

APPAREL AND ACCESSORIES

Envisioning how luxury fashion becomes sustainable by 2030

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Positive Luxury and Bain imagine what a successful, sustainable luxury brand will look like in 2030. Image credit: Positive Luxury

By NORA HOWE

While a perfect world is not possible, leaders in luxury industries can begin working now to ensure that more complex sustainability initiatives have time to yield results down the road.

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In collaboration with **Bain & Company**, the Positive Luxury **LuxCo 2030 report** imagines what a successful and sustainable luxury apparel label will look by the end of the decade. The hypothetical company, LuxCo, redefined the purpose of its brand, decoupled growth from volume, made its supply chain fully transparent and traceable, maximized its environmental and social commitments and created economic value from sustainability.

"What's vital is to approach sustainability in a holistic way that spans consumers, employees, suppliers, communities and all corporate departments," said Diana Verde Nieto, founder of **Positive Luxury**, London. "The holistic approach is the best way to turn declarations of intent into quantifiable action then meaningful change and economic reward."

Painting a new future

According to this theoretical and forward-thinking case study, LuxCo's main purpose was providing products and services whose craft and scarcity drove its consumer relations.

Between 2020 and 2030, the consumer mood shifted, and LuxCo redefined this exclusive idea of luxury into something more purposeful: what is beautiful and good, specifically for people and the planet.

Per the report, transparency was a vital component to LuxCo's purpose-driven transformation, as consumers would have scrutinized the company for not disclosing information along the way.

From 2025 to 2030, LuxCo's sales outperformed the market without any increase in volume of items manufactured each year. Sales gains came from its nurturing of circular business models such as resale, up 50 percent, and rental, 25 percent.



Positive Luxury suggests brands localize supply chains. Image credit: Getty

In 2030, reselling luxury goods could lift a brand's profit margin by 40 percent, and the profit margin on renting out luxury goods could be about 40 percent by the 20th use.

When a hypothetical Gen Z shopper, Mina, views a LuxCo product online, a map shows the origin of the components of that garment, bag or shoes, as well as place and date of manufacture. Mina can see data on the environmental and social impact of LuxCo's suppliers, as well as her own environmental impact if she makes the purchase.

In 2030, LuxCo's supply chain is more localized and spans fewer suppliers, with whom it engages more deeply, with the aim of improving environmental and social outcomes, as well as quality and output.

LuxCo also maximized its environmental and social commitments with the implementation of renewable energy in all offices and factories, positioning its greenhouse gas emissions to be net zero by 2050.

In 2030, LuxCo's workforce and boardroom is more representative than it used to be, partly a reflection of the work of its chief diversity officer, whose coordination of initiatives has helped LuxCo close the gap between aspiration and achievement on a range of diversity issues.

Inclusivity is also at the heart of LuxCo's marketing strategies, which strives to avoid outdated beauty standards and embraces diverse body types, ethnicities, ages, sexual orientations and gender identities.

Employees are empowered to be LuxCo advocates as well and by 2030, their voice is heard internally through board-level representation.

In the early 2020s, LuxCo developed an economic value model for sustainability that is now central to its corporate performance in 2030, including investments in regenerative agriculture, reforestation and community programs which cut its tax bill.



The research implies that brands who implement sustainability strategies will benefit economically. Image credit: Bain & Company

LuxCo's embrace of reporting reforms and cutting-edge metrics helped it prove that sustainability creates economic value in its own activities.

Some of the actions Positive Luxury suggests existing brands take include: setting a bold strategic vision and redefining the company's purpose; establishing a transparent baseline for all key sustainability issues; defining science-based targets and qualitative objectives for positive impact by 2030; designing a portfolio of projects to realize those objectives; identifying defensive and offensive strengths; building commitment to sustainability

among the leadership team; and aligning the organization and operating model to the new challenges.

Taking action

Brands across many industries, from fashion and beauty to automotive and hospitality, have begun implementing strategies to achieve some of the realities imagined in the LuxCo report.

In the beginning of 2021, beauty group Este Lauder Companies unveiled new sustainability goals prioritizing emissions, packaging, store design and visual merchandising. By the end of fiscal year 2023, the group plans to achieve net zero carbon emission for transportation to travel retail customers.

In terms of packaging, the removal of film wrapping alone will eliminate an estimated 54,000 kilograms of plastic waste the equivalent of 5.4 million plastic water bottles ([see story](#)).

To close 2020, French luxury conglomerate LVMH Mot Hennessy Louis Vuitton hoped to inspire brands and policymakers with its Life 360 sustainability strategy, which addresses the environmental approach from manufacturing through in-store experiences based on four pillars: climate, biodiversity, circular economy and transparency ([see story](#)).

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