



# From source to shelf

Creating sustainable  
fashion for the future

Version 1.0



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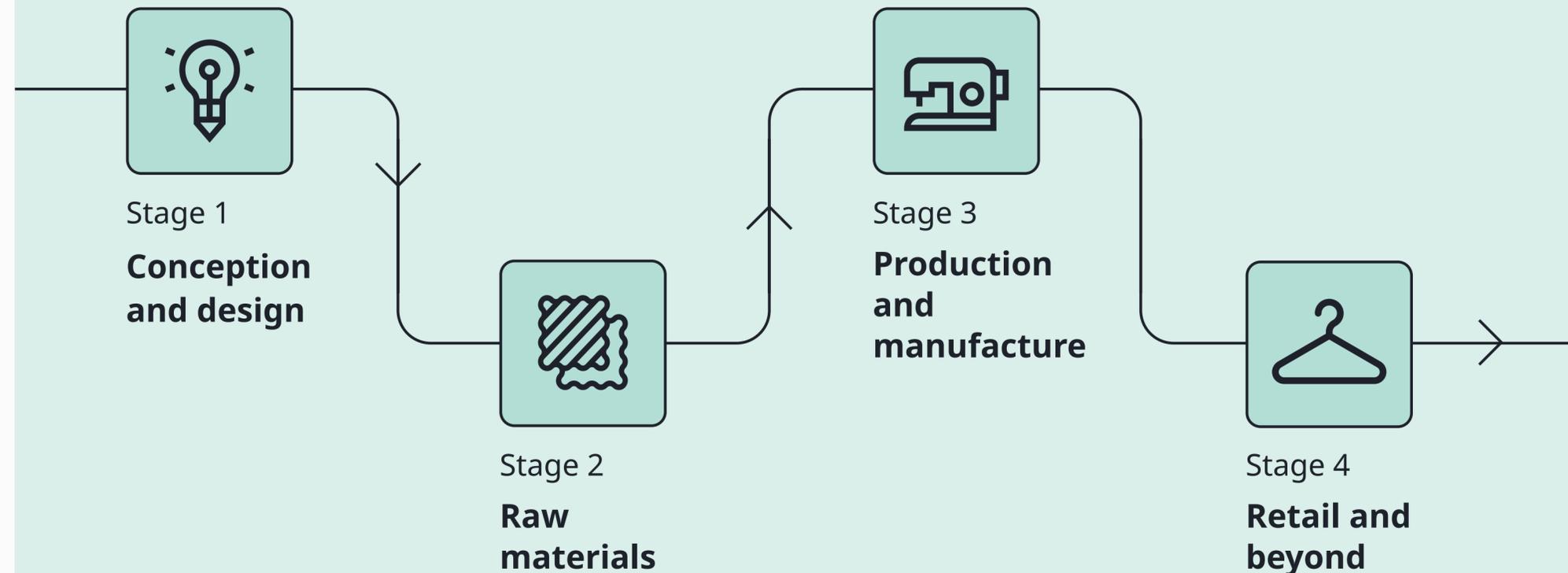
# Introduction

An exploration of the opportunities for luxury fashion brands to create sustainable operations and business practices, the obstacles and how they can be overcome.

## Key highlights

- The luxury and affordable fashion and footwear industry has a powerful opportunity to build sustainable business practices throughout operations – from source to shelf, and beyond.
- Fashion brands have long been interested in sustainability, and customers increasingly want the companies they buy from to be ‘doing the right thing’. More than two-thirds of people say they would be willing to spend more on sustainable clothing.<sup>1</sup>
- There are many opportunities for brands to achieve sustainability wins at every stage, with smart business practices key.

## From source to shelf journey



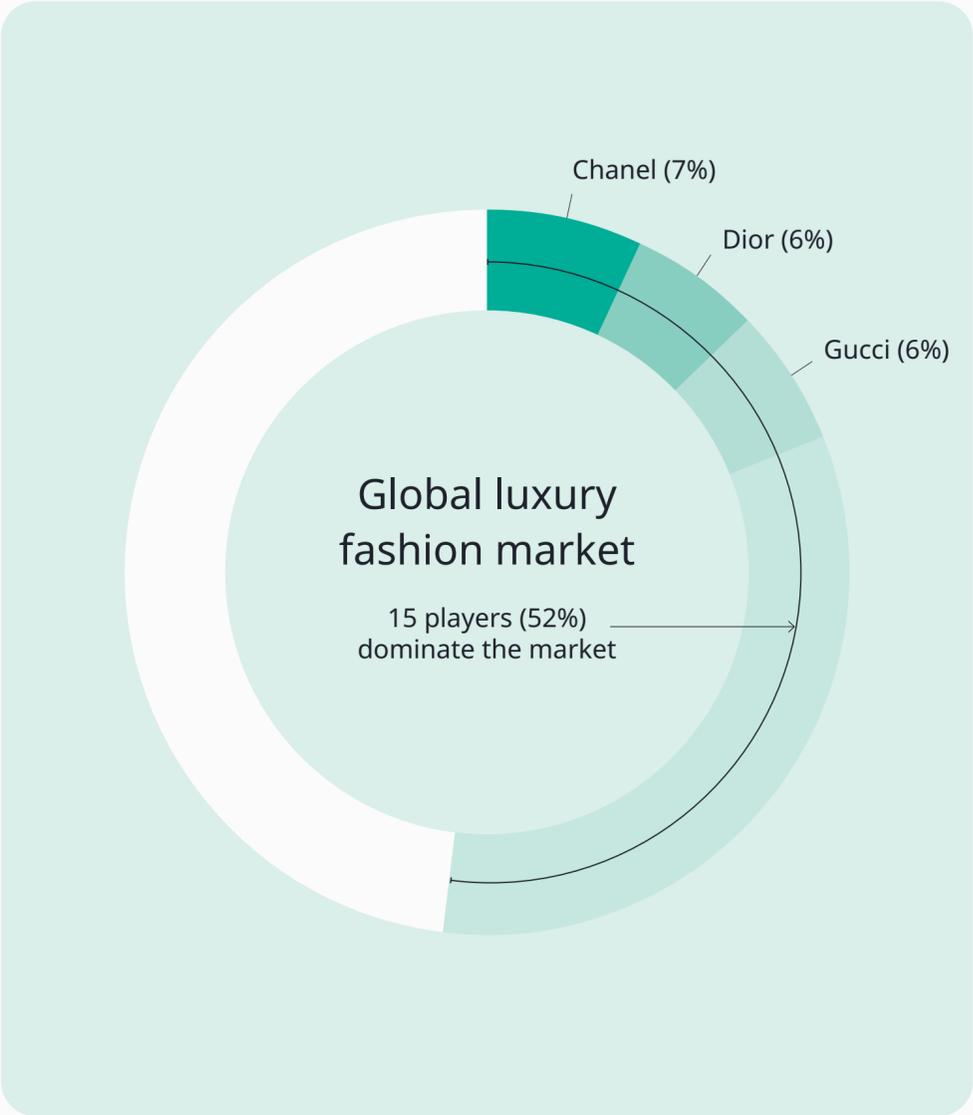
# An overview of the market

The global luxury fashion market – comprising apparel and footwear – is expected to achieve revenue of US\$115.90 billion in 2024, and by 2028, it's forecast to hit US\$131.67 billion.<sup>2</sup>

It's a sector that's dominated by 15 major players, who account for 52% of the market, with Chanel (7%), Dior (6%) and Gucci (6%) leading the way<sup>3</sup>, and a plethora of brands striving to broaden their market share, including high-quality players in the 'affordable luxury' category.

It's a market that's traditionally been typified by elegance, high quality, craftsmanship and timelessness. All that remains the case, but consumer attitudes and demands are evolving.

This creates opportunities for luxury fashion and affordable luxury to capture new markets, as well as to gain market share from competitors that aren't as attuned to market demands.



It's no secret that when it comes to sustainability and generally 'doing the right thing', consumers are asking for more from brands in all sectors. That sentiment means that brands that are prepared to make the much-needed changes have a great opportunity to find ready markets – now and increasingly into the future.

Research has found that two-thirds of people seek out sustainability claims when purchasing goods<sup>4</sup>, while GenZ and Millennial customers are 27% more likely than older generations to purchase from a brand that cares about its impact on people and the planet<sup>5</sup>. Further research shows that brands that are 'highly trusted' by consumers outperform others by up to 400%<sup>6</sup>.



Of GenZ and Millennial customers are 27% more likely than older generations to purchase from a brand that cares about its impact on people and the planet<sup>5</sup>

Almost two-thirds of people, meanwhile, say they consider a company's social or environmental purpose when making purchasing decisions<sup>7</sup>, and would abandon a product or business acting inconsistently with its purpose<sup>8</sup>.

This is powerful because the fashion industry is a major contributor to water pollution, air pollution, and soil contamination from using toxic chemicals in textile production, dyeing processes, and waste disposal<sup>9</sup>.

The industry is also a major contributor to greenhouse gas emissions (GHG), primarily due to energy-intensive manufacturing processes, transportation of goods, the disposal of clothing items, and packaging. Animal welfare, child labor, and the payment of fair wages are also issues here.

Data suggests the fashion industry contributes 10% of all GHG emissions – more than the aviation and shipping industries combined<sup>10</sup>.

Reports state that the fashion industry's "basis in unsustainable patterns of consumption and production is contributing directly and significantly to the triple planetary crisis of climate change, nature and biodiversity loss, and pollution and waste"<sup>11</sup>.

In taking steps to accelerate progress towards a sustainable model, significant opportunities exist for brands that establish demonstrably sustainable practices in the production of luxury fashion, winning consumer confidence and meeting environment, social and governance (ESG) goals without compromising quality.

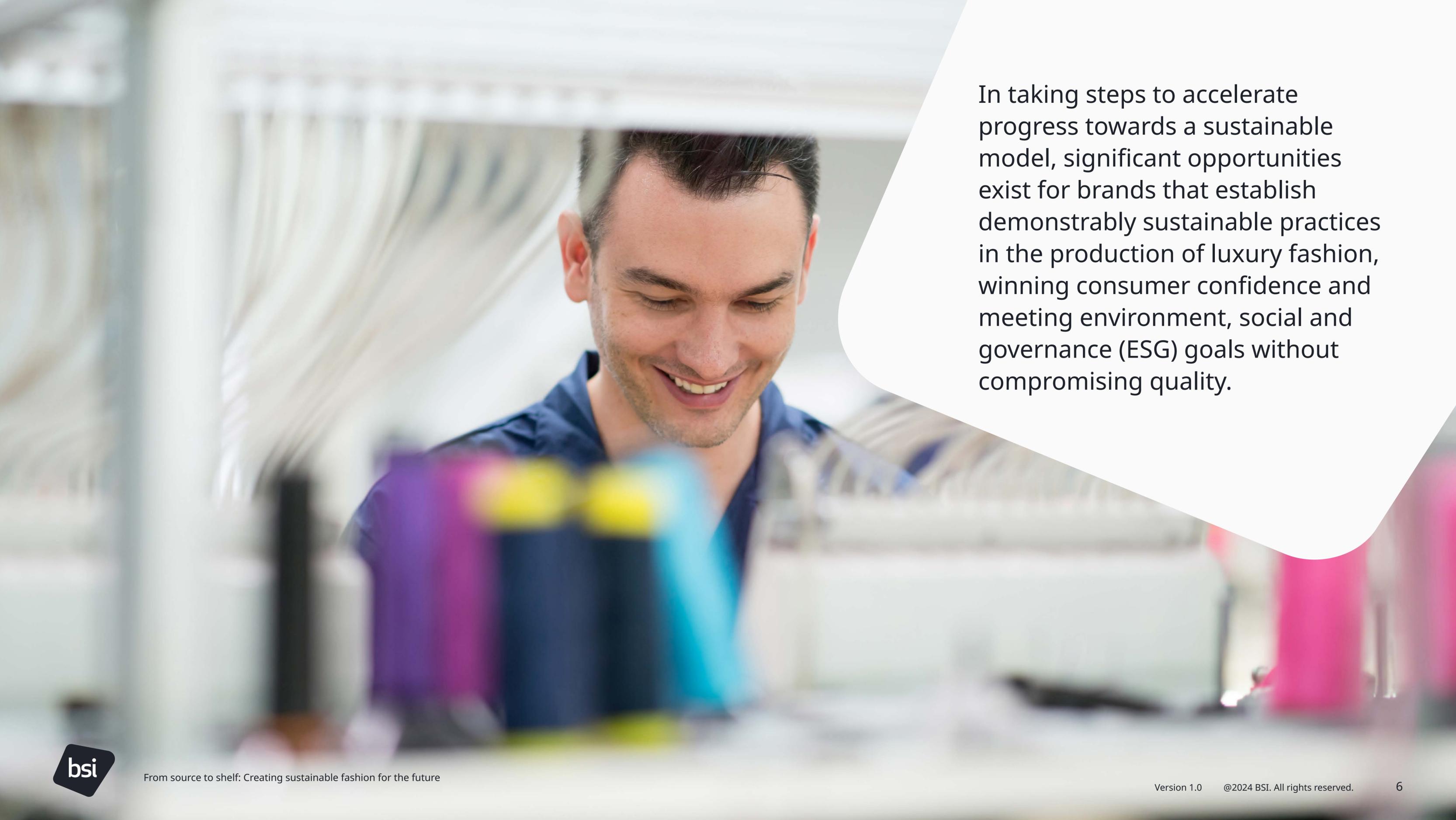
## Fashion's relationship with sustainability

Consumer awareness of sustainability issues in fashion is certainly nothing new. The concept of sustainable fashion emerged in the late 1960s, and its importance was elevated with the anti-fur campaigns of the 1980s and 1990s.

Today, sustainability encompasses a wide range of touchpoints, including emissions reduction, fair working conditions, water usage management, chemical management, use of organic and environmentally friendly materials and packaging, local sourcing where possible, proper use of certification, resale platforms and traceability. Addressing all of these can combine to create a brand perception – and trust in that brand – that is increasingly vital.



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In taking steps to accelerate progress towards a sustainable model, significant opportunities exist for brands that establish demonstrably sustainable practices in the production of luxury fashion, winning consumer confidence and meeting environment, social and governance (ESG) goals without compromising quality.

While some luxury fashion brands have moved slowly on this, there are many shining examples of luxury fashion brands leading the way on sustainability and ESG.

Stella McCartney, for example, was the only brand from the whole fashion sector to attend COP26 in Glasgow, and in line with its 'net-zero by 2040' goal, its strategy has reduced operational emissions by 76% and increased its sites running on renewables to 68%<sup>12</sup>.

Vivienne Westwood – which has a brand manifesto that states 'buy less, choose well, make it last' – prioritizes responsible sourcing of materials and also regenerative agriculture and, in a recent collection, 95% of the cotton used was organic, recycled or from farms using regenerative agriculture practices<sup>13</sup>.

Chanel's Chanel Mission 1.5 details the business's approach to sustainability and was one of the first to issue Sustainability-Linked Bonds, while Burberry has pledged to use 100% certified organic cotton by 2025.

There is still further progress to make. There have been industry-wide suggestions of greenwashing (defined by the UN as misleading the public to believe that a company or other entity is doing more to protect the environment than it is), with a 2021 report that analyzed the sustainability claims made by 12 brands finding that 60% didn't stand up to scrutiny<sup>14</sup>, while BSI research by Burson showed 70% of people globally are conscious of businesses making misleading environmental claims.

While there have undoubtedly been some strong sustainability initiatives in the luxury fashion sector, the Fashion Transparency Index, which measures brands' transparency on ESG matters, demonstrates there is plenty of opportunity for luxury brands to improve.

For example, the Index reveals only 1% of major fashion brands disclose the number of workers in their supply chain who are being paid a living wage<sup>15</sup>, and only 12% of brands publish a responsible purchasing code of conduct<sup>16</sup>.

Transparency on supply chains is incredibly low. While more than half (52%) of brands disclose their first-tier supply chain list, 45% of those disclosures reveal little to nothing<sup>17</sup>. And, as we have heard, the industry is a major contributor to GHG emissions, primarily due to energy-intensive manufacturing processes, transportation of goods, the disposal of clothing items, and packaging.

All this is not to deny that progress is being made. Instead, it's that the ability to verify and substantiate sustainability claims is essential and will become ever more important as consumer demands and shareholder expectations increase.

Research by BSI and Burson shows that three-quarters of people say they're more likely to trust a business's environmental claims if they can provide evidence, verification and/or certification to validate the claims<sup>18</sup>.



Stella McCartney, has increased its sites running on renewables to 68%<sup>12</sup>.

In addition, brands are operating in an increasingly regulated market, with the EU leading the way, including via the Ecodesign for Sustainable Products Regulation, introducing Digital Product Passports (DPP), the proposal for a 'green claims' Directive (protecting consumers from greenwashing), and the EU Deforestation Regulation (EUDR).

However, while adherence to regulations and individual initiatives undertaken by organizations should be rightfully applauded, considering sustainability across the whole business and lifecycle – from source to shelf – goes a step further.

By identifying and understanding the upstream and downstream sustainability footprint of a product, from source to shelf, design to disposal – including understanding how AI can impact throughout – luxury fashion brands have the opportunity to create a sustainable business that stands up to consumer scrutiny, creates desirable products, and sets a new ESG benchmark in the sector.



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From source to  
shelf journey



# Conception and design



Creating next season's must-have pieces, apparel and footwear that will provoke consumer desire while attracting positive press coverage – and leading to strong profitability – is a challenge in equal parts art and science.

Numerous functions play a role in that process. Designers research, seek inspiration and conceptualize, often going beyond what is often initially deemed possible.

Those visions are then brought to life by hand, samples reviewed and products selected. And then the products are put into production. Materials are sourced and the new season's collection is created – often alongside some timeless classics that have lasted the course due to both their popularity and profitability.

For fashion brands, design is the key part of the source-to-shelf process – and the question to ask is this:

“How much consideration is given to the environmental, social, and economic impact of an individual garment at the beginning of the design process?”

For many luxury fashion brands, sustainability may start after the design process. However, significant opportunities exist for the design function to embed sustainability into everyday work. From concept development and material selection to designing for longevity, durability, and versatility, there are numerous opportunities to create a positive ripple effect throughout the organization.

Key to this is understanding the sustainability aspect of different elements of the design process – with transparency in every detail.

While the disposable nature of fast fashion – and the sustainability issues inherent within that – isn't an issue for luxury and affordable luxury brands, slow fashion is important here. Quality, timeless, season-transcending items that simply don't go 'out' of fashion have greater longevity. The concept plays directly into the circular economy, a system where materials never become waste and nature is regenerated.

When creating new pieces – or evolving classics – there's a huge opportunity to look beyond the normal. There's a raft of innovative, sustainable raw materials that can be utilized ahead of more traditional, less sustainable products, and considering different options can help enhance the offer and elevate the brand, too.

From source to  
shelf journey



Stage 2

# Raw materials



Leather, silk, cashmere, fur and conventional cotton have been among the long-term staples of the luxury fashion industry, and – with the notable exception of real fur – these materials are still widely used. And yet many are associated with challenges such as pollution, soil contamination, emissions and supply chain transparency.

Over the past couple of decades, alternative materials have increasingly emerged, with brands exploring how to evolve sustainably. [Prada's Re-Nylon project](#) is just one example.

There is, of course, a fine balance to hit. After all, meeting customer demand and remaining profitable is the primary driver for every business, and concerns have been raised about [imminent global shortages of sustainable raw materials](#). Brands are being called to invest in sustainable materials and incentivize suppliers to change their operations, working towards net-zero and meeting scope 3 emissions targets.

Wherever you operate in the chain, understanding where those opportunities for change lie is crucial.

The producers and suppliers that luxury brands work with need to be able to demonstrate that every aspect of their operation is ethical, which is why it's essential for businesses supplying the luxury fashion sector to achieve independent verification. After all, future-facing luxury brands want to maintain positive reputations – while also acting sustainably.

### **Farming hot spots include:**

- water pollution
- air pollution
- water management
- chemical usage
- soil contamination
- waste disposal
- GHG emissions
- animal welfare
- child labor, modern-day slavery and human rights
- exploitation
- health and safety

# The raw opportunities

Cotton and synthetics (mainly polyester) account for 86% of the global fashion industry's production<sup>19</sup>, while leather is a staple luxury material. Here, we explore some of the common impacts associated with the creation of fashion's key raw materials.

## Cotton

Cotton is the world's most valuable non-food agricultural product, and by 2028 it is forecast that 29 million tonnes of cotton will be produced each year<sup>20</sup>. That's the equivalent of 29 t-shirts for everyone in the world every year.

Five countries – India, China, US, Brazil and Pakistan – produce 75% of the world's cotton. However, the vast majority of that cotton is 'conventionally made' – that is, using significant amounts of pesticides (US\$3.3 billion of chemicals are sprayed on cotton crops each year) and fresh water (1kg of cotton fibre-intensive production requires 7103 litres of water) – while child labor and modern slavery are widespread<sup>22</sup>.

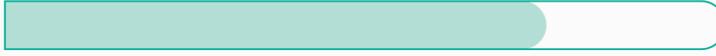


## Switching to organic cotton production

At present, less than 1% of global cotton is organic, and just 27% of production comes from programs recognized by the 2025 Sustainable Cotton Challenge<sup>23</sup>.

While supply and demand issues are prevalent here, cost is a key barrier to entry for many fashion brands, with organic cotton costing more than double the price of conventional cotton.

The willingness to pay more for luxury, however, makes organic cotton an area in which luxury fashion brands may have an edge. There are significant sustainability benefits to this, including 91% lower water consumption, 62% lower energy demand, no use of synthetic chemicals, 46% lower CO2 emissions and 26% lower soil erosion<sup>24</sup>.

75% 

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## Synthetics

Materials that fall under the synthetic fabrics and fibers label (primarily polyester but also nylon, acrylic, polypropylene and elastane) may not be immediately synonymous with luxury fashion. However, they are used strategically to push design performance boundaries, either on their own or as part of a blend with natural fibers. The production of synthetics relies on fossil fuel derivative products, and energy requirements are high. For example, polyester fiber production requires 125 MJ/kg of fiber and generates a CO2 emission of 9.52kg per ton of polyester fiber. In addition, noise and air pollution are both risks, as are occupational health and safety breaches.

To help mitigate these impacts, brands can assess the energy efficiency of the production processes their suppliers use, and explore using environmentally friendly alternatives – for example, recycled polyester or bio-based synthetics derived from renewable resources. Synthetic silk, however, could be a preferable option – Stella McCartney uses synthetic silks in its collections.

“To achieve this, design and creation decisions need to be made with sustainability in mind. Sustainable materials, such as organic cotton, recycled polyester, and plant-based alternatives like TENCEL™, bamboo and hemp, need to be considered as viable alternatives.”

## Leather

Leather production can bring with it a range of challenges – which in turn are opportunities to develop and prove environmental credentials. Challenges include the use of hazardous chemicals, water and wastewater; issues around animal welfare and solid waste, including animal hair, flesh, skins; worker health and safety; child labor and the payment of fair wages.

While faux leather is increasing in popularity, real leather is still very much in demand. The global leather goods market was valued at US\$394.12 billion in 2021, and is expected to reach US\$405.28 billion by 2030<sup>25</sup>. In contrast, the vegan leather segment was valued at US\$16.61 billion in 2022<sup>26</sup>.

Many of the world's biggest luxury labels have stopped using real animal leather to some degree – it's no longer used in Vivienne Westwood's ready-to-wear collections, for example. Exploring alternatives is important here. The Stella McCartney brand uses vegan leather alternatives in its footwear, and back in 2017 launched the world's first luxury bag made from mushroom-based leather alternative mycelium. Vivienne Westwood uses innovative material alternatives instead of real leather, including recycled polyester, partially or fully bio-based PU leather, and reportedly continues to explore alternative materials such as cactus leather and apple leather.



Silk farming – sericulture – accounts for more than 60% of global silk production.

## Wool

Wool is a luxury and affordable luxury staple and remains a popular product, with the global wool market valued at US\$38.97 billion in 2024 and expected to reach US\$45.61 billion in 2029<sup>27</sup>. Cashmere from cashmere goats, and mohair from Angora goats remain popular.

While wool is renewable and biodegradable, there are land use, water consumption and GHG emissions to consider, reinforcing the need to consider the full impact of the use of any particular material.

## Silk

Silk is another material synonymous with luxury, and the market is expected to reach US\$34.1 billion by 2031<sup>28</sup>. Silk farming – sericulture – is an important industry in China and India, and it accounts for more than 60% of global silk production<sup>29</sup>.

The four biggest silk-producing countries, however, are reported by the Global Slavery Index to be associated with high modern slavery risks<sup>30</sup>.

Traditionally, silk is produced by boiling or steaming silkworms alive inside their cocoons. The production of silk requires energy-intensive processes, and to make one kilogram of silk, 187kg of mulberry leaves are needed to feed silkworms and as many as 5500 silkworms are killed<sup>31</sup>. Annually, between 420 billion to 1 trillion silkworms are killed for silk production<sup>32</sup>.

Organic silk, which uses environmentally friendly practices and minimizes chemical use, reduces water consumption and promotes ecosystem health while minimizing harm to silkworms<sup>33</sup>.

For brands, the opportunity exists to explore alternatives to silk, which include bamboo-derived fibers as well as plant-based silk proteins.

## Linen

An increasingly popular eco-friendly choice, linen requires less water and pesticides than cotton and is biodegradable. It's still a relatively small market, valued at US\$719.3 million in 2021 and forecast to reach US\$2169.47 million in 2031<sup>34</sup>, but there is clear opportunity for the luxury sector to expand its use and in doing so, meet sustainability goals.

## Path to the future

For luxury fashion brands, understanding where materials come from and the impact their production has on the environment, people and animals is hugely important.

From there, basing design and sourcing decisions accordingly presents a significant opportunity to accelerate progress towards a fair society and a sustainable world, deliver strong ESG outcomes and demonstrate eco-credentials to current and potential customers.

To achieve this, design and creation decisions need to be made with sustainability in mind. Sustainable materials, such as organic cotton, recycled polyester, and plant-based alternatives like TENCEL™, bamboo and hemp, need to be considered as viable alternatives.

These materials require fewer resources and have lower environmental footprints compared to traditional textiles. The opportunity to drive progress here is shared by those creating materials and those buying them – be that directly or indirectly. Buyers for luxury brands have an opportunity to seek out businesses operating ethically and responsibly.

Collaboration with the supply chain is crucial. By identifying and understanding the hot spots within your own supply chain and putting measures – and measurement frameworks – in place to reach certain standards, your organization can have the confidence and the authentication to work with the best partners around – whether that's suppliers and manufacturers, or the final-end customer.

From source to  
shelf journey



# Production and manufacture



Once the material has been chosen and sourced, it moves into production. The global clothing manufacturing industry employs around nine million people across 293,000 businesses<sup>35</sup>, with China (50%+), Bangladesh (16%), Vietnam (6.4%), India (4%), Turkey (3.8%) and Italy (3.2%) the dominant countries<sup>36</sup>.

The clothing manufacturing industry is one of the most labor-intensive industries, as demonstrated by the nine million people working within it.

While the creation of a strong labor market offers the opportunity for economic prosperity, there are still considerations here. Given the global span of manufacturers, social issues are challenging for brands to get transparency and visibility on.

Transparency is essential here, and for that transparency to be achieved, two things need to happen: brands have to demand it, and manufacturers have to be proactive about achieving it.



The reality is that child labor, slavery, poor wages, long working hours, and substandard occupational health and safety are a feature of global clothing manufacturing, and there's a moral and business obligation to ensure your brand addresses the risk of modern slavery, including prevention, mitigation and reporting.

In addition, there are environmental considerations too. The solid waste created by some manufacturers – including textile scraps, unsold inventory, and discarded clothing items – contributes to landfill overflow and environmental degradation.

Manufacturing processes within the supply chain are important to consider, too. For example, in cotton cultivation and textile dyeing processes, the significant volumes of water used may lead to water scarcity in regions where production takes place.

Meanwhile, water usage is intensive in yarn and fabric production and is needed for preparation, dyeing, printing, and finishing.

Dozens of chemicals and dyestuffs used in textile production have the potential to harm the environment and humans – for example, carcinogenic dyes and poor biodegradable surfactants.

The processes used require significant energy, while wastewater, noise pollution and air pollution – as well as the packaging of finished products – are also key hot spots.

Of course, transportation is a consideration, too. Practically, materials and finished goods need to be transported around the world. However, there are more sustainable forms of transport. Opportunities exist to reduce shipping frequency, reduce the distance traveled, or use transport more efficiently.

17.2% 

To hit the target of limiting global warming to 1.5°C above pre-industrial levels by 2050, our decarbonization rate needs to be at 17.2%.

### Emissions from manufacturing

Decarbonization – the transition to a low-carbon economy by using energy sources that produce low levels of GHG emissions – is another key sustainability opportunity for luxury fashion brands. High emissions from the fashion sector may come from many different sources, including transportation, manufacturing and energy use, but brands can take a lead by exploring decarbonization solutions in their manufacturing plants.

To hit the target of limiting global warming to 1.5°C above pre-industrial levels by 2050, our decarbonization rate needs to be at 17.2% – in 2022, the world achieved a decarbonization rate of just 2.5%<sup>37</sup>.

Green lease agreements – commercial contracts that include clauses requiring that the parties fulfill certain ‘green’ obligations for the term of the contract – may help. Such clauses can include reducing GHGs, targeting net-zero objectives, and providing incentives to counterparties to achieve sustainability goals.

“It’s important to recognize that the global clothing manufacturing industry faces challenges related to working conditions, fair wages, and labour practices. Responsible brands have an opportunity to address these issues by focusing on ethical sourcing and worker well-being. By taking proactive steps to prevent and mitigate risks, companies can contribute to positive change in the industry.”

From source to shelf journey

 Stage 4

Retail and beyond



# Current position

For luxury fashion brands, retail – be that a brick-and-mortar store or online – is where the design, sourcing and manufacture face its litmus test. Will customers buy the new season's collections, and are the 'always on' classic pieces still as popular as they once were?

Partly, this is influenced by advertising and marketing – brand perception and reputation is often as important as the garment itself – and this area of luxury fashion is essential to get right. Today, reputation can also be about a brand's ESG record, with regulatory and media scrutiny increasing when it comes to such claims. By taking a leadership role on key issues, brands have the chance to proactively protect themselves from exposure to exaggerated or false claims or malpractice in their supply chains.



For example, the US and EU have recently adopted or proposed new rules requiring enhanced due diligence checks on supply chains to address human rights and environmental issues. The United States' Uyghur Forced Labor Prevention Act (UFLPA), Corporate Sustainability Due Diligence Directive (CSDDD) and the German Supply Chain Due Diligence Act (shortened to LkSG in German) have all either come into force or are being enacted to address a variety of ESG issues, including forced labor. Compliance, or even going above and beyond, can be a mark of distinction.

The rise and growth of the circular economy is important here, too – luxury brands are increasingly exploring ways in which the lifespan of garments can be extended, promoting a more sustainable approach to fashion consumption.

For luxury fashion brands that get this right, a huge opportunity awaits.

## Common sustainability challenges

When it comes to selling luxury fashion, there's a lot to consider, from retail spaces and employees to marketing and packaging.

Some of the sustainability challenges luxury brands face in this area include:

### **Greenwashing/bluwashing**

Greenwashing – misleading or deceptive representations about a company's sustainability, environmental or climate credentials – is a topic most brands today are aware of. The potential risks – the reputational and financial damage – are well understood. However, a recent report found that 60% of sustainability claims by European fashion giants are “unsubstantiated” and “misleading.”

Some businesses are hesitant to publicly state positive environmental impacts (greenhushing), which is understandable if they don't have independent verification to base claims on.

“By taking a leadership role on key issues, brands have the chance to proactively protect themselves from exposure to exaggerated or false claims or malpractice in their supply chains.”

To achieve that, the EU will ban:

- Generic environmental claims on products without proof.
- Claims that a product has a neutral, reduced or positive impact on the environment because the producer is offsetting emissions.
- Sustainability labels that are not based on approved certification schemes or established by public authorities.

A range of penalties and fines may be imposed on businesses that do not comply.

### **Emissions from retail outlets**

Using energy sources that produce low levels of GHGs is key in retail, where emissions may come from many different sources, including transportation, manufacturing and energy use in stores.

Green lease agreements – as discussed earlier – are also applicable in retail, too.



### Understanding – and proving – product origin

The luxury fashion supply chain contains many parties, which presents a significant risk. While you might know everything you need to know about your direct supplier, what about their suppliers? As you unpick the supply chain, new risks emerge.

Being able to identify and prove the origins of a product, from raw materials to retail, is increasingly essential for luxury fashion brands who need to be able to communicate this to customers and stakeholders, too.

### Improve traceability with blockchain

Given the complex nature of fashion's supply chain, traceability can be challenging. One possible solution is using blockchain-based traceability. It's something that's been proven in other sectors and is already used by some fashion brands to enable the consumer to inspect the sustainability and ethical credentials of an individual garment and verify a product's authenticity and ownership – which can help in luxury fashion's ongoing fight against counterfeit goods.

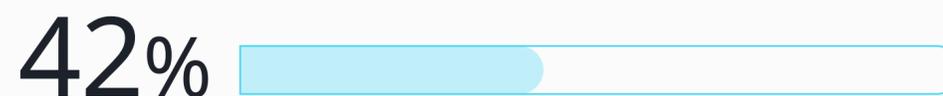
Essentially, information about a garment is recorded at each stage of the supply chain, and then locked before the next batch of information is added. This makes it practically impossible to alter information relating to that item, creating genuine transparency.

### Sustainable packaging opportunities

How products are presented is an important part of the customer experience, and yet apparel and footwear packaging is a significant contributor to waste, and studies have shown that 42% of consumers of all ages are attracted to brands that use recyclable and sustainable materials for packaging<sup>39</sup>.

Luxury fashion brands are advancing in this area. In 2020, Gucci's eco-friendly luxury packaging was made from paper certified by the Forest Stewardship Council and water-based, non-toxic inks for printing. Its recycled polyester bag handles were also made without glue.

Reversible outer boxes could be used for returns. They can be folded into different sizes and shapes to fit the product as closely as possible, reducing the amount of space required for transportation.



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Stella McCartney, meanwhile, has embraced compostable bio-based 'plastic' called TIPA that provides all the performance of conventional plastic but is also completely biodegradable, while Chanel, with US-based company Knoll, has created its own biodegradable and recyclable packaging out of bagasse, a waste product from the processing of sugarcane.

By sourcing sustainable, reusable and recyclable alternatives to traditional forms of packaging, brands can create an appealing brand extension while maintaining – if not elevating – brand perception.

## Path to the future

Opportunities for luxury fashion businesses to make a demonstrable difference in their retail, sales and marketing are plentiful. By identifying the areas of maximum opportunity, setting goals and taking measurable action, brands can set a new standard of luxury.

### **Embrace the circular economy**

In the context of luxury fashion, the circular economy keeps garments out of landfill through programs of rental, reuse or resale, which is important because, at present, the fashion industry loses about \$500 billion of value every year due to the lack of recycling and clothes that are thrown into landfill before ever being sold<sup>40</sup>.

For brands, the opportunities are significant – creating resale or rental platforms, either directly or through a thirdparty.

As well as directly reducing the number of garments destined for landfill, embracing the circular economy creates a measurable sustainability story and opens the brand up to people who may not have been able to access it otherwise.

Of course, this concept isn't a new one. Burberry's partnership with The RealReal has been online for more than five years, Alexander McQueen's partnership with Vestiaire Collective follows a similar path, while brands including Oscar de la Renta and Valentino sell 'vintage' items.

However, thinking about the circular economy as the last phase of the process is a common mistake that companies make.

Circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible, and the opportunity for brands is to minimize impact from design to end of life. A number of initiatives, including the Ellen MacArthur Foundation's The Fashion ReModel seek to create a circular economy in fashion.

# Final thoughts



# Redefining luxury

At its core, what is luxury fashion? Aside from the quality and desirability of the product, luxury comes from the inherent brand values, perception and appeal.

Increasingly, being a brand that is doing the right thing in every aspect of its operation is key to maintaining and growing that appeal.

Reaching true transparency across the whole of the luxury fashion chain, and reducing the environmental impact at every stage, is undeniably a major consideration.

For luxury fashion brands, however, embracing the source-to-shelf concept is a major opportunity to redefine what luxury is.

Luxury is no longer just about the elegance and quality of the final product – it is equally concerned with how the product came into being.



# How BSI can help

BSI can help brands in the luxury and affordable fashion industry identify opportunities to become more sustainable, creating and implementing frameworks, standards and best practices that provide guidance on a number of topics, including carbon neutrality, life cycle assessments (LCAs), GHG management, GHG verification and validation, water management, waste management and the circular economy.

We can also work with you on creating sustainable supply chains, including traceability, sustainable procurement, supply chain due diligence (including disclosure and reporting, supplier management, and risk assessment), and animal welfare, as well as complying with the new DPP regulations.

## **Digital Product Passport**

The DPP is a virtual label containing information including the product's origin, the materials used to create it, manufacturing processes and recyclability. By 2030, every product sold in the EU will need to have a DPP. BSI can help ensure compliance through a range of standards and best practices, including:

### **Environment**

\*Scope 1 and 2 GHG Accounting and Verification, Scope 3 GHG Management, Carbon Neutrality for Products, Water Management, ESG Reporting, Connect Climate (SaaS), Supplier Engagement (LCAs).

BSI has also worked with Positive Luxury, providing strategic advice and expertise in best practice and certification to create a revised framework for the Butterfly Mark Assessment.

## **Social**

- \* Client-owned Programs (Code of Conduct)
  - \* Industry Standards (SMETA, SA 8000, HIGG Index)
  - \* Disclosure and Reporting (Human Rights Due Diligence)
  - \* Supplier Improvement Programs
  - \* Connect SCREEN (SaaS)
- 
- Environment and net-zero
  - Scope 1 and 2 GHG Accounting and Verification (ISO 14064), Scope 3 GHG Management.
  - Carbon Neutrality for organizations and products (ISO 14068)
  - Water Management, ESG Reporting, Connect Climate (SaaS), Supplier Engagement (LCAs).

# References

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BSI Group  
389 Chiswick High Road  
London, W4 4AL  
United Kingdom  
+44 345 080 9000  
bsigroup.com