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Sustainability in luxury fashion

Case: Stella McCartney

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Abstract

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The purpose of this thesis was to research the sustainability of luxury fashion brands. Luxury fashion is a market that, because of its high prices, does not need to use cheap methods of production. The author wanted to understand the current limits and possibilities for sustainable practice in fashion. A brand known for its sustainability was used as an industry benchmark. The brand used was Stella McCartney.

This study used qualitative research and purely secondary data. The secondary data consisted of reports made by the company Stella McCartney. The reports used were Eco impact reports and modern slavery statements. The Eco impact report used an in-depth two-year Environmental Profit & Loss analysis and provided information on their sustainability practices. The Modern Slavery Statement provided information on their action sustainable supply chain practices regarding workers.

Reviewing the reports revealed that while the company has reached some level of sustainability, it still has a lot to improve. A large amount of work is needed on what materials are used in clothing. Stella McCartney uses many environmentally friendly counterparts of popular materials. The company is also involved in many different environmentally friendly material developments. However, most materials used are very damaging to the environment in their production process or their use. The company uses more than enough resources to audit, train, and support its suppliers to prevent labor exploitation.

The author recommends that the company continues to help develop the new materials and starts to only use them in the ready-to-wear collection. The company should also continue to, map its supply chain, and work on improving worker conditions.

Keywords: Sustainability, luxury fashion, supply-chain, environment, modern slavery.
### Glossary

<table>
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<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>CMA</td>
<td>UK’s Competition markets authority. It ensures that consumers get a good deal when buying goods and services, and businesses operate within the law.</td>
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<td>CSR</td>
<td>Corporate social responsibility refers to business practices addressing the well-being of workers and the environment.</td>
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<td>EP&amp;L</td>
<td>Environmental profit &amp; loss. A tool that places a monetary value on the changes to the environment caused by a business in its operations and supply chain.</td>
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<tr>
<td>GHG</td>
<td>Greenhouse gas. Gas with the property of absorbing infrared radiation.</td>
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<td>RTW</td>
<td>Ready-to-wear. These are fashion collections made to be sold finished and in standardized sizing. The opposite of tailored clothing.</td>
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<td>SCM</td>
<td>Supply chain management. It is the management of a network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer.</td>
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<tr>
<td>SSCM</td>
<td>Sustainable supply chain management. It has the same goal as traditional supply chain management, but it also focuses on social and environmental issues.</td>
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<td>WCED</td>
<td>World Commission on Environment and Development. A sub-organization for the United Nations focused on sustainable development.</td>
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1 Introduction

Younger generations have become more interested in luxury items. At the same time, due to climate change, people have become more concerned for the environment. Thanks to online shopping, anything can be bought from almost anywhere. Items travel from across the globe to everyone's doorsteps. Even before going on sale, the materials used to create e.g. a simple t-shirt, have been gathered from all around the world. Social media makes it easy to share outfits and links to websites. All of these variables and more have caused the clothing industry to grow into one of the most environmentally impactful industries.

The biggest fashion brands are the world's leading fast fashion brands (H&M, Primark, etc.). They have created a system that causes supply chains to become as cost-efficient as possible. The pressure from these clothing giants causes immoral cost-cutting and modern slavery on the raw material production part of the supply chain. But what happens when a company does not need to be cost-efficient? Luxury brands have always had high sales prices. This does not necessarily mean that their costs are high. Luxury brands' high prices are part of their image. The limited availability and difficulty to procure are what draw buyers to the product. If the cost of the product does not matter, and the price of the product can be raised, do luxury fashion brands use more expensive manufacturers? Luxury fashion companies are able to invest money into their supply chains much more easily than any other fashion company. The luxury fashion brand Stella McCartney is proof that sustainability and “green” actions are admired in the industry and bring value to the company. Could all of these companies be regarded as sustainable? Is Stella McCartney itself sustainable? To answer these questions, research in the form of a case study was needed. The company's past and present, and its possible future are evaluated.
2 Literature review

To understand the topic of “Sustainability in luxury fashion”, one must understand each word in the sentence. Sustainability is a large concept that evolves more and more each year, and differently in different areas of business. Luxury is a concept without one clear definition. Fashion is very problematic on the topic of environmentalism. The purpose of this literature review is to explain the topic to the reader and give them a clear understanding of the scope of the research.

2.1 Sustainability

In 1987 the United Nations commissioned a report. “Report of the World Commission on Environment and Development: Our Common Future” (WCED, 1987). This report states that sustainable development consists of economic-development activity that “meets the needs of the present without compromising the ability of future generations to meet their own needs.” (Portney, 2015) As Portney states in his book “Sustainability”, this quote is the starting point to a more precise understanding of the subject. He continues to say that some argue that sustainability’s roots come from nature preservation, but it ultimately is much more. A big point of sustainability is that it supports growth without threatening the Earth’s resources. Fashion is one of the biggest threats to those resources. The industry affects the environment with Greenhouse gas emissions, oil pollution, chemical pollution from production facilities, water usage, landfill usage, etc. (Ellen MacArthur Foundation, 2017).

Traditional environmental protection is different from sustainability. It focuses on protecting the environment from specific threats i.e., air pollution (Portney, 2015). Sustainability tackles the issue by trying to provide a solution to a problem without eliminating the positive side of the matter, e. g. economic growth.

The World Commission on Environment and Development (WCED) 1987 also described three pillars of sustainability: Environment, economy, and social equity. According to the WCED sustainability can only be achieved by simultaneously protecting the environment, preserving economic growth and development, and promoting equity (Portney, 2015). These pillars require equal focus, and one should not be sacrificed for the results of another. The environment should not be protected while disregarding the
economy, and the economy should not thrive while producing more inequity. These three pillars are important to remember, when criticizing a company's sustainability, e.g., how does Stella McCartney handle their sustainability issues and how is it possible to improve them. However, these ideas were not created by the WCED, but they were somewhat more simplified compared to other works. Portney showcases the six roots of sustainability from Kidd 1992 and the six definitions of sustainability from Brown et al. 1987. These roots and definitions below offer more specific criteria on what is sustainable.

<table>
<thead>
<tr>
<th>Six roots of sustainability</th>
<th>Points of emphasis</th>
<th>Six definitions of sustainability</th>
<th>Points of emphasis</th>
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<tr>
<td>Ecological/carrying capacity</td>
<td>Maintenance of natural systems so that they can support human life and well-being</td>
<td>Carrying capacity</td>
<td>Optimum and maximum ability of Earth's systems to support human life and well-being</td>
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<tr>
<td>Resource/environment</td>
<td>Promoting economic growth only to the extent and in ways that do not cause deterioration of natural systems</td>
<td>Sustainable use of biological resources</td>
<td>Maximum sustainable yield from natural systems, such as forests and fisheries</td>
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<tr>
<td>Biosphere</td>
<td>Concern with the impacts of humans on the health of the Earth and its ability to support human populations</td>
<td>Sustainable agriculture</td>
<td>Maintaining productivity of farming during and after disturbances such as floods and droughts</td>
</tr>
<tr>
<td>Critique of technology</td>
<td>Rejection of the notion that science and technology, by themselves, will protect and save the Earth</td>
<td>Sustainable energy</td>
<td>Renewable alternatives to fossil fuel reliance to produce heat energy</td>
</tr>
<tr>
<td>No growth-slow growth</td>
<td>Limits to the ability of the Earth to support the health and well-being of ever growing populations</td>
<td>Sustainable society and economy</td>
<td>Maintaining human systems to support economic and human well-being</td>
</tr>
<tr>
<td>Ecodevelopment</td>
<td>Adapting business and economic development activities to realities of natural resource and environmental limits</td>
<td>Sustainable development</td>
<td>Promoting economic growth only to the extent and in ways that do not cause deterioration of natural systems</td>
</tr>
</tbody>
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Figure 1. Six roots of sustainability from Kidd 1992 and six definitions of sustainability by Brown et al. 1987 (Portney, 2015)
The difference between Kidd’s and Brown’s understanding of the concept is the emphasis and viewpoint of these issues. While Brown et al. shows emphasis on concern for the environment, Kidd shows explicit concern for economic development (Portney, 2015). Kidd argues that economic development without concern for the environment limits economic growth in the long run. It is important to acknowledge both viewpoints when evaluating a company’s sustainability and thinking of improvements.

2.2 Logistics and Supply Chain Management

Logistics’ origins are from military activities in the 19th century, which involved movement and supplying of troops and equipment. Logistical operations have evolved quite a bit from this. E.g., a logistics company can have a considerable number of clients, which all have their products and customs that need to be catered to. In their book Global Logistics and Supply Chain Management, Mangan and Lalwani have provided a simple way of understanding logistics and what it involves.

“Logistics involves getting:

- The right product
- In the right way
- In the right quantity and right quality
- In the right place at the right time
- For the right customer at the right cost”

“The right way” refers to the different ways a company might like its products delivered. E.g., a company is concerned for the environment, which means the product has to be delivered with as little damage to the environment as possible (Mangan & Lalwani, 2016). Logistics

A supply chain is a network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer (Mangan & Lalwani, 2016). Supply Chain Management or SCM is the management of these operations. Its purpose is to create value, enhance efficiency, and satisfy customers (Mangan &
Lalwani, 2016). Mangan and Lalwani showcase their view of the supply chain in three key aspects:

- Physical flows of materials
- Flows of information that inform the supply chain
- Resources (especially finance, but others such as people and equipment) help the supply chain to operate effectively. Furthermore, not all resources in the supply chain are tangible, for example, good quality intercompany relationships are often cited as a highly important ingredient of effective supply chains.

Supply chains could be called networks of different interdependent companies and organizations. A network where products, information, finance, and services go around in all possible directions and paths. These companies and organizations, or “units”, do not operate exclusively in a single supply chain, which makes the web of suppliers and customers connected all around the world (Mangan & Lalwani, 2016)(p.12).

Distinguishing between logistics and SCM is complicated because there is not a single dominating perspective and because of people’s different views. In 2004 Larson P. and Halldorsson A. sent a survey to over 200 different experts around the world. With a cluster analysis of these perceptions surveyed, they confirmed four different perspectives. (Larson & Halldorsson, 2004)

![Figure 2. Four Perspectives on logistics versus SCM. (Larson & Halldorsson, 2004)](image-url)
The four perspectives figure shows very clearly what each view means. Traditionalist suggests that SCM is a part of logistics and conducts special types of logistics operations, that are outside of the company. Re-labelling suggests that Logistics has just switched to be called SCM. A company with an intersectional logistics and SCM division has both working in cooperation while still maintaining their fields of operations. From a Unionist perspective, SCM is more than logistics and logistics function just as a part of the whole.

The Unionist perspective could be the best to describe modern SCM as e.g., clothing companies can gain a lot of value by showcasing their sustainable supply chain. They can also make it more efficient with faster response times and reducing costs overall. Supply chain management’s goal is to create value for a company, and it is regarded as a very important piece of company strategy, especially in fashion, where giant amounts of products are made and transported all around the world. E.g, Zara produces around 450 million garments per year (Basu & Wright, 2017), and all of these need to be transported according to the rules of logistics mentioned before.

2.2.1 Sustainable supply chain management (SSCM)

The supply chain is one of fashion sustainability’s biggest issues. “A sustainable supply chain is environmentally friendly, socially responsible, and economically sustainable” (Choi & Cheng, 2015). Sustainability is an increasing issue around the world, as consumers become more knowledgeable on the issues that logistics around the world cause. Logistics aren’t the only part of the supply chain that has problems. The fashion industry produces around 2.1 billion tonnes of greenhouse gas emissions in a year, which equals around 4% of all global emissions (Berg & al., 2020). Around 70% of those are from the production of raw materials, the rest are from transport, packaging, and retail. (Berg & al., 2020) As an example, in 2020 the luxury brand Stella McCartney worked with 307 tier 2 product suppliers. These are “suppliers of fabrics, trims, materials that go into final manufacturing and assembly of products” (Stella McCartney, 2021). Besides Tier 3 Stella McCartney still has four other tiers of the supply chain. They include raw material extraction, processing, finished production assembly, and final distribution. Their biggest impact on the environment comes from raw material extraction. This is the reason why the supply chain needs to be researched from beginning to end. SSCM’s goal is like SCM in the sense that its purpose is to bring value to the company. The
difference in SSCM is the concern for social and environmental issues in addition to economic development (Choi & Cheng, 2015).

2.2.2 Traceability and transparency

Traceability in the supply chain has become closely linked with sustainability. There are some different but mostly similar definitions for it. The Global Compact defines it as “the ability to identify and trace history, distribution, location, and application of products, parts, and materials to ensure the reliability of sustainability claims in the areas of human rights, labor, the environment, and anti-corruption.” (United Nations Global Compact Office, 2014). In the journal article “Traceability and transparency for sustainable fashion-apparel supply chains” (Garcia-Torres, et al., 2021) looks at the relationship between sustainability, traceability, and transparency in the fashion apparel industry. It tries to classify those subjects into better, clearer operational definitions. Garcia-Torres et al. mention the concept “traceability for sustainability”, which is defined as “the ability to combine SC information sharing and visibility in such a way that enables the actors within the chain to have access to information that is ‘accurate, trusted, timely and useful for their operations and the reliability of sustainability claims.” (Garcia-Torres, et al., 2019). In short, traceability is needed when checking the claims that companies make on their sustainability. It is also needed for SSCM as fashion companies create value for their brands by improving product quality and security and minimizing risks. (Garcia-Torres, et al., 2021). As shown in the figure below, traceability in a fashion company is difficult as they usually have a high number of suppliers around the world, from raw materials to clothing manufacturing.
Garcia et al. also provide some definitions of transparency (Garcia-Torres, et al., 2021). In each definition, transparency is a broader subject than traceability, as it includes corporate and supply-chain levels. Garcia, et al. also showcase Albu and Flyverbom’s two different versions of organizational transparency. The first one focuses on the verifiability of transparency, which focuses only on disclosing the transparency information, for quality, trust, and verification purposes. The second version includes all the matters listed in the first version, but also the actions regarding the information made transparent. This second version of transparency is what is focused on in Garcia, et al.’s article and the known Fashion Transparency Index. The Fashion Transparency Index reviews fashion brands in Policy & Commitments, Governance, Supply Chain Traceability, Know & Show & Fix, and Spotlight Issues which change every year.

2.2.3 Reverse logistics and circular lifecycle

“Reverse logistics is the process of moving goods from their typical final destination for the purpose of capturing value or proper disposal.” (Choi & Cheng, 2015). The name comes from the movement of the products from the consumers back to the supply chain. The value is captured by recycling, reusing, and remanufacturing. For example, recycling a piece of clothing is prolonging its life with secondhand usage, or using its materials to manufacture new clothing.
2.3 A Brand

In the context of business, a brand is a concept that distinguishes a company from another. A brand contains values, experiences, reputation, feelings, and much more which create a relationship with a consumer. (Slade-Brooking, 2016). A company’s products help showcase these values and the brand’s characteristics. Each product must comply with the Brand to maintain trust in the consumer. For example, Stella McCartney’s products must all follow the strict vegan rules and the sustainability goals set. Stella McCartney has set a reputation for sustainability among luxury brands. Consumers expect the company to produce sustainable clothing. Stella McCartney has also partnered in technological advances for ecological materials, and sustainable business practices. Because of this, the company is expected to continue to make those advances. All the while the company is expected to grow and make sales.

2.4 Luxury

There is no clear definition of what a luxury brand is. What makes a luxury item and what does not? A simple definition could be taken from Adam Smith (1776), who divided consumption into four different categories (Berthon, et al., 2009):

- **Necessary** - to maintain life
- **Basic** - for normal growth and prosperity of people and communities
- **Affluence** - goods that are not essential for growth and prosperity
- **Luxury** - goods that are in limited supply, difficult to procure, and/or very expensive

There are numerous luxury brand theories that can explain why a person buys luxury items. Here are a few key theories (Ko, et al., 2019):

- **The self-concept theory** – Self-concept in the luxury context proposes that a consumer with an independent self-concept uses luxury more to satisfy themselves. Interdependent consumers use luxury more in a social aspect. They seek to satisfy themselves by showing their luxury items to others.

- **Social comparison theory** – An individual consumer uses other people as a comparison. They look for what is different and what is the same. Their consumption is determined by what others use.
Extended-self/consumer culture theory – A consumer’s materials form their identity. What they own, projects what they are and what they aspire to be.

Theory of uniqueness – Individuals are prone to seek uniqueness and separation from the masses. The need for uniqueness in an environment with too much similarity can push luxury products.

Luxury brands usually contain high price items or services, but the cost of the item cannot be the only criterion. Therefore, most definitions of “luxury brands” contain two to ten different criteria or dimensions (Ko, et al., 2019). The Journal article “What is a luxury brand? A new definition and review of the literature” (Ko, et al., 2019) inspects all the most notable definitions of luxury brands. The authors researched 130 articles over a two-to-three-year period. In the authors’ proposed definition, the criteria are used to define if a product or service is luxury. Below are the final criteria. (Ko, et al., 2019):

A luxury brand is a branded product or service that consumers perceive to:

1) be high quality
2) offer authentic value via desired benefits, whether functional or emotional
3) have a prestigious image within the market built on qualities such as artisanship, craftsmanship, or service quality
4) be worthy of commanding a premium price
5) be capable of inspiring a deep connection, or resonance, with the consumer.

The different criteria have levels or measurements, which measure how luxurious the product or service is. For example, these measurements help a researcher evaluate and measure brands more precisely.
Luxury Brands build themselves according to consumers’ points of view. Some brands may target consumers that are influenced by others, while some may seek consumers who are more interested in individualism. These individuals may also have independent or interdependent self-concepts.

### 2.4.1 Luxury fashion

Fashion can be, a statement, art, simple clothes that one finds neat, and many other things. Fashion is non-verbal communication. It leaves the first impression and can change one’s appearance greatly for better or worse. People find themselves choosing clothes that are similar to other people’s. Some even try to find individualism by choosing very different clothing from the norm. Sometimes they do this while still belonging to a smaller group of people, for example, goths.

Luxury fashion is fashion that has met the conditions of luxury. Luxury fashion contains for example couture, ready-to-wear, and accessories (Fionda & Moore, 2009).
Couture – the business of designing, making, and selling fashionable custom-made clothing. The name comes from the French word couture, which means custom-made. (Merriam-Webster, 2022)

Ready-to-wear – Clothing that is not custom-made. Are sold “ready to wear”.

Accessories – Items of secondary importance that contribute to the overall effect. In clothing, accessories complement and complete an outfit. They fall into two categories: Those that are worn, such as bonnets, caps and hats, boots and shoes, cravats and ties, gloves, mittens and muffls, jewelry, scarves and shawls, socks and stockings, and those that are carried, such as bags, canes, fans, parasols and umbrellas, and swords. Accessories can be almost anything. (Cumming, et al., 2017)

The market for luxury fashion is the biggest in the luxury goods category. Brands have different ways of solidifying their positions as “luxury”. Antoinette Fionda and Christopher Moore conducted case studies regarding “The anatomy of the luxury fashion brand” (Fionda & Moore, 2009). This study’s purpose was “to explore the critical dimension necessary to create and maintain the success of a luxury fashion brand”. Now one could argue whether an unsuccessful brand could be considered a luxury, but this is not the point of the study. The study managed to find nine key luxury fashion brand attributes that are crucial in creating and maintaining brand position.

Clear Brand identity – a luxury fashion brand must have a clear identity and values which differentiate them from others as well as give a connection to consumers.

Marketing communications – All brands need a communications strategy to be able to have a relationship with the customer. Different communication tools are for example fashion shows, advertising, PR, direct marketing, and celebrity endorsement.

Product integrity – Their product’s physical values. Different companies focus on different sub-categories, which include “product quality, craftsmanship, and attention to detail”. Creativity and innovation are invested in, but they need to be in balance, as there are many different collections in a year, which must complement each other.

Brand signature - The consumer must immediately recognize the brand from the product. While the collections are creative, they must have a close connection to the brand’s
heritage. The signature must be seen in the brand’s packaging and livery (livery. is a special pattern or design that is put on the things that a company owns or sells.)

*Premium price* – The studied companies all agreed on the importance of the price in developing the luxury status of the brand. The price of a product reflects its value and creates a barrier to entry.

*Exclusivity* – Different ways of ensuring exclusivity are needed, as luxury brands must uphold an image. The brand controls who wear their products, with limited collections and distribution.

*Heritage* – Luxury brands usually have an interesting history, and they often try to highlight it and remain faithful to it. Their history is part of their high value. Many companies have preserved their history by buying back archive pieces and reproducing them.

*Luxury environment and experience* – Many big brands have their flagship stores. These stores are essentially the brand personified. The brand’s values and identity must be seen in them while also providing exclusive premium service. The flagship stores are often located in their cities of origin, which helps showcase their heritage.

*Culture* – These brands place strong importance on internal management and commitment to the brand and the brand vision. The “culture” must also extend to all their partnerships. These partnerships are usually very controlled and strict, which helps companies keep their brand identity.
Fionda and Moore conclude the study with the remark that these components and their subcomponents are interdependent, cohesive, and should be treated equally. (Fionda & Moore, 2009)

These unwavering components are part of what makes luxury fashion difficult to produce sustainably. Sustainability cannot affect them, otherwise, the brand loses its luxury aspect. E.g., The brand’s design signature might be made with a not-so-sustainable material that needs to be replaced with something better suiting. This new material must be like the old one to not change the product’s “feel” with a long history. As Fionda & Moore described, heritage is a very important aspect of luxury brands. Heritage is part of what makes loyal customers. Many luxury brands have changed their leather products to fake leather with varying success. (Find source) Without technological advances now, achieving the same level of quality or craftsmanship in products is very difficult if not impossible. “Only 1% of the material used to produce clothing is recycled into new clothing”. (Ellen MacArthur Foundation, 2017). Therefore, luxury brands must invest heavily in cooperation with other brands to develop these new technologies.
2.5 Sustainability in fashion

To explain sustainability in fashion, its problems, and some solution suggestions thesis will use The Ellen MacArthur Foundation’s “A New Textiles Economy: Redesigning Fashion’s Future.” With cooperation from some of the biggest brands in fashion and research, they provide a concise review of the textile industry with a focus on clothing.

Clothing is 60% of all textiles used. Driven by the growth of the middle-class population and increased per capita sales in mature economies, clothing use has doubled. At the same time, the average lifespan of a piece of clothing has decreased by 35%. These increases in sales and decreases in use are caused by fast fashion. (Ellen MacArthur Foundation, 2017). The definition of fast fashion is: “an approach to the design, creation, and marketing of clothing that emphasizes making fashion trends quickly and cheaply available to consumers”. (Merriam-Webster, 2022) Fast fashion and its sustainability are a widely researched subject. It is notoriously unsustainable. This led to the creation of slow fashion, which will be reviewed later in this literature review. (Muthu, 2019).

In the figure below, it is demonstrated how linear and inefficient the lifecycle of clothing truly is. Clothing is not recycled into new clothes almost at all, which means that of the 53 million tonnes of clothing fiber produced every year, over 38 tonnes of clothing end up in a landfill or incinerated. The figure shows that 12% of produced clothing goes into cascaded recycling. These point out that technological advances are needed for textile reusability. Millennials have shown an increasing interest in the environmental and social effects of the products they buy. (Hwang & Griffiths, 2017). Germany even collects 75%
of textiles, but most of them are sent to a country that does not have a collection infrastructure. (Ellen MacArthur Foundation, 2017).

![Diagram of global material flows for clothing in 2015](image)

Figure 6. “Global material flows for clothing in 2015” (Ellen MacArthur Foundation, 2017)

The fashion industry has a large negative impact on the environment in the form of pollution. Some of those are water usage, unrenewable and toxic resource consumption, greenhouse gas emissions, microfiber leakage. As much as “20% percent of all industrial water pollution globally is attributable to the dyeing and treatment of textiles.” (Ellen MacArthur Foundation, 2017). The textile industry has also been identified as a major contributor to the issue of plastic entering the ocean. Polyester, nylon, and acrylic clothes shed plastic microfibers, which harm the environment and the health of all living things on Earth. (Ellen MacArthur Foundation, 2017).

Part of sustainability is of course social equity. Textiles and their raw materials are mostly produced in low-cost countries such as India, Turkey, or China. Accidents have happened in these textile factories. The biggest and deadliest was the Dhaka garment factory collapse of 2013 in Bangladesh with a death toll of over 1000. (Hoskins, 2015). The building had been evacuated the day before, but the workers were forced to come to work the next day threatened with withholding a month’s pay. This is one big incident, but there are many smaller ones. Those garment manufacturers are constantly pressured with fast production and short deadlines and cheap costs. According to locals,
the supplied companies’ target is to always find the cheapest alternative. (Devnath & Srivastava, 2013)

Corporate social responsibility or CSR refers to business practices addressing the well-being of workers and the environment. (Choi & Cheng, 2015, p. 107) The research on CSR in the apparel industry is focused on big western brands with supply chains in developing countries. The modern slavery act in the UK is a law that was passed in 2015 to address cases of modern slavery. According to the act, businesses need to report regularly on their actions towards abolishing modern slavery and to show greater transparency in the supply chain. (Stella McCartney, 2021) These are some ways that social sustainability has been protected recently. Fashion has a very complicated global supply chain that is hard to keep track of. Therefore, fashion brands must use great amounts of time and resources to keep track of it all and use regular auditing to make sure all sustainability problems are in check.

2.5.1 Greenwashing

With the rise of modern sustainability, corporations have tried to find ways to present themselves as “green”. This can be done legitimately with organic, recycled, reclaimed, environmentally friendly products and new technologies. Creating a green label for a company can also be done with e.g., “dolphin-safe” products, sophisticated-sounding programs, and labeling schemes. At first, these vague actions can seem great, but upon closer inspection, they do not help in any way and are called “Greenwashing”. (Bowen, 2014). “Greenwashing is the deliberate attempt to communicate positive environmental information not matched by improved environmental impacts.” (Bowen, 2014). All corporate environmentalism is symbolic, but greenwashing is deliberately purely symbolic with no action behind the words. Fashion brands are notorious for
greenwashing. In 2021 Changing markets released a report which showcased that 59% of green claims from UK fashion companies fell short of their CMA guidelines.

**Principles:**

1. Claims must be truthful and accurate
2. Claims must be clear and unambiguous
3. Claims must not omit or hide important relevant information
4. Comparisons must be fair and meaningful
5. Claims must consider the full life cycle of the product
6. Claims must be substantiated

Figure 7. CMA guidelines (Changing Markets, 2021)

2.6 Slow fashion

Slow fashion is the response to the problems that fast fashion creates. The purpose of slow fashion is not to be the exact opposite of fast fashion. It breaks away from the age-old tradition of different seasons within a year by producing clothing that is supposed to be used for a longer time. Material quality and reusability are big points of slow fashion. (Fletcher, 2007). With a focus on quality instead of faster profits, it does not need to find the cheapest suppliers around the Earth. Slow fashion is not the opposite of fast fashion in the sense that it is simply slower with fewer seasons and collections. Slow fashion focuses on the timelessness of the products. This is a completely different business model. (Fletcher, 2007). Slow fashion offers great examples of how luxury fashion can create value for itself without continuous new collections. The timelessness and classic designs are part of what makes luxury fashion so desirable.

2.7 Sustainability in luxury fashion

Luxury fashion has the same problems in sustainability as the rest of the fashion industry. Linear lifecycle, the material used can be polluting, raw materials production water
usage, greenhouse gas emissions, etc. The main difference between luxury fashion, fast fashion, and most slow fashion is the premium price. Luxury fashion does not need to be cost-efficient because in most cases, the more expensive, the better it is for the brand. Luxury fashion has recently been the target of sustainability concerns, unlike before when it was considered more ethical and ecological due to its nature of limited availability, better quality, and high price. (Caïs, 2021).

The luxury fashion sector has grown significantly with a retail market of greater than US$ 1tn. Luxury is not only for the extremely wealthy anymore. Younger consumers and different social classes are consumers of the luxury fashion market. This has been called the democratisation of luxury. (Franco, et al., 2020) This has been driven by fashion companies launching “affordable” brands such as Polo Ralph Lauren. Polo Ralph Lauren still has high prices compared to the non-luxury market. These more affordable brands that luxury fashion brands have created are why luxury fashion is not more sustainable than fast fashion.

The journal article “Luxury fashion and sustainability: looking good together” showcases how a luxury fashion brand can become more sustainable and the challenges it faces in doing so. Luxury fashion already has some of the characteristics of sustainability. As mentioned earlier in the thesis, timeless design and limited collections are pro-sustainability. Creating value from sustainability should be a driving factor for investing in these practices. Younger generations have shown more concern for the environment (Franco, et al., 2020). Focus on the sustainability of the supply chain is important as it is the most polluting and damaging part of a fashion brand. Natural resource preservation is important to a luxury brand as the resource might be an important part of the brand’s image. Finding new substitutes through technological advancements is also an option. (Franco, et al., 2020). Luxury brands do not have the problem of low costs that fast fashion has. Researching for innovations, measuring their environmental impact, and social footprint are all expensive operations that in the end can create value for the company. (Franco, et al., 2020). Out of all fashion sectors, sustainability should be the easiest for luxury fashion. It has the premium pricing that fast fashion lacks and the established position with consumers that slow fashion does not have.
3 Methodology

Stella McCartney provides a good amount of information regarding its sustainability and its supply chain. Therefore, this thesis will rely on secondary data provided by the company. The methodology section of this thesis will explain the types of research, the choice of using secondary data, the process of using secondary data, how the information was used, and how the unimportant information was filtered. Along with explaining the terminology in research.

3.1 Research design

According to Kotler (2013), The process of marketing research begins with defining a problem/problems and research objectives. There are three different types of research objectives. The objective of exploratory research is the gathering of preliminary information to help define the research problem and suggest hypotheses. Descriptive research means to describe things, such as the market potential of a product or in this case describing the sustainability of a company. Causal research is to test the hypotheses made and the cause-and-effect relationship. For example, does investment in a circular economy increase consumer loyalty? (Kotler, 2013). As the research question, the author has chosen “Is luxury fashion sustainable? Why?”, as the author has the experience and interest in the subject. It is logical that luxury fashion does not need lower costs and should not rely on cheap unsustainable production methods because it has profitable sales prices. The objective of the research is to find out if the clothing company Stella McCartney is sustainable, as they have marketed. The objective is to also research the reasons for their sustainability and unsustainability. This is exploratory research because it focuses on exploring the information given by the company, and a bit of descriptive research because it explains the company’s state. The company is sustainability-oriented and considers sustainability one of its main points of attraction, and as such, it is safe to assume that it would try to showcase it as much as possible. So, if the company does not show information on a particular problem, it has not made anything worthwhile regarding it.

After coming up with a solid research problem and objective, it is needed to develop a research plan. It is needed to determine the exact information needed and create a plan
to gather it efficiently. (Kotler, 2013) A research plan might include plans for gathering secondary or primary data. Secondary data is “information that already exists somewhere, having been collected for another purpose” (Kotler, 2013). Secondary data is faster and easier to gather, than primary data, because it has already been collected. Many websites offer online databases that are usable for a small fee. This removes the need for the researcher to conduct interviews, questionnaires, or long-time data gathering. However, the usage of secondary data is not perfect. Because it is gathered by someone else for another purpose, likely, the information is not suitable to be used in the research. The researcher also needs to study the secondary data to make sure of its quality. This might be difficult because of the possible lack of information on how the original research was conducted. Primary data is "information gathered for the specific purpose at hand" (Kotler, 2013). In most cases, the research also needs primary data. A researcher needs to make sure the information gathered is relevant, accurate, current, and unbiased. (Kotler, 2013).

In Primary research, the information can be gathered using qualitative research or quantitative research. Quantitative research is done with a large pool of respondents and the depth of the information received is shallow. (Hollensen, 2019). For example, a restaurant might want to ask clients for three months, what food they ordered and if they enjoyed it. The restaurant will have a large pool of respondents, but only two answers that do not explain the reasons further. Qualitative research is done with a small number of respondents, but the information gathered is much deeper. (Hollensen, 2019). Using the restaurant as an example, they could conduct a multiple-question interview for a few selected clients that had the same dishes. Now the information is deeper, but the number of respondents is smaller. In his book “Global Marketing” Hollensen provides a table showing the differences in qualitative and quantitative research.
3.2 Qualitative research and secondary data reliability

For this thesis, the author will be conducting qualitative research using the reports and the information Stella McCartney provides publicly on their website. The reports are the: “Eco Impact Report” and “Modern Slavery Statement”. As mentioned before in the research design portion of the thesis, Stella McCartney’s goal is to showcase as much sustainability as possible. This makes the use of secondary information possible. In this case, the issues of secondary data usage are small. Hollensen provides a list of disadvantages of using secondary data in foreign markets. Some of these can be used to evaluate the information provided by Stella McCartney.

Non-availability of data – Stella McCartney provides a good amount of information on the materials used and the countries used for production. There is no information on individual textile production companies.

Reliability of data – Stella McCartney reports their achievements in sustainability and development plans for areas lacking in it. They provide percentages on the impact
different areas of the company have on the environment. They provide an Environmental profit & loss chart, with a link to the methodology of the research. Lastly, Stella McCartney has worked in cooperation with many different organizations and companies invested in a circular clothing lifecycle, sustainability, and ecology. They have invested much of their time and resources into new technology for greener raw materials for clothing. So, it can be deduced that Stella McCartney is heavily invested in sustainability and can be considered reliable.

For the literature review, the author has collected sources and tables to explain what sustainability truly is. The secondary data used will be reviewed and critiqued according to those sustainability rules presented in the literature review. The author will use these set rules to review the company, but qualitative research will always be an interpretation of the researcher. (Creswell, 2011).

### 3.3 Case study and limitations

In his book “Case Study Research: Principles and Practices” John Gerring (2007) argues that a case study can be defined as “an intensive study of a single unit or small number of units (the cases), for the purpose of understanding a larger class of similar units (a population of cases).” (Gerring, 2007, p. 37). In this thesis, the author uses Stella McCartney as a unit to understand luxury fashion brand sustainability. On the topic of sustainability, Stella McCartney is seen as a pioneer in the industry, and most other brands can be regarded as worse. Thus, when evaluating Stella McCartney, sustainability issues discovered can be found in almost the entire industry. The company will be evaluated in different sustainability categories:

1. Materials and product lifecycle
2. Supply chain pollution
3. Supply chain workers
4. Policies
5. Others
The research will be done using only secondary data. This is because of the limitations that the author came across. The original plan was to use the great amount of secondary data provided by Stella McCartney, with support from primary data in the form of interviews with employees. The first choice would have been interviewing employees who work on sustainability or the company’s supply chain. The author does not have connections to the company and was not able to contact them. The secondary information provided by Stella McCartney is enough for a case study, in which the purpose is to study the company’s sustainability. In this case, however, secondary data does not provide insight into all of the company’s future endeavors and plans. The company’s research also takes a big amount of time and as such, when it is released, it is already one to two years old. Primary research in the form of interviews would have given insight into the company’s current state. The worldwide pandemic has had a severe impact on the company. This information will be provided by articles.
4 Case Study: Stella McCartney

4.1 Introduction

This section of the case study introduces the brand. It is meant to showcase some of the smaller information provided by it.

The information in this section is provided by Stella McCartney on their web page and Kering financial results. Stella McCartney is a luxury brand from the UK. They have produced clothing, handbags, shoes, and perfumes. The company offers a large amount of information from its beginning to the present. This thesis will focus on sustainability information. As a reminder, these are environment, economy, and social equity. Stella started the brand Stella McCartney in 2001 with her vegan values. The brand was started in cooperation with the luxury company Gucci Group (Kering). They started with a completely vegan collection. No use of leather, feathers, skin, or fur. Although this is only a bit of environmentalism and far from actual sustainability, they had started a path towards it with material and supply chain innovation coming in later. Stella McCartney provides a clear timeline of their sustainability actions. (Stella McCartney, 2022)

2001 - No leather, feathers, fur, skin from the beginning. No use of leather and feathers is sustainable because animal agriculture accounts for around 18% of the world’s greenhouse gas emissions and uses a lot of lands, promoting the destruction of rainforests.

2008 – The brand began using purely organic cotton. Organic cotton is better than regular cotton because it is produced without using harmful pesticides, and toxic manure. It uses a production system that has a low impact on the environment. Organic cotton also uses much less water than its regular counterpart. (Gardetti & Muthu, 2019)

2010 – Went completely PVC free. PVC is used in vinyl clothing. The production process of PVC releases dioxin. Dioxin is a chemical that is harmful to animals and humans. It spreads through water and even reaches polar bears in remote areas. (Rottenberg, 2020)

2012 - Introduced bio-acetate in Stella Eyewear, started using recycled polyester, launched Clean by Design in our Italian mills, banned plastic water bottles, ensured all their wood was sustainably certified, joined the Ethical Trading Initiative (ETI).
2014 - Ensured all their paper and cardboard packaging was certified sustainable.

2016 – Achieved 100% sustainable viscose and ceased use of virgin cashmere. Viscose is a plant-based fiber. It is produced from fast-regenerative trees. While the material itself is not toxic or harmful, the production of the fiber includes the use of strong chemicals that affect the environment and people living close to viscose factories. (Good on you, 2021)

2017 – Launched the first garment made with Bolt Threads’ Microsilk™ and introduced Econyl® regenerated nylon. Microsilk™ is a biodegradable sustainably produced fiber. (Boltthreads, 2017). Econyl® is nylon recycled from waste nylon products. Nylon is one of the first synthetic fibers that was created from crude oil. Nylon releases plastic microfibers when it is washed and used. (Good on you, 2020) (Thompson, 2017).

2018 – Launched the Loop sneaker. A shoe made of sustainable and environmentally friendly materials, with a special mechanism that eliminates the need for glue. Created the first handbag made with Bolt Thread’s Mylo™, a leather-like material made from mycelium. (Stella Mccartney, 2019) Owner Stella McCartney purchase Kering’s (Gucci) stake in the company.

2019 – Adidas by Stella McCartney launched the first garments made with Evrnu’s NuCycle™ yarn and KOBA® Fur Free Fur. They are a recyclable animal alternative made from recycled polyester and plant-based plastics. Started partnership with LVMH.

2020 – Stella McCartney announced their A to Z Manifesto. It explains their sustainability goals. Created and released many different products made from recycled materials.

4.1.1 EP&L and Natural Capital

Natural capital is defined as the world’s stocks of natural assets. These are geology, soil, air, water, and all living things. It is said that every year the Earth’s natural systems provide an estimated $72 trillion worth of goods and services. This includes food, water, fiber, building materials, medicines, natural flood control, carbon sequestration, and climate regulation. (Stella McCartney, 2022)

EP&L or Environmental Profit & Loss is a tool created in 2015 by Kering, PwC, and many sustainability experts. It places a monetary value on the changes to the environment
caused by a business in its operations and supply chain. The examined points are carbon emissions, water use, water pollution, land use, air pollution, and waste. These are analyzed across the entire value chain: raw materials production, processing, manufacturing, assembly, operations & retail. The EP&L is a good tool to showcase changes in a company’s sustainability and allows a business to compare itself with others. (Kering, 2022). However, there are problems with using this tool. The amount of work and time put into one EP&L report is understandable considering the details needed to produce it. For Stella McCartney, it takes around two years. This is two years from the time studied until the information can be reviewed and action towards change is made. A big problem is how use and end-of-life phases are not included. One of the biggest problems clothing has is its short lifetime and linear lifecycle. If the impact of these problems is not calculated, then the overall result might be vastly different. Kering has noted this problem. (Cohen, 2015). Stella McCartney has started their research on the subject. (Stella McCartney, 2020).

4.1.2 Modern slavery

Stella McCartney releases a modern slavery statement every year. “Modern slavery is a term used to encompass human trafficking, slavery, servitude, forced and compulsory labor, bonded labor, and some forms of child labor. Victims are coerced, deceived, threatened, or abused into providing work or services without any real possibility to refuse or remove themselves from their situation.” (Stella McCartney, 2021). They claim to have a carefully selected network of suppliers. Tier 1 and Tier 2 suppliers are final product manufacturing and assembly and material manufacturing. In these two tiers, 65% of suppliers are based in Italy, 18% in China, and 6% in Portugal. Stella McCartney has worked directly with 71 Tier 1 and 307 Tier 2 suppliers. Their key sourcing countries for natural materials are India, Turkey, Egypt, and the USA for cotton, New Zealand and Australia for wool, and Sweden for viscose. Stella McCartney has provided the figure below to explain the flow of key materials in their supply chain.
India and China have had many different garment factory accidents which have even led to workers’ deaths. (Apparel resources, 2016). Problems in child labor and modern slavery have been very common, and compensation for injuries is often not received. (Nagaraj, 2017). These dangerous work environments are still a very common problem, and if clothing retailers do not take responsibility, change will not happen.

### 4.2 Research results

As mentioned in the methodology section of this thesis, the company will be evaluated using these categories: Materials and their lifecycle, Supply chain environmental impact, and Supply chain workers.

#### 4.2.1 Materials and their life cycle

The term materials mean the materials used for clothing and fashion-related apparel. What materials are used and how much are they used? The good and bad sides of those materials. The material life cycle is the material's journey from its starting point, to its end of usage. The life cycle can end in different ways. Using a cotton t-shirt as an example,
it can be resold and reused as it is, recycled back into the supply chain as materials, recycled into other industries/purposes, and landfilled or incinerated. Figure 6, the global materials flow for clothing shows the materials’ possible journey.

Stella McCartney provides a clear list of the materials they used in their ready-to-wear collection and shoes and bags. Lists from previous years contain materials that are not in use anymore.

![Table]

Figure 10. “Summary of Stella McCartney fibre usage in 2019 (RTW vs Shoes and bags)” (Stella McCartney, 2020).

The number is the volume percentage compared to all materials. It shows cotton to be the most used in the ready-to-wear (RTW) category. Stella McCartney also informs that cotton was 28% of all material used in 2019 and 73% was organic. The company does not use recycled cotton. (Stella McCartney, 2020). Organic cotton uses around 70% less water than non-organic. This means that the non-organic cotton used uses more water than organic cotton. Cotton recycling is not advanced enough to be used by luxury fashion brands, as it is of lower quality. (Sustain your style, 2022).
Consumer cotton is not recycled often, cotton clothing has a very short life cycle. It ends up in a landfill or is incinerated after possible second-hand usage. Cotton clothing is extremely damaging to the environment due to its production process and its difficulty to recycle.

Polyester, nylon, and polyurethane are the second most used materials in Stella McCartney. They are used mostly in their faux leather products. These are synthetic fibers made from non-renewable fossil fuels. Plastic fibers are extremely harmful to the environment. They are non-biodegradable and release extremely harmful microfibers when used and washed. Polyester can be recycled and with a more expensive chemical recycling method, the quality is maintained infinitely. Recycled polyester still releases microfibers the same way virgin plastics do. (Sustain your style, 2022). According to Stella McCartney, they use a chemically recycled nylon called ECONYL®. The nylon parts of their clothing can then be recycled infinitely. The problem of microfibers still exists. Faux or vegan leather for Stella McCartney is made from polyurethane. Polyurethane is not easily recyclable. This means that it can only be downcycled or reused. Stella McCartney has showcased an eco-friendly leatherlike substance called Mylo™️, but it is not in use for their bag collections. There are sustainable leather options on the market, but they do not seem to use them. (Stella McCartney, 2020) Possibly due to the different feel of the materials, as their bags are one of their most popular products.

Wool is an animal fiber gathered from sheep. It is completely biodegradable and the material itself does not damage the environment, except for possible dyeing. The problem with wool is the amount of land used and grazed. Sheepherding also produces a large amount of methane, which will be reviewed in the supply chain pollution section of the results.

Viscose is another highly used fiber. Stella McCartney uses viscose which is sourced from sustainably grown forests in Sweden. (Stella McCartney, 2020). Viscose production uses plenty of energy, water, and harmful chemicals. These chemicals are often released in effluents during production. (OECOTextiles, 2012).
4.2.2 Supply chain environmental impact

Stella McCartney has placed a high amount of their time and efforts into their supply chain, as they have realized it is their most environmentally impacting area.

The above table is meant to show the most environmentally impactful areas of the Stella McCartney supply chain. Tier 4, raw material production, is the most damaging area. It is around 74% of all impact. In the same tier, the biggest problem is land use. Land use has many different types of impact. Stella McCartney does not use leather, which is known to be a big user of land. They do, however, use plenty of wool, cotton, and other animal fibers. Wool is collected from sheep that require land to live in and graze. Grazing can have a positive impact on the environment if done correctly, but due to the high demand in the clothing industry, nature becomes unbalanced, and the vegetation is grazed more than it can handle. Due to mainly grazing, 30% of the region of Patagonia is affected by desertification. (Sustain your style, 2022). In addition to animal fibers, they
use plenty of natural fibers. Even if most of their cotton is organically produced, it still uses plenty of lands. This land usage takes away space from ecosystems and forests, which is why it has a big impact on the table.

Tier 4 is also their most polluting phase of the supply chain. Almost every single material’s production pollutes heavily. Air pollution and greenhouse gas (GHG) emissions are in different segments, but they are still some of the biggest contributors. Animal fibers production produces methane which is 25 times worse for climate change than CO2. (Sustain your style, 2022). Water pollution is on par with GHG emissions. Natural fibers production uses a large amount of toxic pesticides and insecticides. These toxic substances travel from the plantations into nearby rivers and groundwaters. Their biggest water pollution comes from the collection of copper that is used for brass. According to Stella McCartney, it is 77% of all tier 4 water pollution. (Stella McCartney, 2020). Tier 4 is also the phase furthest from companies’ actions, which is one reason why it is often neglected and underdeveloped.

In tier 3 according to the EP&L, the biggest impact is from water usage. Tier 3 water usage comes mostly from viscose production (Stella McCartney, 2020). Land usage impact lowered extremely due to production moving to factories, which may be large but are much smaller than plantations and farms. Other environmental impacts are still large but smaller than in tier 4.

Tier 2 shows a rise in impact from waste, GHG emissions, and air pollution. It contains “Production and finishing of materials (e.g. fabric, trims) that go directly into finished product” (Stella McCartney, 2020). Water pollution impact also grows as it contains the making of yarns, their bleaching, and dyeing. Some of their tier 2 manufacturing comes from India and China, which have had problems with water pollution (Regan, 2020).
Tier 1 is “assembly and manufacturing of final products” (Stella McCartney, 2020). It has a significantly smaller impact on the environment compared to the previous tiers, but GHG emissions are still fairly large. Stella McCartney provides scope on what is calculated into the impact.

Figure 12. The scope of greenhouse gas emission impact calculations (Stella McCartney, 2020)

The amount of processes calculated into the impact of GHG emissions is large, which is one reason for the report to take a long time. The supply chain for a fashion company is very complicated, resulting in a large amount of emissions from e.g. transportation.

Tier 0 is stores, warehouses, and offices. They have changed their stores, workplaces, and overall practices over the years. The introduction to the case study showcased some of them. In addition to packaging changes, Stella McCartney started using renewable energy in all of their UK locations, changed their lighting to led lights, and banned plastic water bottles from the office. In this tier, Stella McCartney has done plenty of work to reduce the environmental footprint and there is not much that can be done to improve. (Stella McCartney, 2020, pp. 6-7)
4.2.3 Supply chain workers

The supply chain starts from the production of the raw materials and ends in the stores. For a supply chain to be sustainable, it needs to take care of the impact on the environment and the people in it. Dangerous and poor working conditions and modern slavery are examples of problems that can arise. Fashion companies also often have complicated supply chains, which makes mapping and quality inspecting a very time-consuming and difficult task.

Stella McCartney takes responsibility for their supply chain workers' conditions (Stella McCartney, 2021). This sets a good example for the rest of the luxury fashion industry because it shows it is possible. The value of a sustainable supply chain was talked about in the literature review and modern slavery was reviewed in the intro to the case study. Stella McCartney works with many different organizations including the Ethical Trading Initiative. Its objective is to improve worker conditions along supply chains. Stella McCartney has a social sustainability team that has training with many experts in the field. The social sustainability team uses this training to work in close relations with their suppliers. As most of the company’s suppliers (65%) are based in Italy, they started a collaboration with different brands to train suppliers on human rights due diligence. (Stella McCartney, 2021)

Stella McCartney has managed to track all of their tier 1 and tier 2 suppliers for supply chain mapping but only some of tier 3 and tier 4. For tiers 3 and 4, the company has country-level traceability. This means that Stella McCartney does not have direct information on the work conditions of all those suppliers. This raises the risk of possible modern slavery in their supply chain. The company, however, is aware of those risks and continues its tracing work. (Stella McCartney, 2021).

To ensure suppliers follow agreements, Stella McCartney carries out planned and unannounced audits. Before audits, the company always performs risk assessments to ensure the focus is on the correct areas. Problems vary from location to location, so it is necessary to find out beforehand the common risks of the areas. Their audits have worked, and Stella McCartney has found companies breaching their sustainability standards. Some examples are excessive overtime, late payment of wages, and the use of recruitment agents. The company recognizes its responsibility on ensuring the supplier
can meet their sustainability standards and works in close relations for them to achieve them. In 2021 Stella McCartney started to work on workers’ awareness of their rights.

<table>
<thead>
<tr>
<th>TIER 1</th>
<th>DEFINITION</th>
<th>EXAMPLE</th>
<th>VISIBILITY</th>
<th>MONITORING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>Final product manufacturing and assembly</td>
<td>Direct suppliers and their sub-contractors carrying out sewing, cutting, printing, embroidery, packing or any other type of final, assembly or finishing operations.</td>
<td>We have a complete map of all manufacturing sites.</td>
<td>Our policy requires all sites to be assessed and approved before production can begin and to be monitored on a regular basis.</td>
</tr>
<tr>
<td>Tier 2</td>
<td>Material manufacturing</td>
<td>Suppliers of fabrics, trims, components and other materials that go into final manufacturing and assembly of our products.</td>
<td>We have a complete map of fabric, trim and component suppliers for all our men’s and women’s lines.</td>
<td>Raw sites are assessed and approved before production.</td>
</tr>
<tr>
<td>Tier 3</td>
<td>Raw material processing</td>
<td>Cotton growers and spinners, pulp mills, metal smelting etc.</td>
<td>We have a map of the sites used by our subcontracted raw material suppliers.</td>
<td>Some sites, such as those working with our subcontracted raw material suppliers have been visited and assessed. To meet our high standards of traceability, we will include more of those suppliers in our monitoring program.</td>
</tr>
<tr>
<td>Tier 4</td>
<td>Raw material production</td>
<td>Farms (cotton, wool, flax, sisal, balsa, teak, wood and paper).</td>
<td>We have a country-level map of our natural, raw materials. For some sites, we will also ask for a country-level traceability (such as wool, viscose, and some cotton farmers).</td>
<td>All our subcontracted suppliers have been visited and assessed. As we achieve more raw material transparency, we will include more of those suppliers in our monitoring program.</td>
</tr>
</tbody>
</table>

Figure 13. “Product supply chain tiers, visibility, and monitoring” (Stella McCartney, 2021).

The worldwide COVID-19 pandemic caused many problems to global supply chains. For example, safety distancing is not possible in a packed factory. To meet production goals, management might pressure workers to come to work in unsafe conditions or even with covid. (Ajaltouni, 2021). When the pandemic started Stella McCartney started auditing suppliers and providing guidance on necessary precautions. In India, the company “contributed to a emergency to workers through a multistakeholder initiative to support them during the pandemic.” (Stella McCartney, 2021).
5 Conclusion

Due to the nature of the fashion industry, it is not possible for an international clothing company to be “green”. Production, transporting, and manufacturing all use unrenewable energy and materials. At least Stella McCartney does. But sustainability is a different concept from environmentalism. As a reminder, environmentalism focuses on protecting the environment from damage. Sustainability focuses on economic development that doesn’t compromise future generations’ needs and development (Portney, 2015). In essence, a company needs to ensure that its actions do not damage the future. For example, clothing companies use raw materials that use enormous amounts of water, which affects the factories’ entire surrounding areas with droughts (Gould, 2014).

The case of Stella McCartney was chosen because of its market position as the sustainable, green, and vegan fashion luxury brand. Upon closer inspection, it was seen that, even though it has a long history of making sustainability changes in the company, it still has problems with environmental impact. This was expected as the literature review speaks on the sustainability problems that clothing materials have (Ellen MacArthur Foundation, 2017). The company does however research and use new materials that are much less damaging to the environment. These are for example Econyl® and Mylo™️. It also has very good policies regarding supply chain workers’ conditions and rights. Supply chain mapping is very time-consuming, but after completion will open the door to complete supply chain auditing and development. Even if Stella McCartney has a reputation as a sustainable luxury fashion brand, it has steps that need to be taken for that title to become true. Some raw materials, e.g. brass, could already be swapped into new more ecological materials, but for some reason, this has not been done. Overall, the company is not yet sustainable. Non-renewable and environmentally impactful raw materials prevent this. But if the company continues to focus on these issues, as they have done, it could become an actual sustainable luxury fashion brand in the foreseeable future.
6 References


