of its many versions (IISD 2013). There are however three definitions that are relevant to the research of this thesis.

Two of the definitions are commonly identified on a corporate level. According to a research performed by Boston Consulting Group, BCG, in 2009, two-thirds of self-identified sustainability experts, all of them business leaders at for-profit companies, use the definition made by the Brundtland Commission and/or the Triple Bottom Line definition (BCG 2009b).

The third definition of sustainability is of sustainability in fashion, since it is the main topic of the thesis.

### 3.1.1 Brundtland Commission

In 1987 a commission compiled by the United Nations, called the Brundtland Commission, released a report, *Our Common Future*, defining the meaning of sustainable development. This is in general the most frequently used definition of sustainable development (IISD 2013) stating:

“Sustainable development is development that meets the needs of current generations without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of ‘needs’, in particular the essential needs of the world’s poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.” (UN 1987)

The Brundtland Commission and other early definitions had a strong focus on sustainable *development*. However lately, the trend has shifted from the more specific implications of *sustainable development* towards a broader and more generic term of *sustainability*. Another shift of attention that is evident, particularly in the business sector, is the previous primary focus on the “needs of the world’s poor”, into a more environmental focus. Probably the rising consideration of issues, such as the climate change, is a likely explanation to this changing point of interest (Barkemeyer et al. 2011).

### 3.1.2 Triple Bottom Line

Among corporations, the so-called *Triple Bottom Line*, TBL, is a commonly referred definition of sustainability (BCG 2009b). John Elkington published the book *Cannibals with Forks* in 1997 in which he stated his concern about the lack of real understanding of how companies can contribute to a sustainable development after the publication of *Our Common Future*. He was highlighting the importance of seeing beyond the environmental perspectives that companies seemed to primary target as well as the main focus of equity issues in the report *Our Common Future* and consequently defined three main cornerstones for sustainable development. In *Cannibals with Forks* Elkington is describing sustainable development as three bottom lines: environmental, economic and social. The three bottom lines are dependent on one another where society depends on the economy, which in turn depends on the global ecosystem, i.e. the environment (Elkington 1997, p.70). The bottom lines are compared to as moving continental plates due to independent fluctuations of the three dimensions as well as from political pressure (Elkington 1997, p.73).



Figure 1. Elkington’s Triple Bottom Line (Elkington 1997 p.73)



The TBL, also known as the 3Ps of profit, people and planet, is used as an accounting tool in order to measure and report on the performances across the three dimensions in a corporation over a period of time (The Economist, 2009). The Economist (2009) compares TBL reporting to a balance scorecard, with the same fundamental principle of “what you measure is what you get, because what you measure is what you are likely to pay attention to”. Thereby the action of measuring these impacts is appreciated to be the only way for companies to take on socially and environmental responsibility (The Economist, 2009).

### 3.1.3 Sustainable fashion

The diversity among definitions of sustainability is also evident related to the fashion industry, making it complex to understand the criteria and the scope of sustainability in this industry. There are several concepts that are used for the same meaning, such as green, ethical and sustainable fashion, which creates confusion (Shen et al. 2013). Thus it is relevant to identify sustainable fashion, as it is central in this thesis.

Sustainable fashion can be defined as fashionable clothes that incorporate fair trade principles with sweatshop-free labour conditions while not harming the environment or workers by using biodegradable and organic cotton (Joergens 2006), and designed for a longer lifetime use, that is produced in an ethical production system, perhaps even locally, that causes little or no environmental impact and makes use of eco-labelled or recycled materials (Shen et al. 2013; Fletcher 2008). This definition will cover both the environmental and the social dimensions of sustainability, which makes the fashion sustainability definition more comprehensible and consistent (Shen et al. 2013). The two definitions of Joergens (2006) and Shen et. al (2013) combined with Fletcher (2008) are below lined up in two columns, which is later used in the analysis chapter, chapter 5.

#### Shen et. al + Fletcher

designed for a longer lifetime use

produced in an ethical production system

locally produced

little or no environmental impact

use of eco-labelled materials

use of recycled materials

#### Joergens

fashionable clothes

incorporate fair trade principles

sweatshop-free labour conditions

not harming the environment

not harming workers

using biodegradable and organic cotton

## 3.2 Sustainable fashion throughout the supply chain

Sustainable fashion in theory and practice is being studied in the third and fourth chapter of this master thesis. Based on the framework of the supply chain, three perspectives are reviewed out of the supply chain in order to fulfil the purpose of the thesis, i.e. to describe and analyse the use, value and application of the concept of sustainability in the fashion industry. The perspectives cover the point of view of the customer, the product life cycle and corporate social responsibility. The perspectives were chosen to reflect the social, environmental and to some extent economical impacts a product has in its life cycle through the supply chain and to review different actors' responsibilities that are appreciated to be vital for the future of sustainable businesses in the fashion industry. A further explanation of each perspective's scope and connection to the supply chain is provided below.

**The supply chain** perspective will make the impacts of the product through its flow between divisions visible by defining these divisions and actors that are responsible for achieving a sustainable process. **The product life cycle** impregnates the whole supply chain when evaluating a product's impacts on environment and the economy. A further focus will be on the end of the supply chain, i.e. the process following the main purpose usage of the product as recycling, reusing or disposal processes. This end stage has often a vital role in determining the lifetime of the product and companies' profitability. **The customer** has a meaningful role in making sustainable business feasible since this is the actor of the supply chain that the sustainable offer is targeting, who has the decision power in the purchase point and may also be the actor using and disposing the product. In this way it is interesting to study the perspective of the client, meaning: how does the client interpret and value sustainable fashion. In the last perspective, **corporate social responsibility** is being introduced with an emphasis on social impacts a company has through its business actions. Conducting sustainability reporting is a common corporate action to communicate sustainable actions and efforts to stakeholders and thus will be introduced in this perspective as well.

This part of the thesis will first define the supply chain framework and findings from existing literature of sustainability related to supply chains will be presented, and then the findings of the three perspectives will follow.

### 3.2.1 The supply chain

Accountability is becoming more complex (Koplin 2005, p.382) as the trend of globalisation has affected the way companies manage the sources of supplies (Mentzer 2001). Responsibilities across the supply chain could in this way be problematic, as it in many cases constitutes of several actors. Mentzer et al. (2001) define a *supply chain* as:

“A set of three or more entities (organisations or individuals) directly involved in the upstream or downstream flows of products, services, finances and/or information from a source to a customer”

and *supply chain management* as:

“The systemic, strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole” (Mentzer et al. 2001, p.18).

A significant conclusion of the definitions is that supply chains exists whether they are managed or not, meaning that the supply chain always will exist while supply chain management requires managerial efforts. Examples of members along the supply chain can be several independent firms involved in the manufacturing process, raw material and component producers, product assemblers, wholesalers, retailer merchants and transportation companies. This provides an understanding of the complexity of supply chains, as they constitute of both many actors and dimensions where managing activities should be consistent in long-term (Mentzer et al. 2001). Figure 2 is visualising an example of this complexity.

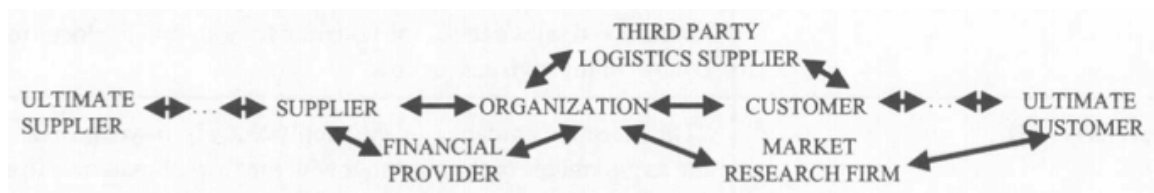


Figure 2. Visualisation of a supply chain example, showing a prolonged supply chain with its many actors involved (Mentzer et al. 2001)

Niinimäki (2010) argues that supply chain sustainability becomes complicated because of its fragmental construction and since it is less visual than in, for instance, food production. Thus, sustainability in fashion industry is limited to cover diverse and narrow areas of the supply chain, e.g. the use of environmentally friendly material or production methods (Niinimäki 2010). Koplin (2005) stresses the importance of focal companies ensuring that the manufacturing of products is not damaging the environment, labour conditions are acceptable and that there are no social problems across the supply chains. If ensuring a well-operated supply chain the brands will also maintain a good reputation since they have to take responsibility for their suppliers towards media and critical NGOs (Koplin 2005).

Lately the imperativeness of declaring supply chain activities has increased since consumers nowadays are demanding more information about sourcing and manufacturing in order to evaluate if the activities are sustainable or not. This opens up opportunities for brands to differentiate in this point (Joy et al. 2012). Koplin (2005) suggests that, in line with the European Commission's strategy for corporate social responsibility, companies have to set new criteria for supplier selection and evaluation, means of implementation, and realisation of environmental and social requirements as well as control mechanisms and compliance stimuli.

In the following sections that are presenting the three perspectives, the reader will initially be introduced with a picture of the supply chain emphasising which parts of the supply chain that are relevant to the perspective in question.

## 3.2.2 Perspective of the product life cycle

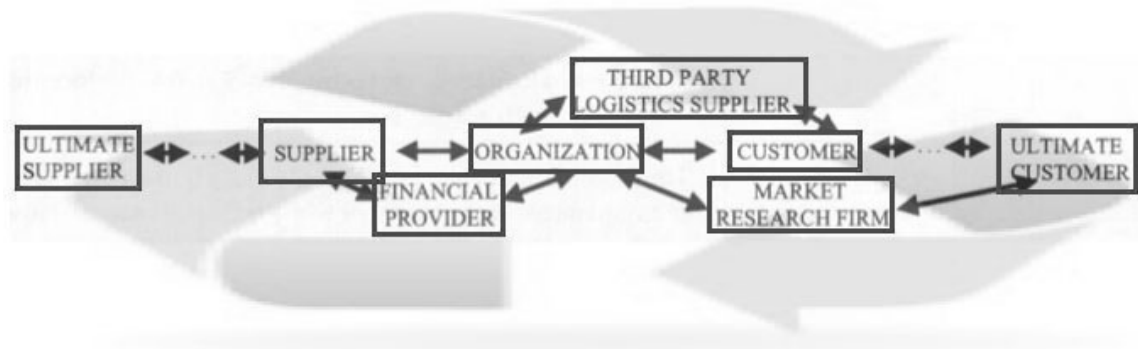


Figure 3. The supply chain with a product life cycle perspective, the recycling loop emphasises the constant flow of activities and material (Extended interpretation of Mentzer et al. 2001)

The perspective of the product life cycle involves the whole supply chain since it is appreciated that environmental impacts in a product's life can take place in all parts of the supply chain, and when evaluating the product life stages regarding sales and profits it includes the total supply chain as well. The recycling loop emphasises the desirable process of recycling in terms of sustainability at the end stage of the product life cycle.

One can evaluate a product's life cycle in two ways depending on the purpose of the investigation. With the tool of Life-Cycle Assessment, the *environmental* impacts a product has through its life cycle can be investigated (Gmelin & Seuring 2014) and with Kotler's Product Life Cycle the management can evaluate how a product is *profitable* through its different life stages (Kotler & Armstrong 2009).

### 3.2.2.1 Life Cycle-Assessment, LCA

To evaluate the environmental impact a product has during its life cycle, one can use the assessment tool of Life-Cycle Assessment, LCA. LCA is focused on minimising negative environmental impacts by reviewing all stages in a product's life cycle as to identify where actions will be most effective (Gmelin & Seuring 2014). LCA consists of the following four phases: goal and scope definition, inventory analysis, impact assessment and constant interpretation (ISO 2010).

As part of the ISO-family of 14000 on environmental management, the ISO-standard ISO 14040 defines LCA as "compilation and evaluation of the inputs, outputs and potential

environmental impacts of a products system throughout its life cycle” (Guiné et al. 2004). The life cycle is defined as “consecutive and interlinked stages of a product system, from raw material acquisition or generation from natural resources to final disposal” (ISO 2010). Ligthart & Ansems (2012) defines the life cycle stages further as extraction of raw materials, production of materials/semi-fabricates, manufacturing of product, service life or use phase and end-of-life, see Figure 4. The end-of-life stage can take different forms where the most optimal form is reusing, which works as an extension of the lifetime of the product. Reusing is referred to as “the second life” where the product usually has the same function as before. The second best option for the end-of-life stage is recycling with application in the same product without losing the quality of the material. The most undesirable forms of the end-of-life stage are incineration and landfill, also known as final disposal. Recycling is both favourable of and stimulated in the society, since it prevents wasting primary resources and proposes solutions for scarcity of raw materials. Recycling in the LCA methodology is although appreciated to be difficult because of the complications of tracking which product system the recycled material origins from. This is due to the fact that recycling often uses a blend of primary and secondary resources and that the end-of-life stage can simultaneously mix several forms towards the final disposal (Ligthart & Ansems 2012).

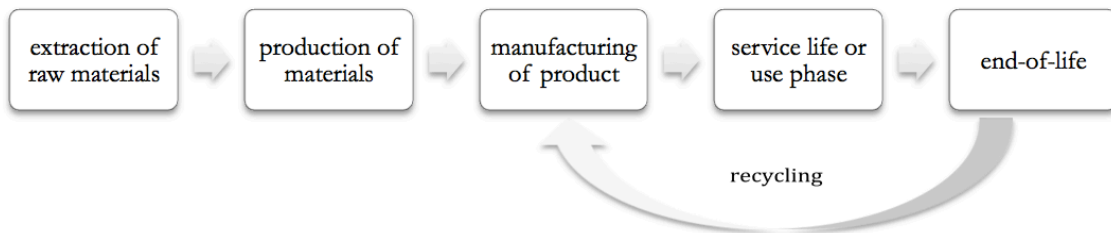


Figure 4. Life cycle stages with the role of recycling as an end-of-life form (Inspired by Ligthart & Ansems 2012).

In order to cover a product’s entire life cycle including the procurement of resources to the actions after consumption, e.g. recycling, it is common to refer LCA as “from the cradle to the grave”, emphasising that the grave is the final disposal (Guiné et al. 2004). Guiné et al. (2004) states that the cradle-to-grave investigation involves a holistic approach, where all the environmental impacts are brought into one consistent framework. The choice of such approach is due to the fact that the final consumption of products is the driving force of the economy, which creates opportunities for indirect environmental management along a product’s supply chain. Another motif of using the thoroughgoing cradle-to-grave approach

is to avoid to simply shift problems along the product life cycle, i.e. improving one part of the life cycle on behalf of another (Guiné et al. 2004).

An example where LCA is used in practice is eco-labelling (Guiné et al. 2004), which has the purpose of promoting products with a reduced environmental impact compare to other products in the same product group (EU 2009). Eco-labelling hence provides consumers with a tool to compare eco-friendly products and an increasing number of eco-label programmes are based on LCA (Guiné et al. 2004). Examples of renowned eco-labels are The Mobius Loop, The European Eco-Label, ISO 14001, The Fairtrade Mark, The EC Energy Label, The Forest Stewardship Council and EPA Energy Star (UCL 2014, see Figure 5).



Figure 5. Common eco-labels from the left: The Mobius Loop, The European Eco-Label, ISO 14001, The Fairtrade Mark, The EC Energy Label, The Forest Stewardship Council and EPA Energy Star (UCL 2014)

### 3.2.2.2 Kotler’s Product Life Cycle, PLC

The product life cycle, PLC, is another definition of a product’s life cycle from a management point of view in terms of generating profit and sales. The first stage represents the *product development* where a company develop an idea for a new product. Since the product is in the making, sales are non-existing and the process of developing the product is instead a cost for the company rather than a profit (Kotler & Armstrong 2009). In the *introduction* session the product is being introduced to the market with the main focus of raising the awareness of the product, which is generating little sales but it is still a cost to the company due to heavy promotion (Ryan & Riggs 1996). In the period of *growth* the product is becoming accepted on the market and starts to generate profits (Kotler & Armstrong 2009). The strategy of this phase is to differentiate the product to add value and to target new markets (Ryan & Riggs 1996). In the *maturity* period the profits of the products are decreasing since it has reached a general acceptance by its most potential buyers. The main

focus is on marketing activities as to maintain a position in the market and these activities are increasing the costs of the promotion. Later on, the sales are dropping as well. In the last period of *decline*, both the sales and the profits are decreasing. A product's life cycle looks different for different products and each stage's time period, if even existing, can vary a lot. The dream scenario for the management is to have a product with a long and profitable life that is covering the risks and expenses that the product will generate throughout its life cycle (Kotler & Armstrong 2009).

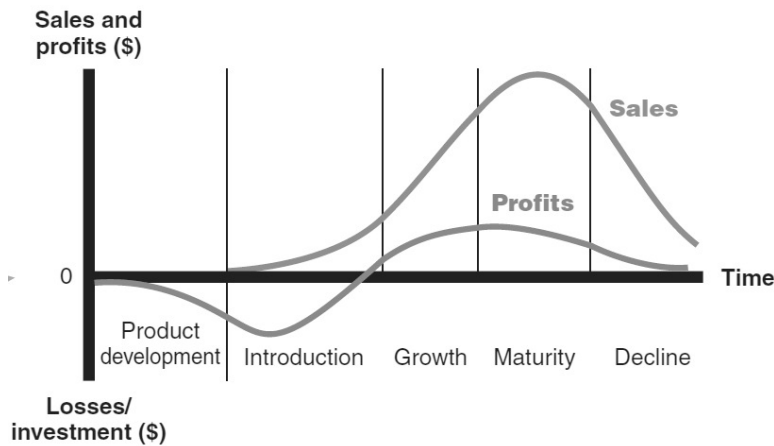


Figure 6. Product Life Cycle (Kotler & Armstrong 2009, p.282)

New product development affects the waves of activity in marketing, engineering and production, which leads to shorter life cycles. In order to maintain a profitable product as long as possible, brands redesign the products to stay competitive (Ryan & Riggs 1996). A short life cycle is also the case for the industry of fast fashion (see section 3.2.4.1 for definition). Rapid changes of trends and the design and production of short lasting use as well as low cost alternatives make the ownership of young consumers relatively short between the points of purchases (Joy et al. 2012).



### 3.2.3 Perspective of the customer

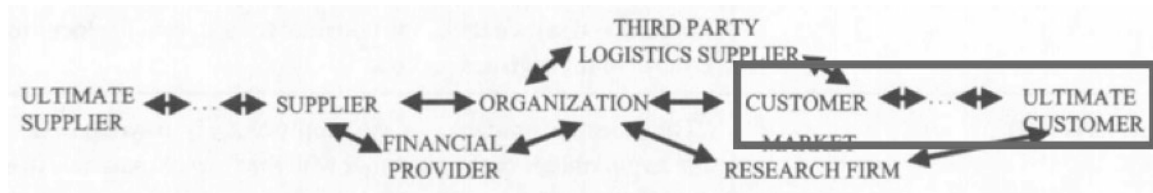


Figure 7. The supply chain with a focus on the end actors – the customers (Extended interpretation of Mentzer et al. 2001)

One of the reasons that organisations have adopted the concept of CSR is due to the rising interest among consumers (Kim et al. 2012). The power is supposedly in the hands of the client, who has the final decision of whether to support sustainable business or not. Before going further into evaluating the customer perspective, it is necessary to distinguish the difference in terminology of the customer and the consumer. The customer is defined as the actor who purchases the product while the consumer is the person who uses the product. Thus, the customer can be, but does not have to be, the same as the consumer depending if it is the same person buying the product and using it or not (Kotler & Armstrong 2009). Client and customer are used as synonyms in this thesis.

Shen et al. (2013) argues that consumers are not consistent with what they state in researches and how they actually act, i.e. they do not walk the talk. Previous researches prove that among European customers 50% state that they are willing to pay more for a sustainable product, but the actual market share does not even reach 1%. This inconsistency is known as the attitude-behaviour gap (Shen et al. 2013) and previous researches show different reasons of the gap's existence. Joergens (2006) states that availability is a problem, where the alternatives for garments produced in developing countries, i.e. sustainable fashion, are rare and "Made in" labels are not trustful indicators of acceptable production conditions. According to Shen et al. (2013) the attitude-behaviour gap may be explained by the client's lack of awareness of sustainable fashion, which is putting restraints on the clients of making sustainable choices. The study draws on the conclusion that awareness must precede adoption, which indicates that brands must highlight the process of educating its customers about sustainable choices in order to enable change of behaviours and better judgements. Customers gaining knowledge about ethical choices is appreciated to be the determinant factor of diminishing the attitude-knowledge gap and increasing the potential of ethical fashion (Shen et al. 2013). But Joergens (2006) is also underlining the fact that it is a sensitive

area of research as well, which may generate customer statements that in the research seem politically correct rather than reflecting the actual attitude towards the subject.

Communication from the brand to its customers becomes critical if the goal will be to provide a better knowledge base in the market. It is found that customers link the sustainability criteria of *recycle* and *vintage* together, which opens up the possibility for companies to put emphasis on features involving recycling and vintage clothing in order to communicate sustainable choices and strategies. From the same study it is found that a rather small share, 25.5%, of the people in the research sees products made with the use of leather as unsustainable (Shen et al. 2013).

Joergens (2006) stresses that the main focus when evaluating ethical fashion consumption should be centred on the values of young customers, since these customers will become the next generation that makes ethical purchases. Ethical purchases are defined as selecting recyclable products, being socially responsible and protecting the environment (Shen et al. 2013). However, with the perspective of young consumers regarding ethical and sustainable fashion, Joy et al. (2012) found that young consumers do not associate sustainability with fashion today, even though they are open to environmental issues. Sustainability is something the young consumers primary relate to food, recycling and cosmetics. The research showed that when they do consider eco-fashion they are only interested in it if is stylish, which is not something young consumers perceive eco-fashion in general is (Joy et al. 2012; Niinimäki 2010). De Cramer et al. (2002) also found that customers do not consider their own social needs to be compatible with brands' sustainable offers, and are thus reluctant to sacrifice these needs as to support sustainable offers. In terms of future demands of eco-fashion to consider in the future, consumers state durability, quality and style (Van Nes & Cramer 2005).

Regarding how to differentiate and find a position in the market as to serve targeted customers and meet their demands, the offer that brands have for their clients should be a part of the brand's value proposition. Kotler and Armstrong (2009, p.11) define a company's value proposition as "the set of benefits or values it promises to deliver to consumers to satisfy their needs".

### 3.2.4 Perspective of corporate social responsibility

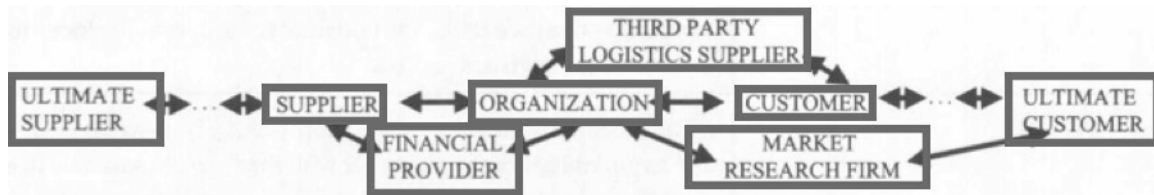


Figure 8. Corporate social responsibility and communicating the actions to internal and external stakeholders impregnates the whole supply chain (Extended interpretation of Mentzer et al. 2001)

By taking on social responsibility of a business, enterprises can build long-term trust among employees, consumers and citizens as a basis for sustainable business models. With this trust it is possible for companies to create a promising atmosphere where they can innovate and grow (EC 2011). Corporate Social Responsibility, CSR, has been increasingly highlighted worldwide from governments, enterprises, consumers and non-governmental organisations, NGOs (Kim et al. 2012). The European Commission (2011) defines CSR as “the responsibility of enterprises for their impacts on society” and points out that it is becoming of competitive advantage to have a strategic approach to CSR. Hence, this perspective includes the social and ethical impacts a company’s business may have and also introduces ways of communicating, i.e. reporting, a company’s corporate social responsibility.

#### 3.2.4.1 Social impacts

Due to cost cutting reasons, ethical issues such as child labour and sweatshops practices have emerged in the manufacturing process among big brands in the market that raises discussions among consumers (Niinimäki 2010). Joy et al. (2012) argues that it is in these cases when luxury brands have an advantage of capturing a competitive place in the market since these brands usually have a higher potential of matching the deep values connected to sustainable fashion. Deep values are for example associated with ethical sourcing, efficient use of material, low impacts across the supply chain and being able to offer services of repairing and upgrading products (Joy et al. 2012).

However, a barrier for luxury brands is the so-called fast fashion trend. Researches show that young consumers relate luxury fashion with dreams, exclusivity and beauty/art where fast fashions, i.e. low cost clothing collections that imitate current luxury fashion trends, make dreams of luxury come true since it is an option young consumers can afford (Joy et al. 2012). But having an ethical supply chain, which can be compromised in fast fashion and as

stated before easier to achieve in luxury fashion, is simply not enough, brands also need to target and include the clients' needs of appealing aesthetic style and fashion (Joy et al. 2012; Niinimäki 2010).

### **3.2.4.2 Reporting**

There are several strategies of how corporations integrate CSR and sustainability in their businesses by using tools, frameworks, guidelines and principles for the reporting process. Such instruments are the formerly mentioned TBL tool (Daizy et al. 2013), the ten CSR principles by United Nations Global Compact (EC 2011), the guideline of the ISO-standard ISO 26000 for social responsibility (ISO 2014a) and Sustainability Reporting Framework by Global Reporting Initiative (GRI 2014a). In 2011, the European Commission updated its version on the definition of CSR. The reason behind the change was that initially, the definition was too broad in its meaning but the goal was also to be more in line with, and underline the core topics of, ISO 26000 (ISO 2012).

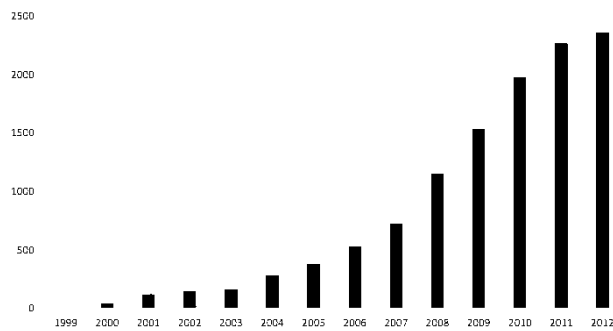
In the research of the thesis, one activity will be to briefly comment on the selected brands' sustainability reporting initiatives. Hence, next session will introduce two common guidelines and principles, by Global Reporting Initiative and United Nations Global Compact, which brands use to conduct their reporting on sustainability to its internal and external stakeholders.

#### **Global Reporting Initiative: Sustainability Reporting**

Global Reporting Initiative, GRI, an international multi-stakeholder and network-based organisation with the mission to make sustainability reporting a standard practice for organisations worldwide (GRI 2014b), initiated sustainability reporting with its first version in 2000 (GRI 2014a). Ever since, GRI has provided companies with a framework of guidelines, now in its fourth generation of guidelines, on how to integrate sustainability in a company's operations. Since the law does not require reporting the impacts a business' activities have on society, the economy and the ecosystem, companies execute sustainability reporting on a voluntary basis. The framework presents principles and standard disclosures that organisations can use while reporting on the impacts to its stakeholders (GRI 2014c). The latest generation of guidelines, the fourth generation, constitutes of two parts of standard disclosures: General Standard Disclosures and Specific Standard Disclosures. The General Standard Disclosures are divided into seven parts: Strategy & Analysis, Organizational Profile, Identified Material Aspects & Boundaries, Stakeholder Engagement,

Report Profile, Governance, and Ethics & Integrity. The General Standard Disclosures are applicable to all organisations. The Specific Standard Disclosures are gathered by three categories: Economic, Environmental and Social. The Social category is then made up by three subcategories: Labour Practices & Decent Work, Human Rights, Society and Product Responsibility (GRI 2014d).

The GRI sustainability reports are usually being published on the companies' websites, but there is also a platform made by GRI called GRI Report Services where enterprises can share the reports and improve the reporting process by accessing other reports (GRI 2014e). According to the database website of GRI, Sustainability Disclosure Database, 6 751 organisations are registered and have a profile in the database today (2014-11-17) (GRI 2011) and the number has increased rapidly the last few years (see Figure 9).



*Figure 9. GRI global reporting trend increase 1999-2012 (GRI 2013)*

In order to provide a framework as consistent as possible, GRI has teamed up with some strategic partnerships to make it easier for companies to combine different framework, initiatives and guidelines. One of these partnerships is with United Nations Global Compact (GRI 2014f).

### **United Nations Global Compact: Ten Principles**

The United Nations Global Compact, UNGC, is a strategic policy initiative for businesses that are committed to align their processes with ten globally accepted principles for human rights, labour, environment and anti-corruption. UNGC has over 12 000 corporate participants spread globally which makes it the world's biggest voluntary corporate responsibility initiative (UNGC 2014).

### 3.3 Summarising the theoretical framework

This master thesis has used the definition of the supply chain as theoretical framework in order to describe and analyse the use, value and application of the concept of sustainability in the fashion industry. The supply chain was studied out of three perspectives: the customer, the product life cycle and corporate social responsibility. In Figure 10 all perspectives are gathered together in order to understand which parts of the supply chain that each perspective are corresponding to.

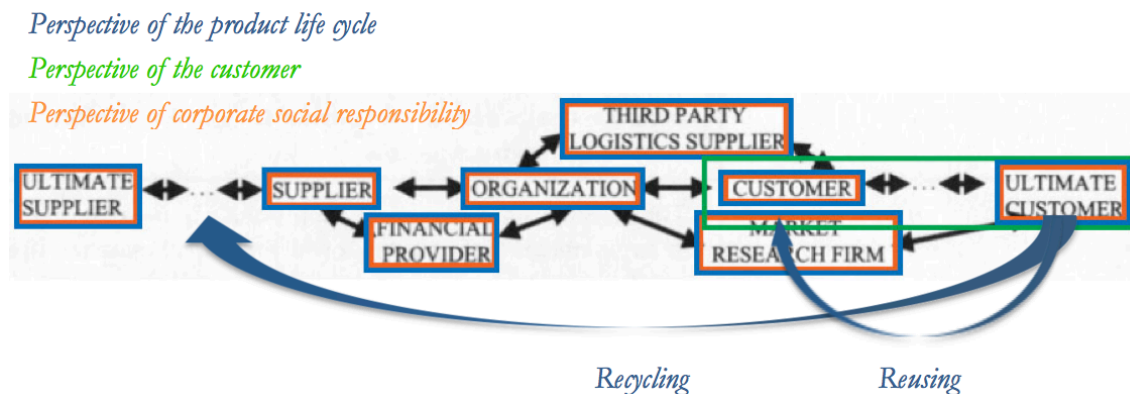


Figure 10. Gathered view of the three perspectives throughout the supply chain (Extended interpretation of Mentzer et al. 2001)

In the product life cycle, environmental impacts are evaluated across the whole supply chain and it includes a focus of the end-of-life stage for the product as well. The end-of-life stage will either signify reusing the product, recycling the material into a new product or final disposal. In terms of sustainability, best-case scenario means reusing and recycling whenever possible (Ligthart & Ansems 2012). The blue arrows of Figure 10 symbolises the recycling loop from customer to manufacturing and the reusing loop from customer to another customer/consumer.

Since the customer is the actor who makes sustainable business possible, this perspective is vital to sustainable strategies. Previous researches show that customers are interested in sustainable fashion but may not go the whole nine yards in actively supporting it (Shen et al. 2013). It is appreciated that this is due to the lack of availability (Joergens 2006) and customers' lack of awareness of sustainable fashion, thus the importance of implementing strategies in educating customers to enable and create desire for sustainable decision-making in the future (Shen et al. 2013). The question of what customers *really* interpret as sustainable fashion, however, still remains.

Corporate social responsibility encompasses social impacts, as it is the responsibility of enterprises for their impacts on society (EC 2011), and reporting to stakeholders throughout the whole supply chain. Having an ethical supply chain should mean ensuring child- and sweatshop free labour without compromising on style and fashion (Joy et al. 2012; Nünimäki 2010).

## 4 Empirics

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*The fourth chapter declares the findings from the research made by interviews, surveys and website analysis on the three cases of H&M, Stella McCartney and Gucci. A fourth extended case is represented as Kering, the parent company of Stella McCartney and Gucci, since Kering has an active approach to sustainability that affects the subsidiaries. The last section of the chapter covers general market oriented research where findings from customer surveys and expert interviews are presented. All findings are categorised based on the theoretical framework and the research methods are integrated together into these perspectives.*

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The research of the thesis is based upon three cases: H&M, Stella McCartney and Gucci. As Stella McCartney and Gucci are both part of the Kering group, as subsidiaries, an extended case of Kering will be reviewed as well in order to investigate what is being communicated from Kering's website on behalf of Stella McCartney and Gucci. As H&M is its own parental company it is thus fair to include Kering in the research. The company cases were chosen to reflect the fashion industry with one low price segment case with many young customers, H&M, because of the appreciation that, as Joergen (2006) stated, young customers will be the next generation in making ethical and sustainable choices and may also in the future become luxury customers. Then two companies out of the higher price segments, Stella McCartney and Gucci, will be studied due to the fact that the analysis and recommendations will have a special focus on sustainability in luxury fashion.

Each case was reviewed out of the three perspectives of the theoretical framework where information and data was gathered through website analysis (secondary data), customer surveys (primary data), interviews with in-store personnel (primary data) and interviews with experts (primary data). The findings are categorised for each case in the three perspectives: perspective of the customer, perspective of the product life cycle and perspective of corporate social responsibility. In the **perspective of the customer**, findings related to customer values and educational initiatives towards customers are being presented. In the **perspective of the product life cycle** the findings related to the environmental impacts a product has in its life cycle throughout the supply chain including the recycling loop in the end stage will be shown. In the last perspective, the **perspective of corporate social responsibility**, findings about social impacts and a general overview of sustainability reporting will be provided.



## 4.1 Case 1: H&M

H&M has a dedication to sustainable fashion through the initiative of *H&M Conscious*. The CEO of H&M, Karl-Johan Persson, states:

“At H&M, we have set ourselves the challenge of ultimately making fashion sustainable and sustainability fashionable. We want to help people express their personality and feel proud of what they wear. I’m very excited to see the progress we’ve made so far and how this will help us to make you an even better offer – and create a more sustainable fashion future” (H&M 2014a)

The H&M Conscious initiative is built on seven commitments where each commitment is carried out through the so-called *Conscious Actions*. The seven commitments are:

1. Provide fashion for conscious customers
2. Choose and reward responsible partners
3. Be ethical
4. Be climate smart
5. Reduce, reuse, recycle
6. Use natural resources responsibly
7. Strengthen communities (H&M 2014a)

H&M states that its business concept is “fashion and quality at the best price” and an important part of the offering is to be the *more* sustainable choice (H&M 2014b). H&M does not own the factories the brand uses but takes on responsibility by using independent suppliers that are close long-term partners of H&M. H&M states on the website that:

“We work to bring about long-term improvement for people and the environment – in the supply chain, the garment lifecycle and the communities in which we are active” (H&M 2014b)

H&M has a sustainability vision that is to have all operations running in a way that is economically, socially and environmentally sustainable. This in turn will have the business contributing to meet the needs of both present and future generations (H&M 2014c).

## 4.1.1 Perspective of the customer

### 4.1.1.1 Communications in-store – mystery shopping findings

The H&M store in Florence city was visited at the 27<sup>th</sup> of November. The sales personnel did not seem highly aware of the H&M Conscious Collection that was present in the store. For the questions about the collection, the sales associate read the information on the label out loud and had difficulties to explain what the sustainable label and the organic material meant (the conversation was held in Italian). The communications about sustainable practices in terms of written information and posters were very visible and strategically placed throughout the store. In the changing room there was a sign with the H&M Conscious logo saying: “Wear them. Love them. Then bring them back to us” (free translation). A big poster on the other side of the cash desk said: “Donate with us” (free translation), which was a campaign supporting the humanitarian organisation CARE fighting global poverty. The poster said for every holiday gift label sold, H&M Conscious Foundation will donate double the sale price to CARE, and the sale price was 1€. On the cash desk, brochures of H&M’s sustainability work with H&M Conscious were available to the customers to take and on the side there was a big sign that trying to motivate customer to donate old clothes (see Garment Collection Program at section 4.1.2.2). On the hangtags of the clothes nothing about sustainability was printed, except from the hangtags of H&M Conscious Collection where it was stated what H&M Conscious was, a direction to the website of H&M Conscious and the origin of the materials in terms of recycling.

### 4.1.1.2 Educating customers in making sustainable choices

H&M promotes customers to make sustainable choices without having to compromise personal style or to contribute to negative impacts on the planet and the people living in it. Customers are guided to the sustainable collections of H&M Conscious with a green hangtag on the garments. H&M is educating the customers in making more conscious choices by providing information on how to take care of products, recycle and reducing the impacts the garments have in the user phase of the life cycle, which is being communicated through the symbol of the *Clevercare* symbol on garment labels (H&M 2014d). The Clevercare initiative is created by GINETEX, an international association for textile care labelling, in order to provide advises to customers on “how to reduce climate impact, effort and money caring for fashion the clever way”. The symbol directs the customer to the website of [clevercare.info](http://clevercare.info) where the customer can take part of the information on how to better take care of the garments (Clevercare 2014).



Figure 11. The Clevercare symbol visible at the labels of H&M's collections (Clevercare 2014)

Through Clevercare, H&M recommends the customers to:

- **Not to wash the clothes too often.** Remove stains by hand and freshen up clothes by airing them after usage rather than washing them.
- **Lower the temperature.** Washing in 30 degrees instead of 60 degrees will half the energy consumption of the activity.
- **Reduce the amount of tumble-drying.** Preferably hang the clothes in the air to dry since it does not consume energy and to make the clothes last longer and stay in shape.
- **Iron only if necessary.** The clothes can avoid being crumpled if they are hanging to dry as soon as the washing program of the washing machine is finished. For dry clothes the clothes can be straighter by hanging them in the bathroom while showering.
- **Dry-clean the clothes** at a dry-cleaner that is using environmentally friendly methods. (Clevercare 2014)

When customers are done using any old garments, H&M welcome customers to return them to H&M Garment Collecting Program (see more under section 4.1.2.2) (H&M 2014d).

## 4.1.2 Perspective of the product life cycle

### 4.1.2.1 Environmental impacts

H&M has a proactive stance towards undertaking actions towards the issue of climate change. This means improving the environmental impacts in-store, ensuring a thoroughgoing sustainable supply chain and to consider customer's decision making in sustainable choices. In 2013 the in-store electricity efficiency was increased by 14%, more energy supply was of renewable origin and the company generated renewable energy by owning its own solar panels (H&M 2014e).

H&M is educating customers in sustainable choices and reduces the impacts fashion has on the planet by supporting new materials and clothes-making techniques. By offering garments of materials with the origin of sustainable resources, H&M hopes that customers will find conscious choices in fashion desirable and easily accessible with the aim of achieving a better fashion future faster. H&M Conscious Materials constitutes of organic/recycled cotton, recycled wool, organic leather, organic linen, organic hemp, organic silk, FSC natural leather, recycled polyester and polyamide, recycled plastic and lyocell (H&M 2014f).

#### 4.1.2.2 Recycling

In the vision of a better future for fashion, H&M wants to eliminate waste and to avoid that fashion ends up at landfills. H&M would rather see fashion gets reused and recycled into new products (H&M 2014g). As mentioned in the perspective of the customer, H&M has an active approach in educating its customers in how to decrease the impact the use of the products has on the environment and society. One important stage in the product life cycle is the last stage of reusing and recycling. H&M has a so-called *Garment Collection Program*, the world's first-of-its-kind among fashion companies. The global program invites customers to return any clothes that are no longer desirable in order to reduce waste and give the materials a new life. H&M predicts that new material in the future will be longer lasting and requires less resource to produce, which H&M contributes to by investing in research and innovation projects on creating new fibres out of old textiles (H&M 2014h). As of 2013, H&M collected 3 047 tonnes of garments, used 9.5 million plastic bottles to make recycled polyester and had all regular shopping bags made of recycled plastic (H&M 2014i).

Turning old garments into new fashion is the goal of H&M's system called *the Closed Loop System* (see Figure 12). With the Garment Collection Program H&M wants to avoid the waste by using old collected textiles to produce new yarns for new products (H&M 2014g).

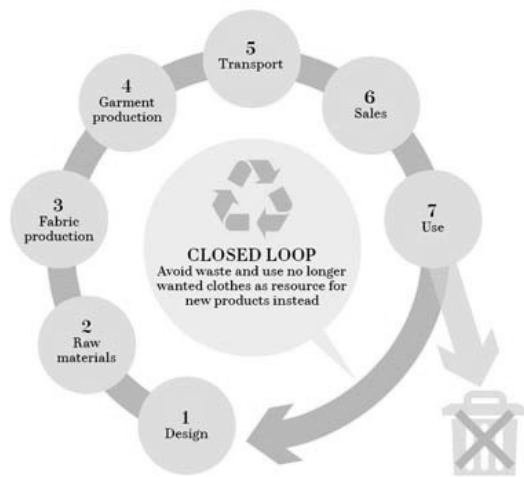


Figure 12. Reducing waste by closing the loop, Closed Loop System (H&M 2014g)

### 4.1.3 Perspective of corporate social responsibility

#### 4.1.3.1 Social impacts

For H&M, being ethical means respecting human rights, taking a clear stand against corruption and embracing diversity and inclusion. Through H&M Conscious Actions, H&M worked towards an ethical business in 2013 by having a board constituted of 50% women and 50% men, adopting the UN Guiding Principles on Business and Human Rights, supporting human rights and equality through Civil Rights Defenders and starting a mandatory training on Code of Ethics for all concerned employees (H&M 2014j).

H&M is taking on the responsibilities and possibilities of contributing to a positive climate for workers, especially for the textile industry in developing markets. Building good standards for partnership means offering long-term contracts, providing training in good business as well as sustainable practices and rewarding partners whom on a regular basis meet or exceed the expectations. Among Conscious Actions of 2013 regarding workers situations were the initiatives of launching a plan on how suppliers can provide the workers with a fair living wage and educating workers in Bangladesh and India in workers' rights (H&M 2014k).

By investing in projects that benefit communities and addressing social and environmental issues, H&M is strengthening the communities in which the brand has an impact on around the world (H&M 2014l). The H&M Conscious Foundation, an independent organisation

founded in 2013 with the focus of creating positive change for people and communities, is complementing the sustainability work of H&M and is currently focusing on education, clean water and strengthening women (H&M 2014m).

#### 4.1.3.2 Other responsible actions

H&M is committed to using less of the world's scarce resources by evaluating the usage in the business' operations but also by supporting suppliers and customers to do the same (H&M 2014n). H&M has teamed up with WWF in order to reduce the water consumption related to H&M's business. The water strategy is to promote responsible use of water along the product's life cycle, from the point of when cotton farmers water the crops to the process of customers washing their clothes. By conserving the water ecosystem and improve the access of safe drinking water and sanitation, H&M hopes to contribute to the wellbeing of the people and the planet (H&M 2014o). As a Conscious Action in 2013, H&M reduced its water consumption related to denim production with 340 million litres (H&M 2014d).

Cotton is the raw material most important for H&M and one goal for the company is to receive all cotton from sustainable resources, i.e. cotton produced in a better way for people and planet, by 2020. Today, 15,8% (H&M 2014d) of the collections made of cotton comes from three types of sustainable cotton: organic cotton, recycled cotton or cotton from the Better Cotton Initiative. H&M is the biggest user of organic cotton in the world today (H&M 2014n). H&M defines its organic cotton as it has been grown according to a strict standard without chemical pesticides or fertilizers, does not contain genetically modified fibres and has been checked by an independent certification body (H&M 2014p). H&M also tries to discover new ways of decreasing the use of harmful chemicals that are used to soften fabrics, get a more efficient harvest of cotton and to wash clothes with less water. In the store, the customer cannot find materials like genuine fur, exotic animal skins or animal-tested cosmetics since H&M has a strict policy against animals suffering because of fashion (H&M 2014n).

#### 4.1.3.3 Reporting

H&M publishes on the website on a yearly basis sustainability reports called *Conscious Actions Sustainability Reports* together with a highlighting summary gathering the year's Conscious Actions. The sustainability reports are performed with the fourth generation of guidelines of GRI and the UNGC principles in order to provide a transparent sustainability report that is valuable to the diverse stakeholders (H&M 2014q).

## **4.2 Case 2: Stella McCartney**

Stella McCartney has a commitment of being a responsible, honest and modern company. Stella McCartney is taking on responsibility in becoming a more sustainable company, with responsibilities of how to use resources and evaluate the impact the business has. The company is constantly on the look for new innovative ways to achieve more sustainable operations (SM 2014a) and is committed to use more sustainable synthetics created from natural non-animal sources (SM 2014b). Stella McCartney states that sustainability includes a big amount of different steps towards the path of becoming a more sustainable company and the brand is honest in saying that the company is not perfect in being sustainable, and probably never will be, but the brand will always aim to be. For Stella McCartney, being modern means to take the future into account, not only the future of design but also the future of the planet. The brand wants to contribute to change the people's opinion and perception of eco-fashion and that sustainability through Stella McCartney can take form of beautiful and modern clothing and accessories (SM 2014a).

### **4.2.1 Perspective of the customer**

#### **4.2.1.1 Communications in-store – mystery shopping findings**

A visit was paid to the store of Stella McCartney in Milan November 21<sup>st</sup>. The store was empty at the time and a sales associate accompanied the mystery shopper from the moment of entrance until the exit. The associate was highly aware of the sustainable strategy Stella McCartney has and described origin of the materials, special collections that were made to support special causes, importance of recycled materials and special initiatives of both local and global level of the stores. Since the Green Carpet Challenge collection, see section 4.2.2.1, was launched in September 2014 the mystery shopper asked about where to find the pieces of this collection. The sales associate had some troubles with finding the products of the collection and in the end only a pair of jeans were found. In the stores no visible communication was reaching the customer about sustainable choices, and only in the hangtags of the Noemi collection there were some information about the project (see section 4.2.3.1 for more information about the Noemi collection).

#### **4.2.1.2 Educating customers in making sustainable choices**

On the website of Stella McCartney the visitor is provided with a lot of environmental tips on achieving a more sustainable living. The tips communicated are the following:

- **Recycle.** 60% of the waste that is ending up in the bin could be recycled.
- **Donating unwanted clothes.** 1.4 million tons of clothes reach the landfills yearly in the UK and a better alternative would be to donate the clothes to charity. Lists of charities that accept donations of clothes are provided.
- **Practice the eco-flush.** If replacing some water in the flush tank with one water filled plastic bottle, one can save up to 10 gallons (almost 40 litres) a day of water.
- **Kick the habit.** Instead of transporting water, one should use a reusable water bottle with tap water.
- **Green your wardrobe.** Since up to 80% of a garment's environmental burden occurs from washing and drying, it is possible to make great impacts depending on how the clothes are being cleaned. Wash in cold water, air-dry the clothes rather than tumble-dry and, when needed, try to find a dry-cleaner who only uses biodegradable materials.
- **Make do and mend.** Rather than tossing a garment in the bin due to broken material, look for a local tailor to mend the garment. Stella McCartney stores can always advise on where to find a local tailor.
- **Be a savvy shopper.** Use a reusable shopping bag to avoid consumption of plastic bags.
- **Reconsider your commute.** One can lessen the environmental burden by carpooling, using public transportation, biking or walking.
- **Grow your own vegetables.** The easiest way to guarantee organic vegetables.
- **Switch to energy saving light bulbs.** Energy consumption can be widely improved by the usage of compact florescent bulbs and LED bulbs. They have longer life spans, consume less energy and have lower carbon dioxide emissions.
- **Choose FSC.** FSC, Forest Stewardship Council, certifies wood made from sustainably managed forests. By choosing products with the FSC label, one is sure not to contribute to deforestation and will instead support forest conservation and biodiversity. (SM 2014c)

*Meat Free Monday* is another initiative of Stella McCartney in promoting sustainable choices and reducing environmental impacts in order to affect the mind-set of the customers. Together Paul and Mary McCartney, the Creative Director Stella McCartney encourages people to avoid meat once a week. The idea was initiated in 2009 when the UN released a report stating that the livestock industry was emitting more greenhouse gases than the entire global transport sector, responsible for 18% of all emissions. On the website the visitor is provided with several motives of the initiative and why the meat industry has such a negative



impact on the environment, among these is the fact that if an average household cut the meat consumption in half it would have a greater impact of reducing emissions of CO<sub>2</sub> than if the car usage would have been halved (SM 2014d).

Stella McCartney is, as H&M, using the Clevercare symbol on the labels of Stella McCartney's garments. The Creative Director Stella McCartney urges the customers in a video on Stella McCartney's website to take better care of their clothes and the environment by washing the garments less often. In the video, Stella McCartney describes the initiative as an easy way of prolonging the life of the garments and highlights the importance of the after-care of the products at the customers' home that represents a big deal of the environmental impacts a product has in its lifetime. In fact, customers' part of the impacts is the share beyond the 60% of the environmental impacts that Stella McCartney stands for by creating the product (SM 2014e). For more information about Clevercare, see section 4.1.1.2.

## 4.2.2 Perspective of the product life cycle

### 4.2.2.1 Environmental impacts

The company *Ecotricity* provides all Stella McCartney's stores, offices and studios around the UK with electricity out of wind power. Ecotricity is distinguished by investing the profits from the customers into clean form of power. Outside the UK, Stella McCartney uses renewable energy as much as possible. 40% of the operations are run on 100% renewable green energy and the rest on partially green energy. Some stores, e.g. in Dallas and New York, are run on 100% renewable energy, like wind and hydro, and solar panels (SM 2014a). The store in Dallas has a certification of Leadership in Energy and Environment, LEED, which is an international standard for measuring sustainability. It takes the full life cycle of a building into account when analysing five areas: sustainable site development, water saving, energy efficiency, material selection and indoor environmental quality. In order to achieve this certification, the Dallas store uses energy efficient lightning, solar panels and certified wood floor (SM 2014f). When searching for new locations for the shops, LEED certified malls are always a priority. To keep a good profile of sustainable stores, Stella McCartney created a guidebook, called the *Green Guidebook*, as to direct the stores on how to save energy and water, reduce waste and an overall decrease in environmental impacts (SM 2014a).

Stella McCartney is using organic cotton whenever possible in the collections, whereof in 2012 34% of the denims and 36% of the jerseys were made of organic cotton. Additionally, 50% of all the knitwear was made of organic materials. Another initiative was the creation of

a bag made of fully biodegradable material, corn. The brand is always trying to find new ecological materials and innovative ways of improving the processes (SM 2014a).

In order to reduce emissions connected to the company, Stella McCartney only uses so-called *Climate Cars* that are of hybrid characteristics, for the business taxi journeys in the UK. Regarding emissions, the signature herringbone wood floor of the brand's stores is being acquired from *Forest Stewardship Council*, FSC, with the origin of sustainably managed forests (SM 2014a). Accessories made of wood throughout all of the collections have the FSC certification as well (SM 2014g). By collaboration with NGO Canopy, Stella McCartney is committed to ensure that none of the raw materials for making viscose in the ready-to-wear collections are serving deforestation since these ancient forests provide the planet with clean air, a stable climate and biodiversity (SM 2014h).

The textile industry has a heavy environmental footprint as it pollutes water and consumes a lot of energy. With the *Clean by Design* program, initiated by the *Natural Resource Defence Council*, Stella McCartney is focusing on improving process efficiency to reduce waste and emissions and improve the environment. The program was used in the Italian mills of Stella McCartney in order to reduce the impacts these mills may have, with the priority of reducing the consumption of water and energy. In best-case scenario the program can save up to 25% of water and 30% of fuel (SM 2014a).

As preciously mentioned, Stella McCartney puts a lot of efforts in finding and developing more sustainable materials. In 2013, the brand introduced the new *Eco Alter Nappa* with a coating made of more than 50% of vegetable oil, which means less petroleum in the collections (SM 2014b). Stella McCartney became the very first luxury brand using sustainable and cruelty free wool in May 2014. Through the partnership with the Nature Conservancy and Ovis XXI, Stella McCartney is using wool from sheep in Argentina that are managed by a range of new strict sustainable standards. Stella McCartney is, together with the local company Ovis XXI, in this way supporting conservation and restoration of endangered ecosystems of the local grasslands (SM 2014i).

In September 2014, Stella McCartney launched a collection for the *Green Carpet Challenge*, an initiative of the brand consultancy *Eco-Age* with the aim to help business to achieve growth by adding value through sustainability (Eco-Age 2014). The collection constitutes of 13 pieces made with the basis of the highest of environmental standards with solely recycled or sustainable certified materials (SM 2014j).

### 4.2.2.2 Recycling

Recycling materials is of big value to Stella McCartney. Retracted out of landfills in 2012, the company either recycled or reused 34.3 tonnes of waste. All Stella McCartney's locations worldwide have recycling systems and across the whole UK, all textiles are being recycled. The reusing initiatives extend the category of collections and garments the brand is offering to the clients, also furniture of Stella McCartney's locations are being acquired from auctions when possible (SM 2014a). As mentioned in the customer perspective, see section 4.2.1.2, the brand also encourages the customers in the environmental tips to recycle and reuse the products.

## 4.2.3 Perspective of corporate social responsibility

### 4.2.3.1 Social impacts

Through the *Ethical Trading Initiative*, ETI, Stella McCartney is participating in attaining an improvement for working conditions worldwide (SM 2014a). ETI is an alliance of companies, NGOs and trade unions with the vision of reaching a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity (ETI 2014).

Stella McCartney is also supporting an initiative called *Ethical Fashion* of the UN's program *International Trade Centre* by a collection of handmade bags, pouches and cases called *Noemi* (SM 2014a). The bags are made by people in areas of extreme poverty in Kenya and the collection supports local creativity, fosters predominantly female employment and empowerment, reduces poverty and promotes gender equality (SM 2014k).

### 4.2.3.2 Other responsible actions

Stella McCartney does not use leather, skin or fur in any of the collections mainly due to ethical reasons but also due to the fact that several independent organisations and actors has stated that the environmental impacts related to people's reliance on meat and its by-products is not perceived as sustainable. Other reasons to refuse these kinds of materials are because it consumes 20 times more energy than natural or synthetic fibres in the production, it contains a lot of toxic chemicals, is not biodegradable and because of the fact that the groundwater close to tanneries contribute to polluted water causing fatal illness as cancer in close-by societies (SM 201a).

### 4.2.3.3 Reporting

Stella McCartney has published a *2013 Sustainability Summary* with the highlights on twelve facts that the brand is most proud of, including for 2013: new sustainable raw material like wool, completion of the first E&PL (see section 4.4.1.1), introduction of the eco material Eco Alter Nappa, increased usage of organic cotton, launching the Clevercare initiative, the ETI support, the start of the Clean by Design program, 77 tonnes of waste was collected and recycled, the commitment of Sustainable Clothing Action Plan to reduce carbon, waste and water impacts with 15% until 2020, all usage of wood is certified, the LEED certification of the Dallas store and all bags are lined with material made of recycled plastic water bottles (SM 2014l).

### 4.2.3.4 Kering references

Stella McCartney is devoted to inform customers about the sustainability strategy of the parental company, Kering, which affects the way Stella McCartney does business. The initiative called *Kering Sustainability* is taking sustainability to another level above conventional approach to CSR by promoting a new business model in which sustainability is motivating creativity and innovation and vice versa. Kering Sustainability is challenging Stella McCartney in reconsider products, services and the brand's way of doing things as of today. The strategy is also fostering customers into greater awareness and more sustainable consumerism. Stella McCartney has also finished the first round of its EP&L (see section 4.4.1.1) (SM 2014m). Read more about Kering's sustainability strategy and targets communicated through the website of Kering in section 4.4.

## 4.3 Case 3: Gucci

The core values of the Gucci brand are embedded in the words of high fashion, Italian style, traditional craftsmanship and global consciousness. These values are all present in the brand's production of exquisitely crafted luxury goods with a thoroughly modern sensibility. Global consciousness means that Gucci is committed to its role in the global community, from sustainability to philanthropy, by undertaking corporate responsibility (Gucci 2012a). Patrizio di Marco, the President and CEO of Gucci, has noticed an increased spotlight on responsibility among leading brands and states at Gucci's website that:

“The world's leading brands are rightly judged today, not just on the quality of their products and services, but also on the way they act in the community and towards the environment. Since 2004 Gucci has volunteered for assessment to qualify for the certification of Corporate Social Responsibility across its entire supply chain.” (Gucci 2012b)

### 4.3.1 Perspective of the customer

#### 4.3.1.1 Communications in-store – mystery shopping findings

The Gucci flagship store in Milan Via Montenapoleone was visited the 22<sup>nd</sup> of November. The mystery shopper were greeted by the sales associates when entering the store but not approached directly. No information was displayed in the store or on the hangtags but all the sales associates wore a brooch showing a white ribbon. After a while a sales associate approached the mystery shopper and asked if she could be of assistance. After discussing the product for some time, the mystery shopper got into the topic of sustainability with some questions about the store's sustainability performances and the interest among the customers. The sales associate told that the store does not conduct any unique sustainable actions in the store but follows the direction of the company as a whole. She explained although that one initiative they had was that all the sales associates decided to wear the white ribbon brooch in order to emphasise Kering Foundation to fight the violence against women, since next week was the international day of fighting violence against women. When it comes to customers, the interest is very low and the customers never ask any questions about the products origin or for information about sustainable practices. Neither the sales associates want to talk too much about the topic for the customer, as it might bore the customer if he or she is not interested and the store can then lose the sell. The sales associate instead emphasised the importance of rather saying just a few words about sustainable practices, but those have to be good ones.

### 4.3.1.2 Educating customers in making sustainable choices

*No initiatives for educating customers in making sustainable choices were found on the website of Gucci.*

## 4.3.2 Perspective of the product life cycle

### 4.3.2.1 Environmental impacts

For the Prefall 2012 collection, Gucci launched an innovative project that took form as a special edition of eco-friendly shoes for women and men called *Sustainable Soles*. The shoes were certified by central environmental standards with eco-aware material that is fully degradable and does not leave any environmental footprints. The soles of the shoes were made of bio-rubber and bio-plastic, which is a biodegradable material of compost used as an alternative to petrochemical plastic, and the rest of the shoes were of genuine vegetable tanned black calfskin, biologically certified strings, rhodium-plated metal details and recycled polyester. The mission with the project was to responsibly interpret “the modern consumer’s desire for sustainable fashion products, all the while maintaining the balance between the timeless values of style and utmost quality with an ever-growing green vision”. The project signified an important challenge and commitment for Gucci regarding the future of green style, where the commitment also was evident by the fact that Gucci in the same year participated in the *Copenhagen Fashion Summit*, stated as the most significant conference on sustainability and fashion in the world (Gucci 2012c).

Like Stella McCartney, Gucci took part of the *Green Carpet Challenge* in 2013. Creative Director Frida Giannini launched three signature handbags made of Amazon leather with zero deforestation and inwardly made of organic cotton. The goal of the initiative was, as in the project with *Sustainable Soles*, to interpret the modern desires for sustainable products in a responsible way. Together with the launch, Gucci promised to donate 50 000 euro to the *National Wildlife Federation* in order to support deforestation-free Brazilian leather (Gucci 2012d).

Another two initiatives to reduce the environmental impacts are the replacement of printed materials with e-cards and e-catalogues, and new transportation policies that decreased the usage of trucks with 30% (Gucci 2012b). Gucci has also attained on a voluntary basis the standards of SA8000 as to reduce the environmental footprints (Gucci 2012a).

### 4.3.2.2 Recycling

When it comes to recycling and biodegradable material, Gucci states that all mannequins of Gucci will be made of 100% recyclable polystyrene and also be produced in Italy and painted with water-based paint (Gucci 2012b). Together with FSC in 2010, Gucci took further initiatives by launching 100% recyclable packaging options that was in line with the launch of sustainable eyewear the previous year. The paper of the packages and bags are certified by FSC, the surface is of non-plastic character and the ribbons are made of cotton instead of polyester. The new packages available in all stores worldwide symbolise a new bold image of luxury that is sensitive to the environment while being aligned with Gucci's heritage of quality and excellence (Gucci 2012e). Gucci states that the new stance towards recycling will include the use of other biodegradable materials like corn, bamboo and cotton in the future (Gucci 2012b).

### 4.3.3 Perspective of corporate social responsibility

#### 4.3.3.1 Social impacts

Creative Director Frida Giannini is, together with Gucci, co-founder of the global campaign *Chime for Change*. The campaign was initiated in 2013 together with Salma Hayek Pinault and Beyoncé Knowles-Carter in order to raise awareness and funding for the empowerment of girls and women around the world. The plan is to convene, unite and strengthen voices speaking out for girls and women worldwide with the main focus of education, health and justice (Gucci 2012f).

UNICEF and Gucci have a partnership since 2005 where Gucci is supporting initiatives of UNICEF in HIV/AIDS and education, e.g. the initiatives of *School of Africa* and *School of Asia*, in sub-Saharan Africa and China by donating funds of over USD 15 million. Gucci has supported UNICEF over the years through special collections and events. In 2012, Gucci introduced a collection called *GG Flag* to benefit UNICEF with 25% of the sales to the initiatives of education (Gucci 2012g).

Gucci is highly associated to the iconic Made in Italy style that signifies a cultural approach of how the brand's know-how has been built up for generations. Today the Made in Italy production together with strong social responsibility towards the employees ensure that 100% of the leather goods, shoes and ready-to-wear are today, and have always been, produced in the workshops of Florence, Italy. This has provided many jobs to people in Italy

over the years where the handcrafted legacy has been passed down through generations of artisan families and it has contributed to Gucci's position as a global leader in the luxury business (Gucci 2012h).

Other social impacts that Gucci has contributed with are: donation to the *China Children and Teenagers Fund*, CCTF, in order to treat serious eye diseases (Gucci 2012i), promoting the value of traditional craftsmanship through exhibitions in Kyoto, Japan, (Gucci 2012j) and the *Gucci Timepieces & Jewelry Music Fund* with the mission to discover and nurture talented musicians across China, Hong Kong, Macao and Taiwan (Gucci 2012k).

#### **4.3.3.2 Other responsible actions**

Preserving history and art is important for Gucci, which is why the brand is supporting *The Film Foundation* in restoring cinematic treasures and cultural heritage. Every year since 2006, Gucci is funding the restoration of one film in order to preserve the work of artists and legacies (Gucci 2012l). Gucci is also supporting documentary film as a significant artistic medium through the *Tribeca Documentary Fund*. Documentary film is described as a creative tool to highlight relevant issues of social importance around the world today. Main focuses of the documentaries are the ones driven by thoughtful, accurate and complete storytelling (Gucci 2012m).

In 2012 Gucci became certified by *The Responsible Jewellery Council*, RJC, meaning that the brand is meeting the highest ethical, social and environmental standards developed by RJC (Gucci 2012n). The standards of RJC are covering the whole supply chain, from mine to retail, in order to ensure a responsible supply chain and implementation of responsible business practices (RJC 2014). Gucci's President and CEO, Patrizio di Marco, is stating that the certification "represents a further step towards an always more authentic and genuine sense of responsibility that informs our company and the people who work with and for the Gucci brand" (Gucci 2012n).

#### **4.3.3.3 Reporting**

*No reporting initiatives was found on the website of Gucci.*

#### **4.3.3.4 Kering references**

Gucci is part of the Kering Foundation, a foundation of combatting violence against women (see section 4.4.2.1), and on the website Gucci is describing the scope of the initiative. Frida



Giannini, Creative Director of Gucci, shares her concern about the fact that gender related abuse still exists today and that none of it can be ignored (Gucci 2012o).

## 4.4 Extended case: Kering

Kering is the parental company for Stella McCartney and Gucci and is thereby communicating for both brands on its website. Chief Sustainability Officer and Head of Institutional affairs, Marie-Claire Daveu, states at Kering's website:

“Kering sustainability department is supporting the brands to achieve the highest standards of sustainable business practices. While we focus on attaining our 2016 Group targets, we are leveraging the inherent creativity that is synonymous with our Group.” (Kering 2014a)

Kering wants to steer its brands to lead with new business models that contribute to a better world economically, socially and environmentally. The brands are provided with a common base of targets and guidelines for their actions in sustainability in order to reach a high standard of best practise, but are at the same time given the freedom to develop specific solutions that are most relevant to its business. Kering sees the organisation as a leader in value creation when it comes to sustainability (Kering 2012a).

In 2012, Kering set some sustainability targets to achieve by 2016. The targets encompasses:

- **Evaluating the suppliers** at least every two years to support them to meet Kering's code of conduct
- **Improving the efficiency** by reducing the carbon emissions, waste and water from production with 25% and continue to support programs to contribute the welfare of communities and conservation of biodiversity
- All collections to be **PVC free**
- **Eliminating hazardous chemicals** from production by 2020
- 100% of the **gold and diamonds should be sustainably sourced**
- 100% of the **leather should be sustainably sourced**
- 100% of the **precious skin and furs should be sustainably sourced**
- 100% of the **paper and packaging should be sustainably sourced** (Kering 2012b)

For the investigation of Kering, the website has been studied from the product life cycle perspective and the corporate social responsibility perspective since the customer perspective cannot be applied in this case. The findings represent the information of sustainability practices published on the website of Kering regarding Stella McCartney and Gucci.

## 4.4.1 Perspective of the product life cycle

### 4.4.1.1 Environmental impacts

Kering highlights the usage of biosynthetic materials in Stella McCartney's collections as an alternative of leather. Shoe soles in several collections and eyewear are made of the biodegradable material bio-plastic and the brand is said to lead the way in pushing the boundaries of what form a sustainable product can take. Kering compliments on Stella McCartney's work in finding innovative synthetics that will give the customers luxurious non-leather products (Kering 2012c).

On the occasion of the launch of Milan Womenswear Fashion Week and the SS2013 Gucci show, Gucci and the Italian Ministry of the Environment signed a voluntary agreement in order to pledge the measure of CO<sub>2</sub> emissions produced by Gucci's manufacturing supply chain. Gucci is the first company in the business of luxury goods to sign this type of agreement. The agreement also includes evaluating ethical-social impacts of the brand by studying the quality of work and life of the people and communities involved. Appreciated to the end of 2013, all the products evaluated corresponding to the agreement would be provided with a label informing customers about the history of the use of resources and labour involved in the production as to share information about the environmental impacts, the local area and the individuals generated during the manufacturing (Kering 2012d). Patrizio di Marco, President and CEO of Gucci, comments the initiative by emphasising the change of purchase motivation among today's customers with the following statement:

"...Fashion, craftsmanship and social responsibility are embedded in Gucci's DNA, a unique make-up that renders us different from all other luxury brands. Today's consumers are looking for a responsible approach and open communication that makes products traceable. Our customers have different motivation than they did in the past and they want their purchases to have meaning and value that goes beyond the tangible value of the items themselves. ..." (Kering 2012d)

In 2010, Gucci achieved environmental certification of (ISO) 14001 and back in 2004 Gucci voluntarily committed to a process of certification of CSR, SA8000, across the whole production chain. The basis of Gucci's management policies and corporate conduct is to promote sustainable value as to strengthen the social responsibility. This means also to spread practices and integrating them with active participation in economic, cultural, social and environmental development from a sustainability standpoint (Kering 2012d).

In order to understand and improve environmental impacts of the business throughout the organisation, Kering has established an innovative tool called Environmental Profit & Loss Account, *EP&L*. The purposes of the tool are to understand where the impacts take place, steer the business strategy in a responsible way, be transparent with stakeholders, strengthen the business and manage risks for the future, and develop a knowledgeable decision-making process. To measure the environmental impacts, EP&L examine carbon emission, water use, water pollution, land use, air pollution and waste by analysing the impacts throughout the whole value chain, i.e. from raw material, processing, manufacturing, assembly to operations and retail. Finally it is translated into monetary value to evaluate the cost of the activity (Kering 2012e).

#### **4.4.1.2 Recycling**

Kering is notifying on Gucci's new sustainable eyewear but with further details than the information of the website of Gucci. Gucci has launched sunglasses with a frame made of liquid wood, which is a biodegradable and eco-friendly material used as an alternative to plastic, and with details made of recycled metal. After the launch of the eyewear, FSC certified packaging was introduced with foldable cases for the glasses that in turn reduce the carbon emissions because of the limited weight and number of loads that are to be shipped. At the point of purchase of the glasses, customers will be provided with an envelope with a pre-printed address to a recycling centre and a brochure of instructions for returning the case and contribute to the recycling process. The initiative is said to be how the brand interpret in a responsible way the modern consumer's desire for sustainable fashion (Kering 2012f).

### **4.4.2 Perspective of corporate social responsibility**

Kering states that social responsibility signifies paying attention to working conditions and the need to preserve artisanal business. Kering is also supporting the suppliers to achieve the standards in Kering's code of conduct. With the *Kering Foundation*, Kering is gathering all the brands' efforts within the organisation to fight the violence against women and empower them to support the development of their family and communities (Kering 2012a).

#### **4.4.2.1 Social impacts**

Kering is highlighting the *Ethical Fashion* initiative of Stella McCartney and *International Trade Centre* with the collection of hand-made bags from Kenya (Kering 2012g). The article mainly

contains the same content that was communicated on Stella McCartney's website, see section 4.2.3.1.

In 2009, Kering embodied social commitment of the organisation by launching the *Kering Foundation*. The main focus of the foundations is to fight violence against women in three geographical areas: combatting sexual violence in the Americas, harmful traditional practices in Western Europe and domestic violence in Asia. The foundation is supporting local and international NGOs, social entrepreneurs and engages employees within the organisation, i.e. within the Kering company and all of its subsidiaries, through awareness campaigns of preventing violence, healing and empowering women. Ever since the start, more than 140 000 women have benefitted from the support of the foundation (Kering 2012h).

#### **4.4.2.2 Reporting**

Kering publishes on a yearly basis environmental reporting methodology, social reporting methodology, third parties statutory auditors report, social indicators and environmental indicators. Kering is reporting its sustainability efforts also through the third generation of GRI guidelines. The organisation has attained a GRI rating of A+ in its application level, which is the highest level available regarding the quality of sustainability reporting and Kering is one of few companies that has achieved this level. Kering is also since 2008 reporting towards the ten principles of UNGC (Kering 2012i).

## 4.5 Market oriented research

After having reviewed external communications of sustainability in the case companies, this section represents research on a general level in order to investigate how different actors in the market as customers, industry experts and professionals interpret sustainable fashion. It illustrates findings from the customer perspective through customer surveys, the perspective of experts through interviews and the perspective of sustainable technologies in the manufacturing process also through an interview.

### 4.5.1 Perspective of the customer: surveys

Approximately 120 surveys were sent out to customers of the fashion industry worldwide and 51 of them returned with analysable answers, meaning an answering frequency of around 42% that is appreciated to be satisfactory. The respondents in total had the following characteristics:

- 67% of the respondents were women and 33% men
- 62% were under 26 years old, 22% between 26-50 years old, 16% over 50 years old
- 53% were of European origin, 18% of Asian origin, 14% of South American origin, 10% of North American Origin and 5% were from Oceania

The survey was divided in two parts: one pool of answers responded to potential customers of premium brands and the other pool was non-categorised, called “other” customers in the research. The “premium” customers accounted for 25% of the answers and 69% were women and 31% men. The ages were divided fairly equally (31% under 26, 31% 26-50, 38% over 50) and the respondents were from Europe (62%), Asia (15%), North America (15%) and South America (8%). For the “other” customers, whom accounted for 75% of the answers, 66% were women and 34% men. The ages were mostly of younger generations with the following distribution: under 26 (74%), between 26-50 (18%) and over 50 (8%).

The next three pages represents answers of the survey compared across the two pools of answers, “other” and “premium” customers, and a gathered view, “total”, for all respondents no matter what segment the respondent belong to. These tables are useful for the analysis chapter. The percentage shares are rounded off numbers and in some questions it was possible to select multiple answers, which is why the shares do not in all cases sum up to 100%. Some highlights in red are made in order to emphasise common answers. The full survey is available in the appendix.

### Stating three things that come to the mind about sustainable fashion

	<u>OTHER, #</u>	<u>OTHER, %</u>	<u>PREMIUM, #</u>	<u>PREMIUM, %</u>	<u>TOTAL, #</u>	<u>TOTAL, %</u>
Environment	13	34%	4	31%	17	33%
Recycling/reusing/renewable	10	26%	1	8%	11	22%
Materials/fibers (natural, raw)	10	26%	0	0%	10	20%
Working conditions	6	16%	2	15%	8	16%
Fashionable/style/elegant	5	13%	1	8%	6	12%
Simple/classic (design)	6	16%	0	0%	6	12%
Animals	5	13%	0	0%	5	10%
Comfort/practical/useful/fit	4	11%	1	8%	5	10%
Developing trend/future	4	11%	1	8%	5	10%
Long lasting	4	11%	1	8%	5	10%
Energy (green, low consumption)	4	11%	0	0%	4	8%
Production/packaging/supply chain	3	8%	1	8%	4	8%
Quality	2	5%	2	15%	4	8%
Social impacts/society	4	11%	0	0%	4	8%
Children work	2	5%	1	8%	3	6%
Fair salary	2	5%	1	8%	3	6%
Jeans	3	8%	0	0%	3	6%
Non-expensive (materials, prod., prices)	3	8%	0	0%	3	6%
Organic	2	5%	1	8%	3	6%
Biodegradable	2	5%	0	0%	2	4%
Black	2	5%	0	0%	2	4%
Decreasing consumption	0	0%	2	15%	2	4%
Dyes	2	5%	0	0%	2	4%
Expensive (materials, prices)	2	5%	0	0%	2	4%
Fast fashion	0	0%	2	15%	2	4%
Keep personal style/esthetics	2	5%	0	0%	2	4%
Pollution	1	3%	1	8%	2	4%
Shoes (stilettos, boots)	2	5%	0	0%	2	4%
Better lifestyle	1	3%	0	0%	1	2%
Charity	1	3%	0	0%	1	2%
Ecological	1	3%	0	0%	1	2%
Electric vehicles	1	3%	0	0%	1	2%
Importance of spreading the trend	1	3%	0	0%	1	2%
Nomcore (mainstream)	1	3%	0	0%	1	2%
Old style	1	3%	0	0%	1	2%
Resourceful & creative	1	3%	0	0%	1	2%
Second hand	0	0%	1	8%	1	2%
Should focus on developing countries	1	3%	0	0%	1	2%
Should spread advantages for customers	1	3%	0	0%	1	2%
Sunglasses	1	3%	0	0%	1	2%
The Green Movement	0	0%	1	8%	1	2%
Water consumption	1	3%	0	0%	1	2%

Table 1. Findings customer survey regarding perceived definition of sustainable fashion

**The main purpose to buy sustainable fashion**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Enhance my quality of life	5%	8%	6%
Support protection of the environment	50%	38%	47%
Supporting good working conditions	26%	54%	33%
For my own conscious	13%	0%	10%
Other	5%	0%	4%

**The reason of why NOT to buy sustainable fashion**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Not stylish	11%	31%	16%
Expensive	82%	62%	76%
I don't care about sustainable fashion	3%	0%	2%
Other	5%	8%	6%

**If choosing an organic shirt even if it more expensive**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Yes	63%	69%	65%
No	37%	31%	35%

**If selling products of precious skin, e.g. crocodile and python, counts as being unsustainable**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Yes	76%	77%	76%
No	24%	23%	24%

**Question about unsustainable bags, how many changed their minds after information**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Changed their minds	18%	38%	24%

**Most affecting picture**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Child among plastic bottles	11%	8%	10%
Emissions from factory	3%	15%	6%
Slaughtered crocodiles	0%	8%	2%
Underfed child	71%	69%	71%
Air pollution	11%	0%	8%
Sweat-shop labour	0%	0%	0%
Children work/bad working conditions	5%	0%	4%

**Most important to focus on among the following matters**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Animal cruelty	8%	15%	10%
Bad working conditions	11%	31%	16%
Children work	63%	46%	59%
Negative environmental impacts	18%	8%	16%

**Preferences of what a higher price of sustainable fashion would support of the following**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Higher salaries for workers	13%	23%	16%
Decrease the environmental impacts the production of the item will contribute with	29%	46%	33%
For each pair of shoes you buy you will give a child of abject poverty with a pair of shoes as well	58%	31%	51%
Higher protection for wild crocodiles	0%	0%	0%
Other	0%	0%	0%

**What the respondents do with clothes that are no longer used**

	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
Throw them in the bin	0%	0%	0%
Give them to friends	5%	23%	10%
Give them to charity	92%	69%	86%
Sell them	3%	8%	4%
Make them into something new	0%	0%	0%
Other	0%	0%	0%

**If calling the following brands sustainable (shows share of Yes-answers)**

(multiple answers possible)	<u>OTHER, %</u>	<u>PREMIUM, %</u>	<u>TOTAL, %</u>
H&M	24%	31%	25%
Stella McCartney	18%	38%	24%
Gucci	16%	23%	18%
None of them are sustainable	55%	38%	51%

*Table 2. Mixed findings of customer survey*



Explaining why or why not perceiving each brand as sustainable	OTHER, #	OTHER, %	PREMIUM, #	PREMIUM, %	TOTAL, #	TOTAL, %
<b>H&amp;M, why sustainable:</b>						
H&M puts efforts in sustainability issues/sustainable products	1	3%	1	8%	2	4%
Based on marketing	1	3%	0	0%	1	2%
Lower prices enables young customers to buy sustainable fashion	1	3%	0	0%	1	2%
<b>H&amp;M, why <u>not</u> sustainable:</b>						
H&M sells cheap clothes/too low prices	3	8%	1	8%	4	8%
Low quality	2	5%	1	8%	3	6%
Bad working conditions	1	3%	1	8%	2	4%
Fast fashion	1	3%	1	8%	2	4%
Mass production	1	3%	1	8%	2	4%
Low wages for workers	1	3%	0	0%	1	2%
Short lasting products	1	3%	0	0%	1	2%
Use of animal skins	1	3%	0	0%	1	2%
Using a lot of cotton	1	3%	0	0%	1	2%
<i>Don't know/not so aware of sustainability in H&amp;M</i>	0	0%	0	0%	0	0%
<b>Stella McCartney, why sustainable:</b>						
High quality, no need of harmful conditions	0	0%	1	8%	1	2%
Stella McCartney is an animal right activist (after googling)	1	3%	0	0%	1	2%
<b>Stella McCartney, why <u>not</u> sustainable:</b>						
Use of animal/precious skins	3	8%	0	0%	3	6%
Expensive	1	3%	0	0%	1	2%
It is a designer label	0	0%	1	8%	1	2%
More in fashion market --> using the factory that exclusively suits them	1	3%	0	0%	1	2%
Not stylish	1	3%	0	0%	1	2%
The customers do not care about sustainable fashion/sustainability issues	1	3%	0	0%	1	2%
<i>Don't know/not so aware of sustainability in Stella McCartney</i>	4	11%	0	0%	4	8%
<b>Gucci, why sustainable:</b>						
Everything is hand made	0	0%	1	8%	1	2%
<b>Gucci, why <u>not</u> sustainable:</b>						
Use of animal skins	5	13%	2	15%	7	14%
Expensive	1	3%	0	0%	1	2%
It is a big luxury company	1	3%	0	0%	1	2%
More in fashion market --> using the factory that only suits them	1	3%	0	0%	1	2%
Related to sweatshops	1	3%	0	0%	1	2%
The customers do not care about sustainable fashion/sustainability issues	1	3%	0	0%	1	2%
<i>Don't know/not so aware of sustainability in Gucci</i>	2	5%	0	0%	2	4%
<b>In general, no brands specified, why <u>not</u> sustainable:</b>						
Have not seen communications about offering sustainable products	3	8%	1	8%	4	8%
Bad working conditions and low salaries	2	5%	0	0%	2	4%
The main focus is profits and not sustainability	2	5%	0	0%	2	4%
Gucci is doing something to promote sustainability (but don't consider Gucci as sustainable)	1	3%	0	0%	1	2%
Sustainability is not in their mind	1	3%	0	0%	1	2%
<i>Don't know/not so aware in general any of the brands</i>	9	24%	2	15%	11	22%

Table 3. Findings customer survey regarding arguments of why a brand is perceived sustainable or not

## 4.5.2 Perspective of product life cycle: sustainable technologies

A further study was made on sustainable technologies on the supplier side of the supply chain. It was of interest to understand the tools suppliers and manufacturers may use in order to ensure more sustainable production and manufacturing that in the end is communicated to customers from the organisation. An interview was therefore conducted with the Association of Italian Textile Machinery Manufacturers, ACIMIT, in their Milan office the 24<sup>th</sup> of November 2014.

The textile industry is on the look for new production models and efficient processes that reduce energy consumption and environmental impacts as water consumption and the use of chemical products. The Italian textile machinery sector is in this sense focused on providing technology solutions that create a manufacturing cycle that is more responsible and mindful of consumption while respecting the environment (ACIMIT 2014).

In the interview with Giorgio Calculli, project leader and head of training, the project of *Sustainable Technologies* was the main topic. The project started with ACIMIT discussing with its members, i.e. Italian textile companies, on how to get closer to sustainability criteria. In 2011 the project Sustainable Technologies was launched with the *Green Label* as the main focus, which works as a document where each textile producer describes the environmental and energy performances of the machine used by the manufacturer. The Green Label is a voluntary declaration that with the help of the certification body RINA can assist manufacturers to obtain a sustainable status.

Calculli described that in fairs, all producers state that their machines are green and in general there are many ways to call a supplier a *sustainable* supplier. ACIMIT wanted to help their members by providing a tool as a unique way to promote sustainability. As of today, 40 members have added to the project and the response has been very positive.

The primary interest for the manufacturers to involve in the project is the efficiency of the production since it is of high importance to the textile setters. It is not only a social process, it also means saving money. The costs of the manufacturing and production are high and less energy and impact on environment signifies saving money and being competitive as it is important in the European market. The members of ACIMIT are all Italian textile companies and in Italy there are about 200 suppliers of sustainable technologies, 40 of them using ACIMIT Sustainable Technologies with the Green Label. Most of the production, 84%, is related to export on a worldwide level.

When it comes to the future of certifications, Calulli says it is hard to predict what will happen. But he thinks that the European Union should participate more in achieving sustainable certifications.

### 4.5.3 Perspective of sustainability experts

#### 4.5.3.1 Interview with Rossella Ravagli, Head of CS&R, Gucci

An interview with Rossella Ravagli, head of WW Corporate Sustainability & Responsibility (CS&R) Department of Gucci, took place the 12<sup>th</sup> of December 2014 in Gucci's HQ in Florence. Rossella Ravagli was the person who alone initiated the sustainability department of Gucci as the first CSR manager of Gucci in 2008. Today there is a team of six people in Gucci dedicated to corporate sustainability and responsibility. The department has also established a program that enables the whole organisation in participating in new sustainability activities. It can be in terms of proposals from other departments to the CS&R department but in some cases cross-department teams are created for the new activity.

Ravagli defines sustainability as a holistic 360-degree view of the topics of human rights, worker rights, environmental impacts and animal welfare. One of the most important sustainability efforts of Gucci is related to the supply chain. It is crucial that the whole supply chain is involved and taking full responsibility. Having a sustainable supply chain is also perceived to have the biggest impact on contributing to a more sustainable industry because of the reputation the supply chain's actions create. Performing audits is believed to be the most effective way of securing a sustainable supply chain.

Concerning obstacles for investing in sustainable practices, Ravagli perceives it is hard to convince companies that sustainability can pay off in terms of money, e.g. return of investment. It is therefore important to push departments to create solutions involving sustainable practices. Ravagli would however rather call it opportunities of improvement instead of obstacles.

The most effective communication channel to train and educate sales associates and clients are perceived to be face-to-face training as it is then possible to pass on the passion and importance of the topic. It is hard to train all people, but it is the best leverage to increase awareness of sustainability. The most common communication channels are however newsletters and emails with organisational statements, which according to Ravagli needs to be improved.

The sustainability department of Gucci is called Corporate Sustainability and Responsibility, CS&R, as to cover more dimensions of sustainability and responsibility work. Responsibility is important to add with “sustainability”, as Ravagli believes it has a stronger meaning than sustainability because it is something the whole company needs to be committed to on a deeper level.

When it comes to customer values, Ravagli believes the most important values for the clients depends on what kind of impacts it is. For social impacts it is child labour and supporting humanitarian causes, for environmental impacts it is forestry and for ethical issues and animal welfare it is animal cruelty as slaughtering. The attitude-behaviour gap exists not only because of lack of knowledge but because it is a cultural issue as well, according to Ravagli. Different cultures can interpret and appreciate the value differently. This is the point when luxury brands should use their roles of pushing trends to inform and explain the values and efforts of sustainability work and try to change the behaviour of the customers. This may be a risk in terms of business, but also luxury customers can be aware of buying good products.

Offering products of animal skin in the future is nothing Ravagli is concerned about, since Gucci is aware of raw material sourcing and the main sources are skins that are by-products of meat production. Thus this business has a future as long as the market is asking for meat. For precious skins, there are markets in China offering this kind of meat. If the market demand will halt, the focus should be on finding alternatives. Ravagli cautions the fact that synthetic leather has impacts as well and may not be considered as the best alternative today.

Recycling activities may be harder to use for luxury brands than for companies like H&M. The customer hopes a garment will last forever and Ravagli believes talking about recycling as a message for clothing may not be the best way to communicate the brand values. Today Gucci only has recycling activities related to packaging.

In terms of moving forward into the future, Ravagli believes in a better meaning of the word of sustainability. Sometimes it is hard with internal communications, but it is necessary to spread values and challenges and Ravagli has faith in that the organisations can change. In order for sustainable fashion to reach a stable position as a noticeable trend in the market, governmental involvement is required, businesses need to show best practices, cities have to become more green, people less poor, conventions to be more effective and in place, living wages more respected and slow fashion through sustainable consumption needs to be of higher value. Sustainability is in general part of today’s agenda among main companies

around the world. But even if it is not a key concept for luxury business as of today, Ravagli hopes it will be in the future.

#### **4.5.3.2 Interview with Claire Bergkamp, Sustainability Manager, Stella McCartney**

On December 16<sup>th</sup> a phone interview was scheduled with Claire Bergkamp, Sustainability Manager at Stella McCartney. Bergkamp was appointed Sustainability Manager in Stella McCartney three years ago and her main task is to oversee all sustainability efforts of the brand as ethical trade emissions, audits, improving in-store sustainability activities etc.

Sustainability in the luxury fashion context means for Bergkamp an overall sense of responsibility, i.e. making sure that products are made in an ethical way and has no unnecessary environmental impact. It is important for Stella McCartney to be honest with a modern responsibility, which means that the brand has a strong attitude on being honest with the operations tied to the brand in order to avoid any forms of green washing.

The most important sustainability effort that Stella McCartney puts a lot of energy on now is the raw materials of products. In the last years the brand has put a lot of work on traceability, tracking the operations back to the farms ensuring animal and farmer welfare. This is also appreciated to be the best way to secure a sustainable supply chain. Once started to trace the trail of operations back to the raw material acquisition, one can discover more along the way and find suppliers willing to find new raw materials that the brand can use. Another way to secure a sustainable supply chain is to recycle material whenever possible and to create a closed loop system, according to Bergkamp. Regarding reusing alternatives it is appreciated to be harder, since the technology is not there yet to enable efficient reusing practices and also as it is not as frequently used commercially.

Bergkamp believes the main obstacle brands face with when investing in sustainable practices is related to the suppliers and available technologies. There is a gap of what a brand wants to do and is able to do. It is not always the case that the organisation's objectives are possible to be carried out in reality due to the lack of abilities of suppliers or existing technologies.

Bergkamp perceived communicating sustainability as being easier for a brand like Stella McCartney who has sustainability in mind from top to bottom. Customers and sales associates are generally drawn to the brand since they initially share the values of the brand. In this case it is thus not a huge challenge to communicate and share the values of the brand,

as it is a shared interest and passion. One-to-one conversations are although appreciated to be very effective.

Regarding customer values there is a main focus of animals among the clients of Stella McCartney. It is the main concern when choosing this brand as Stella McCartney has a strong standpoint of not hurting animals through its business and is thus called a vegetarian brand. In general terms for the industry, Bergkamp believes customers may want to know what the bigger picture is about sustainable fashion and are mostly interested in this rather than specific details. Stella McCartney tries to provide these customers with more information while always being honest. The attitude-behaviour gap exists because that is just the way it is, according to Bergkamp. Providing customers with knowledge may not be brand priority but having sustainability in the brand DNA helps, rather than trying to push too much information towards the customers. In the end it is an individual choice, says Bergkamp.

For the future of sustainable fashion, it is not of interest for Stella McCartney that sustainable fashion is becoming a future trend as trends fade in time. It is instead becoming an important way of doing business where brands put more efforts in ensuring integrity in the business.

# 5 Analysis

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*The fifth chapter brings existing literature and empirical findings together for an evaluation of the findings for each perspective. Empirical findings means findings of website analysis, survey respondents and interviews, which will be analysed so conclusions can be drawn for each perspective.*

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## 5.1 The definition of sustainable fashion

When reviewing the existing literature it was decided that sustainable fashion should be defined as fashionable clothes that incorporate fair trade principles with sweatshop-free labour conditions while not harming the environment or workers by using biodegradable and organic cotton (Joergens 2006), and designed for a longer lifetime use, that is produced in an ethical production system, perhaps even locally, that causes little or no environmental impact and makes use of eco-labelled or recycled materials (Shen et al. 2013; Fletcher 2008). The definitions are somewhat overlapping and the key words can be compared to each other and grouped as follows:

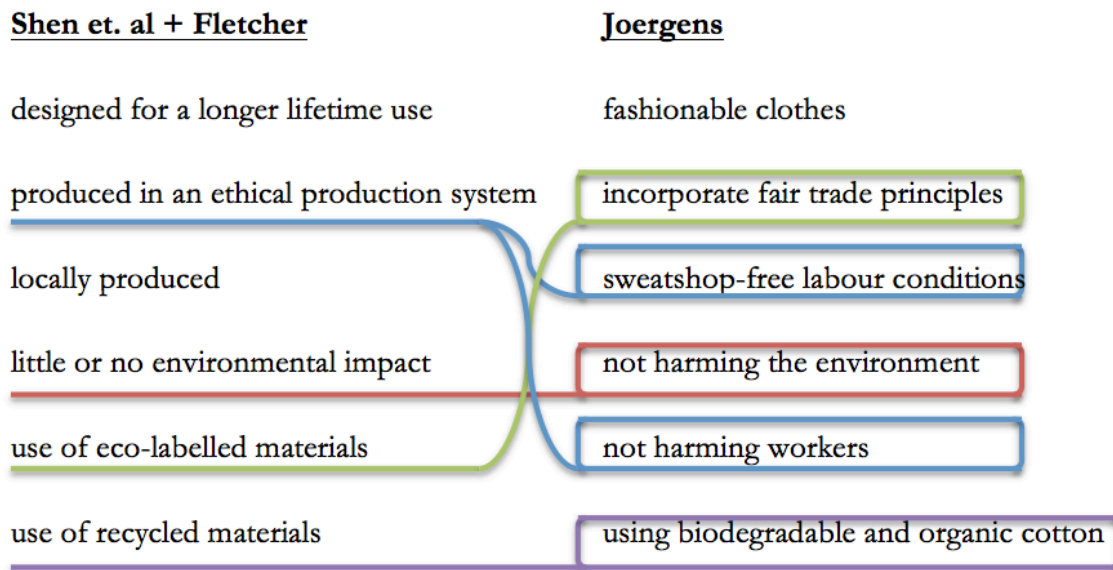


Figure 13. Comparison and merging of definitions.

A summarised and more concise definition would be that sustainable fashion embodies the following key words:

- Fashionable clothes
- Designed for a longer lifetime use
- Produced in an ethical production system (sweatshop-free, not harming workers)
- Locally produced
- Little or no environmental impacts
- Eco-labels (e.g. Fair Trade)
- Eco-friendly materials (recycled, biodegradable, organic cotton)

As Shen et al. (2013) pointed out, a definition like this will include both the environmental and the social dimensions of sustainability, which makes the fashion sustainability definition more comprehensible and consistent. Regarding the third economic dimension of TBL, neither in the literature nor in the empirical findings, economical impacts are frequently mentioned. A reason for this may be that this economic dimension is an indirect consequence of the other two dimensions, and that it may be harder to measure economical impacts than environmental and social impacts since the two latter dimensions seem to be more clearly defined. Also, as stated in the delimitations of the thesis, chapter one, the economical dimension often concerns information that is not commonly communicated or part of public information and is thus hard to acquire.

Regarding ethical issues or social impacts, one factor that was perceived as not sustainable among the respondents of the survey, but which is not part of the definition made from the literature, is regarding the use of animal products. Some stated that animal cruelty was not part of sustainable fashion but some went even further saying that any use of animal skins is counted as unsustainable. But as animal cruelty is in the basis of the both statements and as it was frequently mentioned of why a brand was not sustainable, it should be involved in the main definition. So if to involve this factor in the definition, along with adding childfree labour as part of an ethical production system since it was also a concern among the survey respondents, the revised definition includes the following key words:

- Fashionable clothes
- Designed for a longer lifetime use
- Produced in an ethical production system (childfree, sweatshop-free, not harming workers)



- Locally produced
- Little or no environmental impacts
- Eco-labels (e.g. Fair Trade)
- Eco-friendly materials (recycled, biodegradable, organic cotton)
- No animal cruelty

If using the above-summarised definition of sustainability based on the perception of active communications on the websites of the brands regarding the key words, the evaluation is as follows (in this case the Clevercare symbol is considered an eco-label):

H&M	Stella McC	Gucci	
✓			Fashionable clothes
	✓		Designed for a longer lifetime use
✓	✓	✓	Produced in an ethical production system (childfree, sweatshop-free, not harming workers)
		✓	Locally produced
✓	✓	✓	Little or no environmental impacts
✓	✓		Eco-labels (e.g. Fair Trade)
✓	✓	✓	Eco-friendly materials (recycled, biodegradable, organic cotton)
✓	✓		No animal cruelty

*Table 4. Case companies accordance to sustainable fashion criteria based on website communications. It is debatable how reliable the statements are regarding factors like “no animal cruelty”, but the above evaluation is only based upon published communications.*

In the empirical research, the social and environmental impacts most highlighted were: good working conditions, low environmental impacts along the supply chain, supporting communities and recycled materials. For H&M Conscious and Stella McCartney it was important not to offer products made of animal furs or precious skins, emphasising the use of organic cotton while trying to provide knowledge of sustainable living.

When it comes to the definition of sustainable fashion perceived by customers in general, the survey findings from section 4.5.1 showed that most respondents associated sustainable fashion with the environment (33%), recycling/reusing/renewable (22%), materials/fibres (20%) and working conditions (16%). For the “other” customers, the ranking was mainly the same as for the general perspective. For the “premium” customers however, the ranking was environment (31%), decreasing consumption (15%), fast fashion (15%), quality (15%) and working conditions (15%). However, one should keep in mind that the “premium” customers only accounted for 25% of the respondents and the weight of each statement may be somewhat misleading due to the low amount of respondents in this pool.

The respondents were in the survey requested to state three things that came to their mind when thinking of sustainable fashion. In Table 5 a comparison has been made across the pools in order to evaluate how well the respondents’ statements correspond to the previously set definition. If 13% or more of the respondents for each pool mentioned the criterion it has been marked, otherwise the percentage of how many stated it is shown.

<b>Other</b>	<b>Premium</b>	<b>Total</b>	
✓	8%	12%	Fashionable clothes
11%	8%	10%	Designed for a longer lifetime use
✓	✓	✓	Produced in an ethical production system (childfree, sweatshop-free, not harming workers)
0%	0%	0%	Locally produced
✓	✓	✓	Little or no environmental impacts
0%	0%	0%	Eco-labels (e.g Fair Trade)
✓	8%	✓	Eco-friendly materials (recycled, biodegradable, organic cotton)
✓	0%	10%	No animal cruelty

*Table 5. Findings from customer survey with perceived definition in accordance to sustainable fashion criteria. Data is collected from Table 1.*

In this master thesis the central topic is sustainability in the fashion industry. However, a small confusion can emerge while reviewing existing literature since it defines sustainable fashion, ethical fashion and eco-fashion simultaneously. It has been appreciated that sustainable fashion has a wider scope of both environmental and social impacts while ethical fashion is more focused on social impacts and eco-fashion on environmental impacts.

In the interviews with Rossella Ravagli and Claire Bergkamp, it was evident that both interviewees were referring to a broader meaning of the concept of sustainable fashion. Ravagli was emphasising the holistic view of all dimensions that sustainable fashion covers, and added the weight of responsibility thorough the organisation. Bergkamp was agreeing to the importance of responsible actions tied to the concept, with an extra emphasis on ethical production without unnecessary environmental impact.

## 5.2 Perspective of the customer

It was found in the literature that there is an attitude-behaviour gap among the customers in the market of fashion (Shen et al. 2013). Reasons for the gap's existence were said to be due to the lack of availability, customers making statements that seem politically correct rather than reflecting actual behaviour since it is a sensitive area of research (Joergens 2006) and lack of awareness of sustainable fashion (Shen et al. 2013). Shen et al. (2013) was emphasising the importance of providing knowledge in the market by educating the customers in making sustainable choices as to raise the awareness and to enable sustainable practices to become competitive.

A conclusion from the research is that brands that fail in providing sustainable offers and/or being perceived as sustainable may be targeting the wrong needs or do not communicate the efforts enough. This was evident especially in the survey where the awareness of sustainable practices of the three brands was very low. 22% of the respondents, i.e. 22% of the "total", stated that they did not know, or were not aware, of sustainability related to any of the three brands, as the Table 3 shows. Half of the respondents did not perceive any of the three brands to be sustainable due to reasons such as low prices, low quality, bad working conditions and mass production for H&M and use of animal skin and expensive prices for Stella McCartney and Gucci. Several stated that they were not aware of sustainability related to any of the brands since communications have not reached these customers. This is evident for example by the fact that the respondents related the use of animal skin to Stella McCartney, which is a brand that has a strong standing point against the use of animal skins and thus only uses synthetic skin in all of the collections. However, since the survey was

filled out by many of younger generations who are not primary customers of premium brands, the respondents may not be familiar with premium brands like Stella McCartney and Gucci as these brands target higher price segments. If communications and more information about sustainable practices would reach the customer, it may lead to customers changing their mind or behaviour. This was the case for several of the respondents in the survey where 22% changed their minds of preferences after being provided with additional information about the origin of the products.

The reason of why younger generations accounted for the largest share of answer were partly because when the survey was distributed on the streets, it was mostly younger people who were keen to fill out the survey. Several people of older generations were reluctant to fill out the survey due to diverse reasons, such as language problems, lack of interest or as one lady excused: “this kind of research is for younger generations”. The latter statement is not particularly solid though, since the future of fashion concerns all ages and generations. However, this strengthens the argument of Joergens (2006) of that brands should focus on younger generations when it comes to promoting sustainable fashion, as these customers will be the next generation of making ethical purchases and has the main interest in the matter as well. Regarding premium brands, younger generations’ values are of interest also due to the fact that these generations may grow into the segment of premium brands in the future. When it comes to what future needs to target, Van Nes & Cramer (2005) emphasise durability, quality and style. These needs should be a part of the value proposition of the brands, i.e. “the set of benefits or values it promises to deliver to consumers to satisfy their needs” (Kotler & Armstrong 2009, p.11).

H&M is putting efforts on trying to make sustainability more fashionable and stylish, which was evident in the statement of the CEO on H&M’s website. In previous research it was found that young customers do not perceive eco-fashion as stylish, but would consider supporting eco-fashion if it would be more fashionable. This finding was supported by the conducted customer surveys where 16% of the respondents stated that the main reason for not buying sustainable fashion (eco-fashion and sustainable fashion are in this part used to describe the same concept) was due to the fact that they did not perceive sustainable fashion as stylish. If big brands as H&M, who are one of the leaders of the fashion industry, take the lead on making sustainable fashion more stylish and thereof more attractive to customers, there may be a good chance that other brands in the industry will follow. As a consequence, customers may change their mind-set and behaviour towards sustainable fashion. Gucci had a more passive strategy towards offering sustainable products. Instead of having the approach of changing customers’ behaviour, the brand put emphasis on interpreting existing

“modern desires for sustainable products in a responsible way”. For more affluent customers, where price is not the main concern, there may be an even bigger future demand of making sustainable fashion more stylish and so premium brands have to consider this fact to a larger extent. In the customer survey, 31% of the customers of premium brands stated that sustainable fashion not being stylish was the main reason of not buying it while for the “other” customers this share was 11%. However, all respondents seemed more or less interested and concerned about sustainable fashion and if to trust BCG, demand of sustainable fashion will increase in the future so an increased focus of making the offer attractive and stylish would probably not be a bad strategy.

In general it was evident from the website analysis that H&M and Stella McCartney had a more educational approach and active stance than Gucci in changing customers’ behaviours towards a more sustainable society. The reason for this could be related to the fact that H&M and Stella McCartney target younger segments and again also related to the point Joergens (2006) had about young customers being the next generation of making ethical purchases. In that sense, young customers are more aware of conscious choices today. It was clear that sustainability was in the core of the brand of Stella McCartney by the way the brand through the website underlined the reason why each action was taken. This provides the customers with knowledge and real understanding and can in turn lead to the customers contributing on their own with conscious actions. As the literature implies, brands have to increasingly educate their customers since, as Shen et al. (2013) stated, awareness must precede adoption in creating a true market for sustainable fashion.

Interesting enough, the fact is that only the smaller part of the survey respondents (25,5%) in the research conducted by Shen et al. (2013) thought of sustainability as related to offering products without the use of leather. This indicates that most customers of this research do not think of leather products as unsustainable. However, in the conducted customer survey in this thesis, 76% of the respondents thought selling products of precious skin meant being unsustainable. The share between affluent customers and other customers was the same in this matter so the perception was the same for the different segments. Shen et al. (2013) state that buying leather products are not part of sustainable fashion, and the lack of knowledge customers have in sustainable fashion is thereby evident in the study of Shen et al. (2013). The research showed that more brands focus on the wellbeing of animals, by either offering synthetic material as alternative for animal skin or by ensuring customers that the skins come from sustainable sources, to avoid animal cruelty being associated with the brand. But if the awareness and knowledge among customers increase it can diminish the attitude-behaviour gap, and leather business can be in the danger zone in the future. For brands offering leather

products, which – like in the case of Gucci – may even be in the core of the brand’s value proposition, considering alternative ways of offering leather products could be a future central focus in promoting sustainable fashion.

The conducted survey showed that the respondents were the most concerned about social factors like child labour and poor living standards, due to the trend of answers in the matters of social impacts. However, it was noticed some inconsistency in the opinions about the priority focus of sustainable fashion especially between the focus of environmental or social impacts, see Table 6.

Stating three things that come to the mind about sustainable fashion	The main purpose to buy sustainable fashion	Most affecting picture	Most important to focus on among the following matters	What a higher price of sustainable fashion should support	
Environment	33% Support protection of the environment	47% Underfed child	71% Child labour	59% Give a child of abject poverty a pair of shoes	51%
Recycling/reusing/renewable	22% Supporting good working conditions	33% Child among plastic bottles	10% Bad working conditions	16% Decrease the environmental impacts	33%
Materials/fibers (natural, raw)	20% For my own conscious	10% Air pollution	8% Negative environmental impacts	16% Higher salaries for workers	16%
Working conditions	16% Other	4% Emissions from factory	6% Animal cruelty	10% Higher protection for wild crocodiles	0%
Fashionable/style/elegant	12%	Child labour/bad working conditions	4%	Other	0%
Simple/classic (design)	12%	Slaughtered crocodiles	2%		
Animals	10%	Sweat-shop labour	0%		
Comfort/practical/useful/fit	10%				
Developing trend/future	10%				
Long lasting	10%				
Energy (green, low consumption)	8%				
Production/packaging/supply chain	8%				
Quality	8%				
Social impacts/society	8%				
Child labour	6%				

Table 6. Findings from customer survey with a comparison of the area of focus.

It seems that social impacts where children are involved have the greatest impact on the respondent when evaluating visual or already stated matters, but it is not one of the main things that come to the respondent’s mind when thinking of sustainable fashion. The environmental issues and factors related to working conditions have fairly consistent positions in the respondents’ mind throughout the survey.

Some ambiguity occurs if sustainable fashion should be expensive or cheap. Several respondents perceived brands as not sustainable since these brands sell expensive products, while other respondents stated that selling cheap clothes means being unsustainable. The statement of low prices meaning being unsustainable is probably due to the fact that it indicates mass production, careless consumption in the market and unnecessary utilisation of resources. But on the other hand, if prices are too high young customers cannot afford

sustainable fashion which in turn means that brands targeting these segments will not succeed in selling sustainable products. In the survey, most respondents (76%) stated that the product being expensive was the main reason of not buying sustainable fashion. A solution could be for brands to focus on finding innovative ways of executing sustainable practices, which does not have to mean higher prices. As Calculli from ACIMIT stated: increasing energy efficiency in the production means both saving money and the environment. Therefore another future need to target besides durability, quality and style should be fair pricing. Fair pricing does not have to mean lower prices for sustainable collections but should be comparable with the other collections of the brand.

In the mystery shopping the communications in-store varied between the brands. H&M had a very visible approach in sharing their sustainability vision with big posters urging customers to join activities like the Garment Collection Program and donations to CARE. The communications were mainly located in areas where the customers pause for a while, such as around the cash desk and in the fitting rooms. For the premium brands, Stella McCartney and Gucci, it seems that more efforts are put in communications face-to-face with the sales personnel rather than having information written throughout the store. Possibly this is due to the risk of the store looking cluttered, since these brands need to keep the exclusivity feeling inside the stores. However, the sales associates of all brands should be better aware and educated about the brand's sustainability practices since it will be an important value for the customer in the future. It was appreciated that Stella McCartney had the most aware sales associate among the three representatives that were encountered. It is hard to evaluate if only three mystery shoppings could draw conclusions for a whole brand, but one can say that all of the sales associates, no matter which sales associate that is faced with the interested customer, have the responsibility of learning the sustainability strategy and practices for their brands since it is these people who are the brand ambassadors and the touch point for the customer. To enable this however, the main responsibility lies within the management to educate the sales associates so that they, in turn, can educate the customers. The sales associate has an important role in providing information to the customer and possibly create demand for sustainable fashion. But as the Gucci sales associate stated, too much information to the customer may lead to loss of sales. This is why the focus should be on educating the sales associates in how to communicate to its client the most important sustainable efforts the brand has.

In the interviews with Rossella Ravagli and Claire Bergkamp both interviewees considered animal welfare as a main concern among their brands' customers. Ravagli was also mentioning child labour, supporting humanitarian causes and forestry for the other

dimensions of sustainability. The attitude-behaviour gap existence depends on lack of knowledge and differences in cultural values and interpretation according to Ravagli. For Bergkamp it may have a different meaning, as the customers of Stella McCartney approach the brand as they share the values of the brand initially. In that sense, the attitude-behaviour gap may not be as noticeable for these customers and a proof of this could simply be the fact that the customers act according to their values and choose this brand for this reason. Bergkamp said it all comes down to an individual choice, and the fact that the customers in the industry not always act as they formally state is because it is just the way it is. The most effective communication channel was appreciated to be one-to-one conversations by both interviewees. Ravagli said it was then possible to pass on the passion and importance of the topic.

### 5.3 Perspective of the product life cycle

The product life cycle contributed to a vision of the journey a product has from acquisition of raw material into final disposal. Each life stage has an important role in what impacts the product has through the journey and with the LCA tool companies can evaluate what environmental impacts that occur in every stage.

It was found in the literature review that brands should educate their clients by emphasising features involving recycling and vintage (Shen et al. 2013). Recycling was also a reoccurring word on the websites where all of the brands stated that they were using recycled materials in collections and for the shopping bags. H&M and Stella McCartney had an instructive approach in getting customers to recycle more while Gucci in one project, i.e. the cases for sustainable eyewear, provided the customers with an actual tool of actively contributing to recycling.

It appears that recycling clothes by donating them to charity is an action widely adopted by the respondents of the survey, where as much as 86% of the respondents donated unwanted clothes to charity. For the “other” segment, the share was higher (92%) and for the “premium” segment lower (69%), probably due to the fact that “premium” customers buy more expensive clothes and the attractiveness of the clothes leads the customer to rather sell the clothes or giving them to friends. It is fairly easy today to dispose clothes that are no longer desirable with the options of either personally leaving the clothes to a help organisation, who promises to put them into better use in needed societies, or leaving them in public boxes that the help organisations have around the cities. This makes it an easy option to contribute to poor societies as well as disposing old clothes. However, if brands



would start to collect clothes with the purpose to recycle the material into new products, this could compete with the help organisations purpose of helping those in need. There are two aspects to consider regarding priority of this matter:

1. CSR that is widely used among corporations worldwide for sustainable practices is defined by the European Commission (2011) as “the responsibility of enterprises for their impacts on society”, indicating the main focus is on supporting the welfare of societies
2. The Brundtland Commission (1987) stated that “sustainable development” should have the primary focus in “the needs of the world’s poor” but at the same time a shift of attention has been detected in the business sector into a more environmental focus, as stated by Barkemeyer et al. (2011), due to the raising awareness of climate change

If this shift will affect the customers in the fashion industry as well, recycling matters in order to spare the utilisation of the world’s resources and decreasing the environmental impacts may be more prioritised in the future. In the customer survey however, social impacts are still a high priority for the respondents. This was evident by the fact that half of the respondents would prefer that a higher price of sustainable fashion would support donating shoes to children of abject poverty. 75% of the respondents also answered that the main focus should be on social impacts as either child labour or bad working conditions and only 16% of the respondents stated negative environmental impacts should be the main focus, see Table 6. The brands do not have to be dependent on customers returning old garments though, as an example: Stella McCartney collects materials to recycle from landfills (SM 2014a). If following the valuation made by Lighthart & Ansems (2012), in the best-case scenario disposal to landfills is avoided and the product is reused by either passing it on to friends, buyers or charity. After that comes the option of recycling the product, possibly since recycling in general consumes more energy and resources than simply reusing the product as it is. However, if to consider environmental impacts one can discuss the impacts that occur related to transportation of the clothes to needed societies. In the end it comes down to where the priorities lies: environmental or social factors. But naturally, companies have financial agendas to consider as well.

There is also a viewpoint of who should be responsible of the recycling and reusing activities. Probably all actors have to take on responsibility of adopting processes and behaviours to a mind-set of reusing and recycling materials. It is for the fashion industry the customer who has the main role of the reusing process. In the end it would be the

companies who perform the actual recycling process who are uttermost responsible as the reusing alternative will eventually not be an option, but the brands could support customers in making the choices by providing opportunities in making better choices. This can be done for example by educating customers in sustainable choices and by providing practical tools, like Gucci with the eyewear cases (recycling), Stella McCartney's advices of tailors (reusing) and H&M's Garment Collection Program (recycling).

When investigating how to keep a product profitable through the life cycle, the model of Kotler's Product Life Cycle was studied in the theoretical chapter. In times of fast fashion, both the life cycle and the ownership of the customer get shorter (Joy et al. 2012) that may benefit profits of companies. If promoting reusing or recycling old clothes, brands could be somewhat reluctant to these strategies in the fear of loosing frequency of sales. However, in order to extend the life cycle and at the same time increase the profits connected to the products, brands can innovate or redesign the products (Ryan & Riggs 1996). Extra services could be added before the products enter the "decline" phase of the PLC. For example, repairing services or new services like updating old garments could be profitable for companies and keep the sales going while at the same time it emphasises activities that do not contribute to careless consumption.

One helpful communicating device to provide information about sustainable origins would be the label of the garments, preferably issued by a trustful source. The main concern with this idea is that it may not be as effectual as planned, since clients do not read the labels in general in-store. Eco-labelling was not mentioned by any of the respondents of the survey either when discussing sustainability in fashion. But when it comes to educating clients, the Clevercare symbol could be supportive once purchased as many customers check the label for washing advices, especially for more expensive pieces. As Calculli from ACIMIT stated, certifications and labels are conducted widely in different initiatives where many companies use their own certification or label. It could be, as Calculli mentioned, vital for the EU to step in and assemble the certifications and labels as to provide a trustful indicator for customers.

When assessing the environmental impacts of the brands through the websites, which is the third stage "impact assessment" of the LCA analysis, the conclusion was that all brands communicate their efforts made in reducing the impacts of the environment connected to the business. H&M and Stella McCartney reported on the energy efficiency actions for the stores, all the brands mentioned commitment to FSC's work towards the usage of sustainable paper and wood as to protect endangered forests, and H&M Conscious and

Stella McCartney highlighted the usage of organic cotton in their collections. Only Stella McCartney explained further in details the initiatives made, through the Clean by Design Program, in order to evaluate the impacts the mills in Italy contribute to (SM 2014a). H&M referred to long-term contracts with suppliers in the supply chain in this matter (H&M 2014b) and Kering reported on behalf of Gucci the agreement with the Italian Ministry of the Environment of evaluating the CO<sub>2</sub> emissions related to Gucci's manufacturing supply chain (Kering 2012d). Both H&M and Stella McCartney emphasised the use and on-going research for new sustainable materials. Gucci were highlighting the voluntary assessment of the SA8000 certification of CSR across the production chain (Gucci 2012a; Kering 2012d).

Both Stella McCartney and Gucci have participated in the Green Carpet Challenge as to raise the awareness of sustainable fashion. However, in the mystery shopping at Stella McCartney the pieces from the Green Carpet Challenge were not so easy to find and the sales associate had difficulties in finding the items in the collection.

Recycling activities was discussed in both interviews with Rossella Ravagli and Claire Bergkamp. Ravagli believed it may be harder for luxury brands to communicate recycling issues related to clothing to the customers of these brands, perhaps, according to Ravagli, because it could give a message of non-lasting products. On the other hand, Bergkamp was highlighting the importance of recycle whenever possible as a way of securing a sustainable supply chain. Reusing alternatives may be harder according to Bergkamp as the technology is not caught up to provide this kind of activity.

## 5.4 Perspective of corporate social responsibility

The focus of corporate social responsibility may be somewhat misleading in its scope and definition. The European Commission (2011) defines CSR as “the responsibility of enterprises for their impacts on society” but it is evident that companies use the concept of corporate social responsibility in order to communicate environmental aspects as well. In the Gucci website simply corporate responsibility was used more frequently than corporate *social* responsibility which could be a future solution for companies in order to gather more dimensions of the responsibility that companies undertake in sustainability matters.

In terms of social impacts, most initiatives were communicated related to societies in developing countries. Only Gucci were mentioning working conditions in Italy, due to the fact that the leather and shoe factories are located in Italy. Being a global and well-known brand with a long history and deep traditional roots, Gucci is putting heavy emphasis on its

cultural heritages and the traditional handcrafting, which is iconic for the brand (Gucci 2012h). Because of the Italian generations of handcrafters who passed on the legacy throughout the years, it is hard to imagine this part of the business being executed in another place in the world. Another evidence of the importance of preserving history and art for Gucci is the initiatives of supporting The Film Foundation and Tribeca Documentary Fund. All brands mentioned efforts in supporting human and equal rights and the empowerment of women worldwide. The brands were also sharing information of some of the partnerships that contributed to supporting diverse societies. Gucci highlighted the partnership with UNICEF with the main focus of education of children in Africa and Asia and fighting HIV/AIDS (Gucci 2012g), Stella McCartney worked with Ethical Trading Initiative towards better conditions for workers around the world (SM 2014a) and during the mystery shopping at H&M, the fundraising with CARE was advertised where the funding went to fighting global poverty. On the websites, H&M and Gucci also spoke about their own initiatives and foundations to support communities: H&M Conscious Foundation that creates positive change for people and communities (H&M 2014m) and Gucci's Chime for Change that promotes empowering of women (Gucci 2012f). Gucci were also highlighting the voluntary assessment of the SA8000 certification of CSR across the production chain (Gucci 2012a; Kering 2012d).

As mentioned before, Stella McCartney replaces animal skins with synthetic materials due to ethical reasons but also because of the fact that animal skin as a by-product of meat production cannot be called sustainable since the production of meat is not environmentally sustainable either. Regarding animal cruelty, H&M mentions on the website its strict policy against animals suffering because of fashion (H&M 2014n) and according to the survey respondents, neither the use of animal skins nor animal cruelty are perceived as being sustainable. Two of the sustainability targets for 2016 of the Kering Group are that 100% of the leather and 100% of the precious skin and furs should be sustainably sourced (Kering 2012b).

As previously mentioned, social factors as working conditions and the welfare of children had a high impact on the respondents of the survey. Child labour as the most important matter accounted for 59% of the respondents' opinions, see Table 6. CSR should thus have the main priority of securing childfree labour in the supply chains, but due to the fragmental composition of the supply chain responsibilities along the supply chain this can be a complex issue (Niinimäki 2010). However, ensuring a sustainable supply chain in general is vital since, as Koplin (2005) stressed, the actions across the whole chain come back to the organisation

that is the external face towards stakeholders and media and thereby is the actor with the utter responsibility. This has a significant impact on the organisation's image and reputation.

Having a transparent supply chain is a good strategy since consumers today are demanding more information about sourcing and manufacturing (Joy et al. 2012), which is why Koplín (2005) suggests that companies should set new criteria for supplier selection and evaluation, means of implementation, and realisation of environmental and social requirements as well as control mechanisms and compliance stimuli. Again, initiatives like ACIMIT's Green Label could provide a trustful indicator from suppliers to the brands' organisations to ensure that this part of the supply chain guarantees practices that are sustainable. Kering has set as target for 2016 that evaluation of the suppliers within the Kering Group should be done at least every two years in order to support them to meet Kering's code of conduct and to improve the efficiency in the production with 25% (Kering 1012b). Overall, taking responsibility of sustainable practices is not only part of good-will but will inspire organisations to innovate and grow (EC 2011), make operations more efficient and thereby implies financial benefits as well.

Joy et al. (2012) mentioned other customer values to focus on than child labour as ethical sourcing, efficient use of material, low impacts across the supply chain and being able to offer services of repairing and upgrading products. According to Joy et al. (2012), luxury brands have a higher potential of matching these values that will enable them to capture an advantageous place in the market.

H&M and Stella McCartney perform reporting initiatives and communicate this on their websites. The reports are made with the guidelines of GRI and UNGC but also summarised versions are available that are highlighting the most important efforts. Kering is reporting on behalf of Stella McCartney and Gucci but only Stella McCartney refers to this on its website. When it comes to reporting sustainable practices in general, the perception is that H&M and Stella McCartney were best at spreading this information. On the website of Kering, several initiatives of Gucci were communicated that was not published on Gucci's own website.

Both Stella McCartney and Gucci are referring to Kering's sustainability work. Stella McCartney describes how Kering through its ambitious sustainability strategies is challenging the brand to constantly rethinking its practices in order to achieve higher levels of sustainability. Stella McCartney and Gucci are also both explaining their contributions to the Kering Foundation.

Responsibility throughout the supply chain was highlighted in both interviews with Rossella Ravagli and Claire Bergkamp. Ravagli stated that performing audits was the most effective way of securing a sustainable supply chain as the image of the company towards its stakeholders are dependent on what actions are carried out throughout the whole supply chain. The best way to secure a sustainable supply chain for Stella McCartney was tracing production back to raw materials that could help map the activities and actors along the way.

Regarding the main obstacles of sustainable fashion, it was for Ravagli to convince companies that sustainable actions can pay off financially. For Bergkamp it was the restraint of ability of suppliers and available technology that may create a gap of what the brand wants to do and what is practically possible to do.

For the concern of the future of sustainable fashion, Ravagli believes that products of animal skins will not be in the danger zone as long as the market asks for meat, since animal skins can be by-products of meat production. In general terms of making sustainable fashion a noticeable trend on the market Ravagli mentions that governmental involvement is required, businesses need to show best practices, cities have to become more green, people less poor, conventions to be more effective and in place, living wages more respected and slow fashion through sustainable consumption needs to be of higher value. However, Bergkamp does not believe in sustainable fashion as a future trend as trends fade in time. It should instead be an integrated way of doing business where brands put more efforts in ensuring integrity in the business, according to Bergkamp.

## 6 Conclusions

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*The sixth chapter presents the conclusions considering how the concept of sustainability is used, valued and applied in the fashion industry.*

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The definition of sustainable fashion was determined after reviewing literature and taking customers' and experts' perception of the concept into account. Sustainable fashion incorporates fashionable clothes, is designed for a longer lifetime use, produced in an ethical production system (childfree, sweatshop-free, not harming workers), locally produced, little or no environmental impacts, eco-labels (e.g. Fair Trade), eco-friendly materials (recycled, biodegradable, organic cotton), no animal cruelty and having a deep sense of responsibility.

In terms of *external communications* about sustainable practices according to the stated definition, H&M and Stella McCartney met the criteria better than Gucci. Depending on the main brand values of the companies, different focuses were evident. H&M emphasised efforts in supporting societies in need and good working conditions. Stella McCartney had a strong standing point in no use of animal skins in any of the collections. Both H&M and Stella McCartney had more active approaches to changing customers' behaviour in sparing resources and contribute to a more sustainable society. The long history and handcraft tradition of Gucci made it important for the brand to preserve art and history, but also to support communities in terms of health and education in developing countries. All brands promoted recycling activities.

In order to *raise the awareness* of sustainable fashion and to create a true market for it, the attitude-behaviour gap among customers needs to diminish. This is possible to achieve by educating the customers in sustainable habits and training the sales associates in the brand's sustainable strategy and most important efforts. To communicate sustainable practices, face-to-face conversations are believed to be the most efficient way. The target should be younger generations since these customers will be the next generation of making ethical purchases, is the segment that shows the main interest of the topic and for luxury brands this may also be the future customers of the brand. To create demand in the market, the needs that should be targeted in the offer are durability, quality, style and fair pricing. Setting reasonable prices could require cutting costs in the supply chain if the profitability wishes not to be affected, e.g. by making the production processes more efficient with diverse tools and certifications. For the customer it is most important that the offer does not contribute to any negative impacts regarding the environment and society, such as pollution, forestry, waste of resources, child labour, animal cruelty and bad working conditions.

There is an ambiguity for brands in what to focus on regarding *recycling or reusing activities* towards the customers. At the least, brands should help customers to make better choices by providing opportunities for recycling and reusing actions, such as collecting programmes for either cause and offering long-lasting products. To promote reusing activities, brands could keep a product profitable by offering additional services as to update an old product.

Companies use many strategies in order to achieve a *sustainable business*. With the LCA tool, it is common that brands evaluate environmental impacts linked to the operations of the brand. In the future, it is of increasing importance that higher powers as the EU gather and set criteria for sustainable business through certifications and eco-labelling. The triple bottom lines of environmental, social and economic dimensions are frequently associated with sustainability among corporations worldwide. Mostly the environmental and social impacts are mentioned, perhaps because economical impacts are harder to measure or may be indirect consequences of the other two dimensions. CSR is a common concept used by companies to communicate the responsibilities a company undertakes in order not to contribute to negative impacts of society. However, the concept is also used to report on environmental impacts. A better solution would be to, as Gucci partly did on the website, to not only discuss corporate *social* responsibility, but corporate *sustainable* responsibility as to emphasise other dimensions than only social impacts.

To obtain a responsible supply chain, brands are gaining advantages in having a *transparent* supply chain since diverse stakeholders are showing increasing interest in supply chain operations. Evaluating and setting criteria for suppliers and other actors are thus of great value since it is mainly the brand who has the external image towards stakeholders and media. It is important to keep promises to stakeholders on all levels of the supply chain. For customers, ensuring childfree labour is of greatest importance. Reporting initiatives can build trust to stakeholders by following reliable guidelines, e.g. GRI and UNGC.

This master thesis' research has showed that sustainability in the fashion business is interpreted and understood in different contexts. It is critical with a *holistic and integrated approach* in order to fully explore the value of the concept, and it has to be impregnated throughout the whole company in all stages of the supply chain. Highlighted factors in succeeding to offer a sustainable value are education of customers and sales associates, transparent operations, finding innovative trustful ways of offering sustainable value to customers and for higher associations as the EU to gather sustainable concepts and certifications to provide a better comprehension of sustainability in the fashion industry.



## 7 Reflections

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*The seventh chapter summarises additional reflections regarding sustainability in the fashion industry. A discussion is also presented in how brands can integrate innovative sustainable practices as part of the offer. At last, reflections concerning future research and academic and general contributions are provided.*

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Sustainable fashion has been an interesting topic to study in this master thesis, but it has at the same time been quite challenging. Interviews were hard to schedule as a student without the support from higher authorities. In the stores, the sales associates and store managers were very reluctant to meet for an interview about sustainable practices in-store and one can ask why that is. If it is because they feel uncomfortable or insecure in responding to these questions, educational activities for the whole organisation are necessary. The perception was that the stores were not interested in taking the time to meet students to discuss the topic of sustainability since a) it is a sensitive area so the top management may want to exclusively control statements of the company regarding sustainability issues, and b) the main focus of the store is selling activities, which sustainability is not perceived to be a direct part of today for most brands. In the end, the in-store interviews were replaced by mystery shopping as an aware customer. Acting as an “outsider” was perceived as the most desirable role, in order to uphold the objectivity in the research of the in-store activities.

Educational activities can be outsourced to organisations that provide this kind of service. For instance, in Sweden many well-known brands as H&M, Filippa K and Peak Performance are all members of an organisation called *The Sustainable Fashion Academy*, SFA. SFA provides brands with knowledge and tools that are required in order to develop and drive sustainable apparel innovations (SFA 2014). Sustainable practices may need an innovative mind as to find new ways of offering more sustainable products and services. Other activities that support creativity within the company are internal competitions and participation in summits of sustainable fashion. Educating customers in sustainable choices is also an important activity to enable the business of sustainable fashion to grow. It could be communicated better in websites, magazines, (eco-)labels, one-to-one conversations with sales associates etc. Most important of all for the company level is having a board involved in sustainability efforts. With an engaged top management, the decision-making process will probably become a lot smoother and effective.

Concerning reusing activities there are possibilities for brands to add value through new services of the products. If brands offer the customers to update old products, e.g. organising workshops in cooperation with tailors or handcrafters, customers can engage with

the brand on an expanded level. As creating experiences with a company is another emerging trend, brands may be able to gain competitive advantage in engaging customers in new sustainable activities and experiences. Supporting needed societies with old clothes is also an appreciated activity among customers, especially if it involves additional benefits for the client as discounted prices when contributing with old garments.

In the definition of sustainable fashion it was decided that the criteria “no animal cruelty” was significant enough to be part of the definition. However, in the conducted survey the respondents generally valued that the use of animal skins should not be perceived as sustainable at all. This fact makes it debatable of what should really be counted as sustainable regarding animal products. If a brand is executing sustainable practices throughout the whole supply chain and produce leather goods but only of skins that are by-products of meat production, is it still counted as unsustainable? If asking Stella McCartney, the answer is yes. In the end it is probably the perception of the customers that will matter. If the customers do not care, then the brands offering these products will presumably not either. In the event of customers starting to act according to their statements and values, it will be crucial for leather goods and other animal skins businesses to modify the product offers.

It varied a lot among the three brands of how large shares the sustainable collections were of the total collections. For H&M the sustainable collections were found under the collections of H&M Conscious, for Stella McCartney all collections were, as far as this research concerns, mostly sustainable and some collections were especially highlighted due to extraordinary projects, and Gucci only had specific projects of sustainable collections, such as the Sustainable Soles project and the Green Carpet Challenge. It is debatable though if to call the latter two projects and H&M Conscious collections as just sustainable because of the use of animal skins. Having a gathered collection and department for sustainable fashion, like H&M, is probably a good initial strategy for a brand planning to integrate sustainable fashion in the brand, i.e. to gradually integrate sustainable collections to the whole brand. For Stella McCartney, sustainability is perceived to be so close to the brand identity that having sustainable collections throughout the whole brand is somewhat expected. For Gucci, with leather goods deeply associated to the brand identity, it could be a harder challenge to truly offer sustainable fashion if leather goods are not perceived as sustainable. A recommendation would be to create a strategy like H&M, to gradually involve sustainable fashion in the collections together with educational initiatives and observe how the market responds to it.

As founded in the theoretical and empirical research, the environmental impacts take place in many parts across the supply chain, e.g. raw material acquisition, through suppliers, within the organisation itself, third part companies, the customers etc. In some cases it may be easiest to start with the company itself, to evaluate what is the state-of-mind inside the organisation and how it is possible to improve this mind-set of the people on a company level. For example, the consumption of bottled water is especially high in Italy even though the country has a fully acceptable tap water system. Here is the point where the mind-set of the people needs to change, but it can be hard when it is so routed in the culture and habits of the inhabitants. It could be a matter of providing the right tools to the people. Even if many initiatives need to come from society systems, e.g. Sweden's bottle refund system, some initiatives could come from within the organisations. But it is also a matter of what is perceived as trendy and not. Recycling bottles are generally accepted among people in Sweden as something important for the common good and so people have adopted the routine in their daily lives. In Italy, however, it is believed to be affecting the personal image negatively with the risk of being perceived as "cheap". An idea would be to provide employees with refillable bottles and water stations of tap water in the offices. If introduced to the market with the right efforts, a bottle like this may be considered as something trendy, cool and desirable instead. Like the vintage trend in the fashion market, nowadays it is considered trendy to buy second hand, which was not the case only a few years ago. A representative of a company producing reusable bottles made of environmentally friendly glass said once, regarding who were the competitors of the brand, that: "we are primarily competing with the mind-set of the customers". Again this proves how complex matter it is, and changing people's mind-sets can be the hardest challenge of them all.

It might have been interesting to study brands that had a visibly poor support of sustainability, but a) that kind of information would be quite hard to acquire, and b) it is believed to be of higher value to study companies who addresses sustainable practices as these brands can contribute with inspiration in the path of finding a good strategy of sustainability. H&M has certainly learned from the challenges of the transparency in operational choices, especially when these choices do not match the expectations of the surroundings. The brand has repeatedly been accused of scandals as child labour and overall poor working conditions in its supply chain (TV4 2014). Ever since, the company has made enormous improvements through initiatives across the operations regarding both environmental and social impacts. H&M is a winner of numerous sustainability awards even though it is not in the core value of the brand, i.e. "fashion and quality at the best price" does not directly communicate sustainability.

After some discussions with colleagues it was understood that eco-fashion was perceived as just a subset of the sustainability concept that is more material oriented and related to finding different alternatives of materials. In eco-fashion, quality of the product could be compromised which is not the case for sustainable fashion. Sustainable fashion has a wider scope involving not only the choice of materials but also people, processes and eco-systems and makes a stronger promise of high quality.

The success of the eco-trend in the food sector is probably due to the change of meaning of ecological food perceived by customers in the market. Back in the days, eco-food might not have been considered as very different from other alternatives on the food shelves apart from the prices. Nowadays however, it is perceived as trendy to eat ecological and also possibly due to the raising awareness of pesticides etc. With higher demand, the products could be available at lower prices, which has a significant impact as well. But again, it has to be the mind-set and perception of the concept of sustainability that has to expand into the fashion business among not only the employees within the companies as discussed before but also the perception of the market as a whole.

One of the conclusions of the thesis' research was the need to develop new *trustful* ways of offering a sustainable value to its products. In the end the offer needs to be adopted by the customer and perceived as something valuable and desirable. If a brand donates X billion euros to a humanitarian organisation, it may not reach the customer as the grand cause it is. After a discussion with colleagues, the importance of time was mentioned. Time is the most valuable thing one could have, and someone spending its time on an e.g. humanitarian cause may be perceived more valuable than a number of zeros towards a customer. For an organisation sending managers to do a week's voluntary work could be considered as more appreciated by the customers. But on the other hand, if evaluating from the perspective of which action that would have the greatest impact, if the goal were to truly support a good cause, then maybe donations to organisations that has the expertise of the concerned areas may be the best alternative. For many brands however, it is probably a matter of what is considered as the best efforts in the eyes of the customers.

For the future of fashion, sustainable choices will have to be an available alternative for customers. The design needs to be satisfactory and stylish, companies need to create trust by showing transparent and honest actions throughout the supply chains, research in new technologies are required and for the customers, knowledge needs to be provided and the meaning of sustainable fashion has to change. The new meaning of buying sustainable

fashion will have to be perceived as desirable and to be related to how products and services in this sector are doing good for the customer, overall societies and the whole planet.

## 7.1 Future research

Sustainability is, as mentioned several times in this thesis, a fairly new topic in the fashion industry. As the awareness grows in the industry, demands will most likely follow. Keeping track of ever-changing customer values and developing activities in how to influence behaviours by contribute to a good knowledge base in the market will be of high importance. The author encourages further research in additional case companies as to determine key success factors in achieving a successful sustainable strategy in the industry. This master thesis has had a main focus of environmental and social impacts, but as corporations often have a financial interest as well, a future research more focused on economical impacts, profits and benefits would be relevant. For luxury brands, a further research of the markets of developing economies as the BRICS countries would be of interest as these economies may make up a big part of the industry in the future. A last suggestion of future research would be to map the path of sustainability in sectors like the food industry, and compare the outcome with possible outcomes of the fashion industry.

## 7.2 Academic contribution

Sustainability is a hot topic of research within different research fields, usually studied only through *one* perspective. This master thesis has had another approach: to study the sustainability concept from a *holistic* point of view. The ambition has been to integrate the business ethics perspective with the supply chain management perspective, as illustrated in the theoretical framework of chapter three.

## 7.3 General contribution

The phenomena sustainability can be observed within other industry contexts where the brand image and product value have great impacts on personal value, which is clear in the fashion industry by this thesis. One can expect that there will be forthcoming industries in the consumer market, e.g. for electronics, where – as the case of the fashion industry – the product is representing more than just the initial function. Sustainability can in that sense effect personal image and be considered as an important attribute of value.

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Bergkamp, Claire: Sustainability Manager, Stella McCartney, 2014-12-16

# Appendix

## Mystery Shopping

### In-store evaluation of sustainability – mystery shopping

**STORE:** H&M | STELLA MCCARTNEY |  
GUCCI

#### **LABELS**

Does the store communicate anything connected to sustainability on the labels?

YES | NO

Do the labels have a Clevercare symbol?

YES | NO

#### **COMMUNICATIONS**

Are any documents displayed, e.g. certifications, on the walls?  
(around the entrance, cash desk)

YES | NO

Are any communications displayed about recycling?

YES | NO HOW:

#### **SALES PERSONNEL**

Do the sales personnel know if the garment is of sustainable material?

YES | NO

Did the sales personnel tell you about any actions the store takes?

YES | NO HOW:

Did the sales personnel look uncomfortable when asking about sustainability?

YES | NO

Did the sales personnel seem to know about sustainable practices?

YES | NO

#### **OTHER**

Does the store have brochures about sustainability?

YES | NO ABOUT:



## Customer Survey

# SUSTAINABILITY IN THE FASHION INDUSTRY

**Gender:** Male | Female

**Age:** 0-25 | 26-50 | 50-

**Origin:** Africa | Asia | Europe | North America | Oceania | South America

**State three things that come to your mind about sustainable fashion?**

- .....
- .....
- .....

**BEFORE MOVING ON TO QUESTION NO. 3, READ THE DEFINITION OF SUSTAINABLE FASHION ON THE LAST PAGE**

**What would be the main purpose for you to buy sustainable fashion?**

- Enhance my quality of life
- Support protection of the environment
- Supporting good working conditions
- For my own conscious
- Other:

**What would be the reason of why you would NOT buy sustainable fashion?**

- Not stylish
- Expensive
- I don't care about sustainable fashion
- Other:

**If two identical t-shirts were side-by-side, one was organic and one was not, would you have a preference to buy the organic one, even if it was marginally more expensive?**

- YES
- NO

**Do you think that selling products of precious skin, e.g. crocodile and python, counts as being unsustainable?**

- YES
- NO

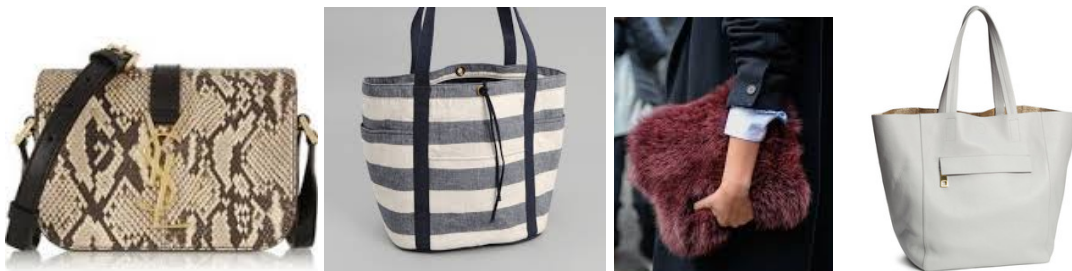
**Which bag of the following four bags do you prefer? (make a circle around that ONE picture)**



- **Bag number one** is made of python that means that several python snakes have been killed for the purpose of producing this bag
- The same applies **for bag number three** – the red bag made of faux
- **The second bag** is made of cotton that could require a big amount of water and harmful pesticides in order to grow the cotton.
- **The fourth bag** is made of organic leather of a lower-price brand from animals that were bred for meat production.

**Again, after being provided with this information, choose which bag you prefer.**

(That is, would you stay with your previous choice or did the additional information change your opinion? Would you really choose another bag?)



Which picture affects you the most? (make a circle around that ONE picture)



**What is most important for you to focus on among the following matters?**

- Animal cruelty
- Bad working conditions
- Children work
- Negative environmental impacts

**What would you prefer a higher price of sustainable fashion would support of the following:**

- Higher salaries for workers
- Decrease the environmental impacts the production of the item will contribute with
- For each pair of shoes you buy you will give a child of abject poverty with a pair of shoes as well
- Higher protection for wild crocodiles
- Other:

**What do you do with clothes that you no longer use?**

- Throw them in the bin
- Give them to friends
- Give them to charity
- Sell them
- Make them into something new
- Other:

**Would you call the following companies sustainable?**

- |                    |     |  |    |      |
|--------------------|-----|--|----|------|
| • H&M              | YES |  | NO | Why: |
| • Stella McCartney | YES |  | NO | Why: |
| • Gucci            | YES |  | NO | Why: |

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**DEFINITION:** Sustainable fashion is...

...**fashionable** clothes that incorporate **fair trade principles** with **sweatshop-free** labour conditions while **not harming the environment** or **workers** by using **biodegradable** and **organic cotton** and is designed for a **longer lifetime** use

**THANK YOU VERY MUCH FOR YOUR CONTRIBUTION!**

## Interview guide – ACIMIT

What is your position in ACIMIT, how long have you been doing this and what are your work tasks?

What would you say the most important task ACIMIT has?

Could you tell me about the Sustainable Technologies project? What inspired you etc.?

What were the criteria you looked for when gathering the members?

Who buys your products and who uses them?

Why do you think primary this is of interest for companies? *Economical, goodwill, customer demands etc.*

Do you think the information that a company uses this sustainable technology reaches the customer?

What has been the response of the project so far among your suppliers and customers?

How widely spread is the use of the technologies? Only in Italy or worldwide?

# Interview guide – Gucci

## Background of interviewee

**What is your position in Gucci, how long have you been doing this and what are your work tasks?**

**When was CSR & Sustainability Department created in Gucci?**

## Defining sustainability

**What is sustainability for you?**

## Sustainability in practice

**What are Gucci's most important sustainability efforts?**

**Which efforts and areas do you think will have the biggest impacts in contributing to a more sustainable industry? *No matter if the company has the resources to do this or not.***

**What are the main obstacles/risks for brands to invest in sustainable practices?**

## Communicating sustainability

**What are**

**a) the best and**

**b) the most common**

**communication channels where you most efficiently can communicate the sustainable efforts a fashion brand is doing to different stakeholders?**

**Why is not the information of Sustainability document you sent to me in advance communicated on Gucci's website?**

**In your Sustainability document you say that you are committed to the National Italian Fashion Manifesto where #9 is EDUCATION (promote ethics and sustainability with consumers and all others involved). How can you do that?**

### Customer values

**What do you think is the most important thing for the customer today regarding sustainability? *Areas most concerned of.***

**It is said that it exists an attitude-behaviour gap in customers' statements versus actual behaviour, why do you think that is? How should the fashion industry react to this?**

**Do you think offering leather goods and precious skin will be a problem because of future values of the customers? How can you offer alternatives in the future?**

### Securing a sustainable supply chain

**How do you secure a sustainable supply chain?**

### Sustainability in the product life cycle

**In your Sustainability document, you say that Gucci's San Francisco store was LEED certified – based on what actions did it earn this certification?**

**In your Sustainability document, you say Gucci has “instated its own program of eco-friendly initiatives to reduce environmental impacts” – who are involved in this program (top mgmt., store employees)? How does it work? How is it followed-up?**

**What is your take on recycling and reusing of materials? What can you do better? Can you integrate it in the store in some way? Involve the customers?**

### Strategic issues

**Regarding innovative strategies for Sustainability, what initiatives/researches do you do to find new ways of executing activities within the organisation?**

**How much freedom do you have in deciding your strategies? How much is fixed from above (top mgmt./Kering)?**

**When do you think sustainable fashion will be a noticeable trend in the fashion market? What does the future looks like? What will it take to get there?**

# Interview guide – Stella McCartney

## Background of interviewee

**What is your position in Stella McCartney, how long have you been doing this and what are your work tasks?**

## Defining sustainability

**What is sustainability for you?**

## Sustainability in practice

**What are Stella McCartney's most important sustainability efforts?**

**Which efforts and areas do you think will have the biggest impacts in contributing to a more sustainable industry? *No matter if the company has the resources to do this or not.***

**What are the main obstacles/risks for brands to invest in sustainable practices?**

## Communicating sustainability

**What are**

**a) the best and**

**b) the most common**

**communication channels where you most efficiently can communicate the sustainable efforts a fashion brand is doing to different stakeholders?**

## Customer values

**What do you think is the most important thing for the customer today regarding sustainability? *Areas most concerned of.***

**It is said that it exists an attitude-behavior gap in customers' statements versus actual behavior, why do you think that is? How should the fashion industry react to this?**



Securing a sustainable supply chain

**How do you secure a sustainable supply chain?**

Sustainability in the product life cycle

**What is your take on recycling and reusing of materials?**

Strategic issues

**When do you think sustainable fashion will be a noticeable trend in the fashion market? What does the future looks like? What will it take to get there?**