

Degree Program in Global Management and Politics

Course of Cross-Cultural Management

**Sustainability and Cultural Diversity in Fashion: A Comparative Analysis of Luxury and Fast-Fashion**

Silvia Dello Russo

---

SUPERVISOR

Gianfranco Pellegrino

---

CO-SUPERVISOR

765731

---

CANDIDATE

Academic Year: 2023/2024

## Table of Context

Abstract.....	4
Introduction .....	5
1 Literature Review .....	7
1.1 Overview of the global fashion industry .....	8
1.2 Sustainability, inclusion, and diversity in the corporate context and their challenges .....	10
1.2.1 Sustainability in the fashion industry .....	11
1.2.2 Inclusion and diversity in the fashion industry .....	17
1.3 The Impact of Globalization and Cultural Diversity on These New Challenges .....	21
1.4 The Fast Fashion Industry .....	23
1.5 The Luxury Industry .....	25
1.6 Gap of the existing literature review .....	26
2 Research Questions and Objective of the Study .....	26
3 Methodology.....	27
3.1 Data Collection Methods .....	27
3.2 Sample .....	29
3.3 Data Analysis.....	29
4 Case Studies.....	30
4.1 Case Study 1: Bulgari .....	30
4.1.1 An overview of the company and its cultural context .....	30
4.1.2 Mission, vision, and values.....	31
4.1.3 Bulgari Icons.....	32
4.1.4 Commitment to the Environment .....	32
4.1.5 Social Commitment .....	36
4.1.6 Future Goals and Areas for Improvement .....	39
4.2 Case study 2: H&M .....	39
4.2.1 An overview of the company and its cultural context .....	39
4.2.2 Mission, vision, and values.....	39
4.2.3 Sustainable initiatives and their implementation .....	41
4.2.4 Inclusion and Diversity.....	45
4.2.5 Criticism and Future Challenges .....	47
4.3 Case Study 3: Patagonia .....	49
4.3.1 An overview of the brand and its cultural context.....	49
4.3.2 Commitment to the Environment .....	53
4.3.3 Inclusion and Diversity Practices .....	59
5 Discussion.....	63
5.1 Interviews Summary and Analysis of Business Results .....	63
5.1.1 Interviews Summary.....	63

5.1.2 Interviews Analysis .....	64
5.2 Companies Insights.....	65
5.2.1 Bulgari .....	65
5.2.2 H&M.....	67
5.2.3 Patagonia .....	68
5.3 Sustainability Ratings of H&M and Patagonia.....	70
5.4 Comparison between luxury and Fast Fashion Firms.....	72
5.5 Summary of Findings .....	74
5.5.1 Sustainable actions .....	75
5.5.2 Inclusive and Diverse Practices .....	76
5.5.3 The impact of globalization and new technologies .....	78
5.5.4 The impact of sustainability, inclusion, and diversity on business performance and customers' role .....	79
5.5.5 Challenges and Future Goals .....	82
Conclusion.....	82
Appendix .....	84
Bibliography .....	126

## **Abstract**

This thesis examines how fashion companies address the challenges of sustainability, inclusion, and diversity in a globalized world, and how these policies impact their performance, values, reputation, innovation, and future investments.

First, the paper provides an overview of the fashion industry within an intercultural context, outlining the current challenges businesses face regarding sustainability, inclusion, and diversity in the corporate realm, as well as the influence of globalization on these issues.

The central focus of this thesis is a comparative analysis of sustainability and cultural inclusivity practices within luxury and fast fashion companies, aiming to identify commonalities and differences.

The research methodology employs a case study approach, incorporating qualitative analysis based on interviews, academic articles, and corporate reports. Specifically, three companies are examined: Bulgari, representing the luxury sector; H&M, a leading fast fashion brand addressing sustainability and ethical concerns; and Patagonia, a prominent company championing environmental advocacy.

Finally, this study explores the impact of sustainable and inclusive practices on company performance and customer perceptions, intending to understand how these practices influence business success, consumer decision-making, and brand loyalty.

## **Introduction**

The fashion industry is “the business of making clothes and accessories” that includes different business sectors, from luxury to fast fashion. Fashion is one of the world’s most important industries due to its huge impact on the global economy; for this reason, it is considered the 7th biggest country in the world in terms of GDP.

The importance of sustainability, inclusion, and diversity in today’s world has grown even more in recent years and it has become a central theme for governments, businesses, and consumers. The climate crisis and the rise in social inequalities have intensified the desire among current generations to change traditional production and consumption patterns to make them more environmentally friendly and socially responsible.

There is no single definition of sustainability, but it is commonly described as the ability to meet current needs without compromising the resources of future generations. The fashion industry has often been criticized for its significant negative impact on the environment and its association with waste and exploitation. However, this market is also beginning to respond to the need to innovate existing business models or develop new ones to include these emerging topics.

Sustainability is based on the idea of finding a balance between the environment, society, and economy by trying to achieve economic growth without compromising nature or forcing employees to work in a poor workplace.

Similarly, fashion companies seek to include ethical practices in their strategies by promoting responsible and inclusive behaviors and spreading issues such as human rights, size inclusivity, racial diversity, and a fair workplace.

Therefore, implementing sustainable and inclusive initiatives serves not only to address social and environmental challenges but also to change brand identity, gain consumers’ trust, and drive future innovations that may enhance firms’ performance and long-term growth.

The purpose of this thesis is to examine how fashion companies in different sectors of the industry can address sustainable operations and inclusive actions. Moreover, this study underlines the long-term effects of these policies on companies’ performance and growth, emphasizing the role of innovation, new technologies, and the rise of conscious consumers. In particular, the objective of this thesis is to realize a comparative analysis of the implementation of sustainability and cultural inclusivity in both luxury and fast-fashion companies.

It consists of a qualitative thesis that exploits three case studies to synthesize and analyze all the information taken from academic papers, articles, corporate reports, and interviews. Specifically, three

companies have been selected and examined to realize the study: Bulgari, H&M, and Patagonia. The selection of these three companies has been carefully curated to represent both sectors being compared: Bulgari embodies the luxury sector, while H&M represents fast fashion. Patagonia was chosen as an example of an apparel company focused more on sustainability than on its financial goals.

The findings of this thesis show that the fashion industry is undergoing a strong transformation, driven by growing consumers' awareness of the importance of sustainability, inclusion, and diversity in today's world. For this reason, modern consumers prioritize the purchase of products realized by using recycled materials and manufactured under safe and ethical working conditions.

Furthermore, this sector plays a key role in the global economy, but it remains one of the main contributors to environmental and social challenges, including greenhouse gas emissions, the exploitation of natural resources, and inadequate working conditions, particularly in developing countries.

This study is focused on three distinct case studies involving three representative companies from the entire fashion industry: Bulgari, Patagonia, and H&M. Despite these firms representing different market targets, they share a common goal: integrating sustainable and inclusive practices in their supply chains, production processes, and corporate cultures. This research looks at the initiatives implemented by each company and compares their outcomes and their challenges and opportunities related to the changes they face in introducing these new themes into their corporate culture.

Luxury and fast-fashion brands represent two distinct parts of the fashion industry. For this reason, they face issues related to the environment and society in different ways.

As regards luxury products, they are distinguished by their high quality, which ensures durability, a positive aspect for the environment since it facilitates resale and encourages the growth of the second-hand and vintage markets. Consequently, it can be argued that luxury firms contribute positively to the circular economy.

Moreover, luxury brands can afford to spend and invest in the creation of innovative business models which include tools to put into action responsible strategies and initiatives.

Luxury is linked to the creation of a sense of desirability through high average prices, iconic designs of clothes and accessories, and personalized experiences. A company that sells exclusive products increases its competitiveness and becomes more attractive compared to firms that operate in the same market. In fact, a firm will gain against its competitors thanks to the originality and variety of its products that will give them the possibility to be different compared to their competitors. As a result, these companies may find challenges in enhancing the level of inclusion and diversity since their corporate culture is rooted in exclusivity and desirability, which serve as competitive advantages.

Nowadays, consumers' priorities are changing. In fact, they prefer and look for ethical brands. For this reason, luxury companies are seeking to hire workers with different talents, backgrounds, and experiences and add new collections with more accessible products in order to respond to these consumers' demands. This led to an evolution in the concept of luxury after the beginning of a period of massification and democratization of luxury, which has been subject to some criticism since someone believed that luxury firms were risking losing their identity.

Fast fashion brands are influenced by rapidly changing trends and, as a consequence of this, drive the diffusion of a rapid production model. These companies have to produce large quantities of clothes and accessories to be aligned with new styles and emerging trends. However, these trends are very volatile and, for this reason, a large amount of the inventory remains unsold, increasing waste. Additionally, fast fashion brands have to produce items quickly, resulting in low-quality products that limit opportunities for recycling and resale, offering a limited benefit to the circular economy.

Fast fashion firms are seeking to eliminate these issues through the implementation of flexible solutions, such as the substitution of new materials with recycled ones, reduction of plastic packaging, and training initiatives regarding Corporate Social Responsibility.

Moreover, these firms are seeking to increase the size inclusivity, and racial diversity of both their collections and work environment in order to include diversity and inclusion into their business models.

Despite the differences in implementation strategies, both luxury and fast fashion brands try to address environmental, social, and economic purposes while preserving their unique identities and pursuing financial growth.

This thesis shows that despite the progress made, there are still challenges that the fashion industry must continue to face, such as the high cost of sustainable initiatives, internal cultural biases, and the difficulty of aligning financial goals with ethical ones. In addition, the gap between the luxury and fast fashion sectors emphasizes different but complementary approaches to sustainability: while luxury focuses on quality and tradition, fast fashion pays attention to innovations needed to meet the demands of a young and socially responsible public.

## **1 Literature Review**

Nowadays, consumers are becoming increasingly aware of the negative consequences that a wrong purchase decision could have on society. That is why the demand for sustainable products is increasing even more, and as a result, companies have to adopt strategies that reflect these needs.

This literature review explores how fashion companies implement sustainability, inclusion, and diversity into their business models and overcome the challenges in addressing these issues.

## 1.1 Overview of the global fashion industry

The global fashion industry is a broad sector that includes a broad range of businesses from luxury brands to fast fashion retailers.

Fashion is one of the world's most important industries, driving a significant part of the global economy, in fact, in 2022 it reached a value of \$1.5 trillion and it is projected to continue growing due to the continuous and huge demand for fashion items across various markets.<sup>1</sup>

According to Fashion United, the fashion industry has a value that amounts to 3 trillion dollars, representing 2% of the world's Gross Domestic Product (GDP)<sup>2</sup>. As explained by McKinsey & Company in its State of Fashion 2017, the fashion industry can be considered as the 7th biggest country in the world in terms of GDP.

Some researchers differentiate between the fashion industry, which produces high fashion items, and the apparel industry, which manufactures everyday clothing for mass markets. In reality, as reported by the Encyclopaedia Britannica in 2024, starting from the 1970s, the boundaries between them have become blurred and fashion has started to be defined simply as any form of behavior that develops among a large population and a group of people collectively follows that for a certain period.

Nowadays, fashion is not only linked to clothes and shoes but it can be considered a lifestyle since it allows people to express themselves and communicate their identity. This means that fashion reflects society, in fact, it represents the needs people want to satisfy to feel part of a certain group, and the ways people dress can reflect their position in society.

The global fashion industry monitors every stage of its operations, including the design, production, distribution, marketing, retail, advertising, and promotion of all kinds of apparel, from the most sophisticated to ordinary everyday clothing.

---

<sup>1</sup> “Moda, il settore produce il 10% delle emissioni globali. Per diventare “green” occorrono investimenti da 30 miliardi di euro l'anno fino al 2030”, *LMF – La Mia Finanza*, September 18, 2024, <https://www.lamiafinanza.it/2024/09/moda-il-settore-produce-il-10-delle-emissioni-globali-per-diventare-green-occorrono-investimenti-da-30-miliardi-di-euro-lanno-fino-al-2030/#:~:text=delle%20emissioni%20globali,-.Per%20diventare%20%E2%80%9Cgreen%E2%80%9D%20occorrono%20investimenti%20da%2030%20miliardi%20di%20euro,l'anno%20fino%20al%202030.&text=L'industria%20della%20moda%20%C3%A8,per%20contribuire%20agli%20obiettivi%20climatici>.

<sup>2</sup> Julia Vilaca, “Fashion industry statistics: the 4th gorgeous sector is way more than just about clothing”, *Fashinnovation*, n.d., <https://fashinnovation.nyc/fashion-industry-statistics/>



In accordance with the Encyclopaedia Britannica, the fashion industry process is divided into four segments: the production of raw materials, the production of goods, retail sales, and advertising and promotion.

Textile design and production are important components of the fashion industry since they are essential for the creation of clothes and accessories. Designers start by conceptualizing the features of the items, such as colors and materials after the analysis of trends, customers preferences, and cultures.

The process continues with the production of fibers which can be natural (the ones that plants and animals source) or synthetic (manufactured through chemical processes). Nowadays, consumers are willing to buy sustainable products and this leads to a greater use of environmentally friendly fibres. Then, these fibers are used to create the fabric through a variety of techniques, such as dyeing, weaving, printing, and other manufacturing and finishing processes. The final step in production involves finishing processes such as washing, bleaching, and adding treatments for water resistance, wrinkle resistance, or softness. These processes enhance the functionality and aesthetics of the fabric.

Designers set trends, in fact, they plan the manufacture of clothes and accessories that meet consumers' demands. Most traditional design methods, such as drawing on paper and arranging fabric on mannequins, have been replaced by design techniques assisted or realized by computers. These allow designers to rapidly make changes in compliance with consumers' preferences and instantly share the proposed changes with colleagues.

After the clothes are designed and manufactured, they must be sold. The process of purchasing clothing from manufacturers and selling it to customers is referred to as retail.

In retail, the shopping experience takes place either online or in-store. The brand is brought to life through various touchpoints, including the way it is physically presented, a carefully curated color palette, the demeanor of the staff, and the surrounding environment, which is often enhanced by lighting, music, and scents. The experiences are everything that matters thanks to the creation of an emotional connection between customers and the store, which is a physical expression of the business and an opportunity to make emotional connections and influence choices<sup>3</sup>.

Fashion marketing can be defined as the promotion of clothes and accessories to target consumers, intending to maximize the sales and profits of a company. It is based on several strategies, techniques, and activities to attract new customers, maximize profits, and enhance company loyalty.

---

<sup>3</sup> Interbrand, *Retail Brands 2009*, March 2009, [https://twinklemagazine.nl/2009/03/Geen\\_pure\\_players\\_tussen\\_waardevolste\\_retailmerken/Interbrand\\_retailmerken\\_2009.pdf](https://twinklemagazine.nl/2009/03/Geen_pure_players_tussen_waardevolste_retailmerken/Interbrand_retailmerken_2009.pdf)

Understanding consumer desire and responding with appropriate products is the key to becoming successful. Marketing also involves promotional activities aimed at establishing brand recognition and enhancing brand reputation by emphasizing some features of the products, such as quality, low price, or coolness.

Media are an essential tool for fashion marketing, in fact, they can be exploited to understand the introduction of new trends, firms' features, and consumer behaviors.

Businesses take advantage of media and marketing in different ways. They use traditional media, such as historical magazines like Vogue, but also new tools such as television, digital media, and social media. In particular, brands invest in user-friendly websites, mobile apps, and personalized shopping experiences to drive online sales.

Fashion brands have a strong identity and narrative that they also have to maintain during their marketing campaigns.

Collaborating with influencers and celebrities is a common strategy. These personalities have large followings, and their support can significantly enhance a firm's visibility and credibility.

In addition, shows and fashion weeks are fundamental for brand exposure. These events gain massive media attention, and the new collections often set the trends for the upcoming seasons.

Merchandising is the practice of boosting sales and profitability by encouraging consumers to purchase a company's products. It entails offering the right product at the optimal price, time, and location to the appropriate customers, leveraging marketers' insights into consumer preferences and market trends. The merchandisers deal with the presentation of attractive and accessible products thanks to the use of store windows, displays in the stores, and special promotional events. Lastly, merchandising specialists must be able to respond to a sudden increase in demand by rapidly acquiring new stocks of the requested product.

Nowadays, consumers demand sustainable products and inclusive practices. For this reason, brands that emphasize ethical production, sustainable materials, and ecological practices and that encompass diverse races, genders, and talents are expected to grow and capture a large market share.

Another important tool to achieve performance growth is consumer engagement through immersive and exclusive experiences, such as pop-up shops, augmented reality, and virtual events.

## **1.2 Sustainability, inclusion, and diversity in the corporate context and their challenges**

Sustainability, inclusion, and diversity are important aspects within the corporate context. They are a fundamental part of business ethics since they define their responsibility toward society, but they are

useful also to enhance the brand reputation, build stronger relationships with customers, promote innovation, and, as a result, improve business performance.

### **1.2.1 Sustainability in the fashion industry**

Sustainability goes beyond the simple protection of the environment, it also takes into account the need to find a balance between environmental safeguard, social well-being, and economic development to find strategies that minimize ecological harm, ensuring equitable opportunities for all workers and customers and, the same time, encouraging economic development.

It is a broad concept that is linked to a wide range of definitions. As declared in the Brundtland Report<sup>4</sup>, sustainability is based on the idea of “meeting the needs of the present without compromising the ability of future generations to meet their own needs”.

According to Henninger et al. (2016)<sup>5</sup>, sustainability is based on the idea of finding a balance between the environmental, social, and economic aspects by protecting the environment, reducing carbon emissions, ensuring the well-being and equity of the workplace, and establishing business models that assure the economic development without depleting resources or damaging other dimensions of sustainability.

Sustainability in the fashion industry makes reference to the creation of products in a “sustained” way that protects the environment and society due to the use of recyclable materials and procedures that ensure workers’ conditions.

Sustainability in business ethics involves a commitment to minimizing environmental impact. This includes reducing carbon footprints, conserving resources, and promoting practices that do not harm the environment. Companies are expected to implement eco-friendly practices in their operations, supply chains, and product life cycles.

The McKinsey-GFA “Fashion on Climate” report announced that the fashion industry will fail to meet the 1.5 °C target in 2030 established by the Paris Agreement on climate change without a radical change or new strategies. In particular, companies need to start with upstream operations which are the most polluting steps of the fashion supply chain, to reduce emissions by nearly 50% starting from the current rate.

---

<sup>4</sup> World Commission on Environment and Development, *Our Common Future* (Oxford: Oxford University Press, 1987), 15, <https://www.are.admin.ch/are/en/home/media/publications/sustainable-development/brundtland-report.html>

<sup>5</sup> Claudia E. Henninger, Panayiota J. Alevizou, and Caroline J. Oates, “What is sustainable fashion”, *Journal of Fashion Marketing and Management* 20 no.4 (May 2016) [https://www.researchgate.net/publication/303546323\\_What\\_is\\_sustainable\\_fashion](https://www.researchgate.net/publication/303546323_What_is_sustainable_fashion)

However, according to the Harvard Business Review<sup>6</sup>, fashion companies are now working to become even more sustainable, but they are not having their intended effects. They follow some common steps which are:

- Transparency: it refers to clear and open communication of an organization's environmental, social, and governance performance through the presentation of reports regarding ESG practices and Corporate Social Responsibility. This allows stakeholders to make conscious decisions and make companies responsible for their impact on people and the planet. The problem is that most reports do not have standardized frameworks and do not quantify the full carbon emissions.
- Recycling materials, clothes, and accessories and incorporating recycling practices into the companies' operations in order to reduce waste and carbon emissions. The fashion industry faces different challenges regarding this aspect, such as the presence of mixed fibers which are difficult to separate, high costs, reduced quality, and the absence of standardized recycling methods. As a result of these obstacles, less than 1% of all clothing is recycled into new garments.
- Bio-based materials: several manufacturers use biodegradable materials that are, unfortunately, marked by high initial costs, the need for a lot of capital to realize new production sites, and the lack of pricing for externalities.
- New business models, such as resale and rental unfortunately produce a decrease in emissions that ranges only between 1% and 3%.

Nowadays, several scholars believe that business models are too limited and simplistic. As noted by Bocken et al. in the paper *A Value Mapping Tool for Sustainable Business Modelling (2015)*: "Business models are often perceived from a value creation perspective that focuses on satisfying customer needs, economic return, and compliance. For sustainability thinking, this focus is too narrow and raises the need for a more holistic view of value that integrates social and environmental goals, to ensure balancing or ideal alignment of all stakeholder interests to deliver 'sustainable value' creation".

As explained by Esben Rahbek Gjerdrum Pedersen, Wencke Gwozdz, and Kerli Kant Hvass in the study *Exploring the Relationship between Business Model Innovation, Corporate Sustainability, and Organizational Values within the Fashion Industry (2016)*, there is a difference between traditional business models and models focused on corporate social responsibility practices. Traditional business models' aim is maximizing profit through conventional means without incorporating sustainable practices unless they are useful to achieve economic growth: these models often prioritize short-term gains over long-term gains which may be linked to positive environmental effects. On the other hand, business

---

<sup>6</sup> John Lash and Francis Wellington, "Competitive Advantage of a Warming Planet," *Harvard Business Review* (Cambridge, MA: Harvard Business School, 2007), 1–11, <https://hbr.org/2007/03/competitive-advantage-on-a-warming-planet>

models focused on sustainable innovations take into account environmental and social considerations and change their core strategies to incorporate them in the best possible way. These models aim to achieve profitability while minimizing negative impacts on the environment and society.

Furthermore, they report that while traditional models give emphasis mainly on customers, sustainable models include different stakeholders, such as nongovernmental organizations, local communities, and the environment.

In a study from 2005, called *Clarifying Business Models: Origins, Present, and Future of the Concept* and conducted by Osterwalder, Pigneur, and Tucci, they published a model that describes a way to analyze and design business models based on four pillars and nine building blocks for business models.

Pillar	Business model Building block	Description
Infrastructure management	Value configuration	<ul style="list-style-type: none"> <li>▪ The arrangement of activities and resources</li> <li>▪ The competencies necessary to execute the business model</li> <li>▪ The network of cooperative agreements</li> </ul>
	Core competency	
	Partner network	
Customer interface	Target customer	<ul style="list-style-type: none"> <li>▪ The segments of customer value</li> <li>▪ The links between the company and different customer segments</li> <li>▪ The way to get in touch with customer</li> </ul>
	Relationship	
	Distribution Channel	
Product	Value proposition	<ul style="list-style-type: none"> <li>▪ The company's bundle of products and services</li> </ul>
Financial aspects	Cost structure	<ul style="list-style-type: none"> <li>▪ The monetary consequences of the means employed in the business model</li> <li>▪ The way a company makes money through a variety of revenue flow</li> </ul>
	Revenue Model	

Figure 1: Alexander Osterwalder, Yves Pigneur, and Christopher Tucci, "Clarifying Business Models: Origins, Present, and Future of the Concept," *Communications of the Association for Information Systems* 16 (2005), <https://doi.org/10.17705/1CAIS.01601>

The first pillar is infrastructure management, composed of three building blocks: value configuration, core competency, and partner network. The value configuration refers to how a firm organizes its activities and resources with the aim of creating and delivering value to its consumers; the core competency refers to the most important advantages, such as skills, technologies, and experiences that a firm could exploit to gain an advantage in the marketplace; the partner network represents the external companies that help the business to realize its operations.

The second pillar is the customer interface which is divided into three building blocks: target customer, relationship, and distribution channel. The first one embodies the customer segment that the company wants to reach. It is crucial to understand whom the firm's products are designed for; the relationship explains the type of connection between the company and its customers; and the distribution channel is linked to the way the company delivers its products to customers, which can range from physical stores to online platforms.

The third pillar is the product which is tied to a building block, the value proposition. It defines the unique value a firm provides to its clients, and why customers should choose products or services of this firm instead of those of competitors.

The last pillar is the financial aspect, composed of two building blocks: the cost structure and the revenue model. The cost structure is essential to analyze the company's expenses, in fact, it embodies the financial costs of the business model, such as the operating ones; the revenue model represents the income generation realized through direct sales, licensing, advertising, and other income sources.

In addition, Thorisdottir and Johannsdottir (2019) provide a systematic literature review on sustainability within fashion business models, underlining its essential role in safeguarding the environment and society. Their work underscores the importance of integrating sustainability into the core business strategy rather than treating it as a peripheral concern. The authors argue that sustainability initiatives should encompass the entire supply chain, from the extraction of raw materials to managing the product's end-of-life phase. In particular, firms should establish sustainable and ethical sourcing of raw materials, ecological manufacturing practices, and a business model that ensures a long life cycle for products. This comprehensive approach not only reduces environmental impact but also enhances brand reputation and consumer loyalty, ultimately contributing to long-term business performance.

In recent times, companies need to incorporate sustainable practices into their business models or implement new strategies more focused on the environment. It is not always enough to add a new strategy to the current business model since the business priorities could vary. This means that, in certain cases, companies need to dramatically change their business models. As illustrated by a publication from the United Nations Environment Programme called *Sustainable Consumption and Production. A handbook for policymakers* (2015), a tool company can use to administer the business model is Sustainable Consumption Production (SCP) which is The use of services and associated products that satisfy basic needs and improve quality of life, while minimizing the consumption of natural resources, harmful substances, and waste production, ensuring that the needs of future generations are preserved.

Sustainable Consumption Production is based on three main objectives. The first one is dividing environmental degradation from economic growth by increasing economic gains but, at the same time, cutting resource use, degradation, and pollution. The second purpose is incrementing the sustainable

management of resources for the production and consumption phases of the lifecycle through the reuse of goods and services, marketing, and waste disposal. The last one is sizing opportunities for developing countries: offering opportunities to enhance the quality of life of people living in these countries thanks to the establishment of new markets, jobs, and sustainable practices.

Another essential tool that companies can use to manage sustainable business models is Sustainable Public Procurement (SPP) which is a process in which public organizations fulfill their necessities for goods, services, works, and utilities in a way that not only supports their growth but also benefits society and the economy, while minimizing environmental harm<sup>7</sup>. SPP has not only positive environmental effects but also social and economic ones. In particular, it helps to alleviate poverty, enhance fairness, uphold labor standards, and, from an economic standpoint, generate income, lower expenses, and encourage innovation.

Eurobarometer data demonstrate that today European people are more interested in the topic of sustainability compared to past years.

The EU has a role in addressing fashion companies' behaviors regarding sustainable objectives and initiatives. The EU Commission's *Study on the Technical, regulatory, economic, and environmental effectiveness of textile fibers recycling* (2021) explains that the European Union acts as a guide for the future of the fashion sector by giving information regarding product eco-design strategies and the application of circular models to boost and restore recycling activities.

In particular, the European Commission decided to introduce mandatory environmental and social requirements along the value chain, from the production to the product in order to increase sustainable actions linked to the production of goods and services; the EU has also decided to establish a Common European Data Space that brings together data regarding value chains and product information. This will be useful to industries to analyze and control the features of their operations, including the environmental impact. Another action that the European Commission realized to enhance sustainability is to cooperate with national authorities in order to ensure that all Member States comply with the sustainability requirements for products manufactured and sold in the EU market, especially through inspections and market surveillance actions.

In addition, in line with the European Green Deal, the Commission will strengthen the monitoring of national plans and sustainable measures to make sure that the ecological transition will be increasingly effective and rapid. Indicators on resource use, including the consumption footprint and material footprint, will also be developed to monitor material consumption and the negative impacts associated with production models in the fashion sector.

The “*New Circular Economy Action Plan - For a Cleaner and More Competitive Europe*” was adopted in 2020 as a part of the European Green Deal to realize a transition to a circular economy, preserve natural resources, and create sustainable growth and jobs in order to achieve the EU’s 2050 climate neutrality target. In particular, this plan promotes several initiatives regarding the environment, sustainable practices, and waste prevention and introduces regulatory and non-regulatory actions based on areas where EU interventions provide significant benefits and meaningful contributions.

Despite its economic significance, the fashion industry faces significant challenges regarding its environmental and social impacts. Many people criticize this industry for its contribution to environmental deterioration and social inequalities that result from the high use of resources during its production processes and labor exploitation in supply chains.

The United Nations Environment Programme states that the fashion industry is the second-largest polluter globally, accounting for 10% of global carbon dioxide emissions and contributing to 20% of the 300 million tons of plastic produced each year. Additionally, fashion remains one of the least developed sectors in terms of social responsibility and worker welfare, often criticized for its minimal accountability in tackling sustainability challenges.

Esben Rahbek Gjerdrum Pedersen, Wencke Gwozdz, and Kerli Kant Hvass in the paper *Exploring the Relationship Between Business Model Innovation, Corporate Sustainability, and Organisational Values within the Fashion Industry* (2018) explains that, despite the fashion industry has actively participated in sustainability initiatives, such as the establishment of supplier code of conduct to ensure that suppliers respect safe working conditions standards, fashion companies have been accused by the community of not preserving and respecting the environment.

As reported by Ashby et al. (2013) in the study *From Principle to Practice: Embedding Sustainability in Clothing Supply Chain Strategies* (2013), many fashion companies are trying to reduce the negative social and environmental impact by creating and following different strategies such as digitalization, automatization, and standardization to gain better control over their supply chain. Despite this, the fashion industry continues to harm both people and the planet due to the fact that existing approaches to corporate sustainability and CSR are not enough and there is the need for more fundamental changes towards sustainability.

In this regard, the World Economic Forum (WEF 2010) explains that current efforts to raise awareness regarding sustainability among companies are not appropriate to current consumption patterns, in fact, most industries are still tied to a linear production system, and the "dig, use, dump" approach which makes it difficult to achieve significant sustainable development. They need a high degree of innovation to design modern production processes and business models.



Caterina de Ponte, Marco Ciro Liscio, and Paolo Sospiro in the paper *The Nexus between Sustainability, the Fashion Industry, and Sustainable Business Model* (2023) clarify that the fashion industry has been accused of harming the environment due to carbon emissions, waste, and the exhaustion of natural resources. Nowadays, leather and textile industries are affected by strong growth in both production and consumption, provoking the rise of negative effects on the environment.

### 1.2.2 Inclusion and diversity in the fashion industry

Inclusion and diversity have emerged as critical issues in the fashion industry, with consumers and stakeholders increasingly demanding representation across various dimensions, including race, gender, and ability.

Being inclusive in the fashion industry means creating accessible and friendly environments for customers and employees in different areas such as age, race, sexual orientation, gender, physical abilities, and socioeconomic contexts. Inclusive practices are essential to enhance customer experience, employee satisfaction, and business performance.

In recent years, the fashion industry has faced criticism for its insufficient integration of diversity and inclusion within corporate strategies. While leading brands have made strides by adopting more diverse governance structures and embracing inclusive marketing initiatives, significant efforts are still required to meet future goals in fostering responsible and ethical practices.<sup>8</sup>

Catherine Cassell, Kathryn Watson, Jacqueline Ford, and Juliet Kele in the paper *Understanding Inclusion in the Retail Industry: incorporating the Majority Perspective* (2020) underline the fact that different practices companies are carrying out, such as the recruitment of people characterized by different ethnicities, genders, or religions, are not enough to change the business inclusive models and that firms need to focus on more levels of the organization to provoke a huge transformation in the organizational culture.

The relevance of adding inclusion and diversity in business is tied to various aspects. The first one is innovation and creativity since diverse teams bring different perspectives that result in creative solutions to problems and creative proposals.

Another consequence of inclusion and diversity is that companies with diverse workforces can reach a bigger customer base and market segment because a team composed of individuals with diverse personalities and traits contributes fresh, innovative ideas.

---

<sup>8</sup> Boston Consulting Group, *Beyond boundaries: Diversity and AI in fashion* (USA: Boston Consulting Group, 2023), 6-16, <https://web-assets.bcg.com/bc/80/66f14c214b1aa6dd1e5c2bbf7593/diversity-ai-in-fashion-poland.pdf>

Moreover, inclusive environments enhance employees' satisfaction and trust, increasing productivity and efficiency. Companies characterized by inclusion and diversity attract top talents and increase their reputation and image.

Hannah Dreska in the paper *The Impact of Diversity, Equity, and Inclusion in the Fashion Industry* (2023) underlines that companies that implement diversity and inclusion into their strategies and business model can improve their corporate values, reputation, and financial performance. The analysis of 15 companies revealed that the majority of them achieved an increase in return on equity (ROE), sales, and earnings per share (EPS).

Catherine Cassell, Kathryn Watson, Jacqueline Ford, and Juliet Kele in the paper *Understanding Inclusion in the Retail Industry: incorporating the Majority Perspective* (2020) explain that there are five key factors that drive inclusion within organizations: strong commitment from leadership to fostering an inclusive culture, attentiveness to individual needs, an approach that goes beyond protected characteristics, company initiatives aimed at including those traditionally excluded, and support for diverse networks.

Firstly, leaders' commitment to inclusion and diversity has a massive positive impact on the effectiveness and implementation of these aspects. In fact, getting a message from above is a crucial driver of perceptions of inclusion. In fact, receiving clear, consistent messages from leadership about the importance of diversity and inclusion is a crucial action to send a powerful signal that these values are integral to the company's mission.

The second driver is responsiveness to individual concerns. It means that the firm should give its support to workers who are in difficult personal and professional situations; these actions ensure that individual circumstances and problems are always taken into consideration.

Thirdly, a firm can drive inclusivity in the workplace by not only focusing on traditionally underrepresented groups, but also by considering other aspects such as personal and professional backgrounds, critical thinking, and personalities. Inclusivity should extend beyond the protection of specific groups and embrace a broader sector of diversity, recognizing the value of different perspectives and experiences in enriching the workplace environment.

For example, the UK Equality Act of 2010 talks about ten protected characteristics: age, disability, marriage or civil partnership, sex, sexuality, gender reassignment, pregnancy and maternity, race, religion, and age. In reality, there are also other people belonging to unprotected categories who are not named by the previous law but are recognized as people who may need help to be included in the workforce.

Another driver of inclusion is the effort that a company makes to include groups of people that are traditionally excluded such as foreigners, women, or members of the LGBTQ+ community. One example of this could be the introduction of a calendar in the stores that takes into account key annual inclusion events, such as Black History Month, and religious celebrations like Diwali; by acknowledging and celebrating these events, companies can demonstrate their commitment to diversity and create a more inclusive environment for both employees and customers.

The last action that may enhance inclusion in the workforce is the creation of networks to support discriminated groups of people. For example, many firms decided to establish a women's network to provide aid to women who wish to advance in their careers. Members of network groups believe that their efforts to promote these networks were useful to promote inclusion within the company but there were concerns about how other peers perceived group membership, particularly regarding the necessity of these networks, their purpose, and the time and effort required to participate.

The lack of inclusion and diversity can significantly harm reputation, damaging the brand's image due to negative publicity. This not only alienates existing customers but also reduces the potential to attract new ones, particularly those from underrepresented groups. When these groups perceive that a firm fails to acknowledge or respect their identities and experiences, they are likely to buy from other firms, leading to a loss of market share and damaging the company's growth prospects.

According to different studies, companies with diverse and inclusive cultures tend to achieve better financial and economic results since they are more likely to enter into new markets, drive innovation, and attract top talent; all these elements contribute to better overall performance. Firms that neglect inclusion and diversity may miss out on these benefits, leading to weaker financial and economic results.

The book *Firms in the Fashion Industry: Sustainability, Luxury, and Communication in an International Context* written by Laura Rienda, Lorena Ruiz-Fernández, Lindsey Drylie Carey, and Irene García-Medina in 2021 talks about the fact that, nowadays, customers' purchasing decisions are affected by the level of a brand's commitment to the environment and society. They are willing to pay a premium price for products from businesses that produce sustainable clothes and accessories of higher quality. In particular, according to the Global Corporate Sustainability Report published by Nielsen in 2015, 75% of consumers are willing to pay a premium price to purchase from brands committed to environmental protection.

In recent years, younger generations, particularly Generation Z and Millennials, have become increasingly focused on the origins and composition of the clothing they buy. Ethical considerations and workers' conditions are critical issues for them, leading many to reduce their consumption of products that do not align with these values. In fact, the majority of young consumers are willing to pay a premium for products that reflect these ethical standards and support fair labor practices.

For these reasons, businesses must carefully communicate their achievements in corporate responsibility. For example, a firm that aims to emphasize its commitment to sustainability and ethics could leverage its advertising campaigns to inform consumers about its achievements.

The research underscores the potential of diverse and inclusive advertising to affect all demographics. For instance, according to Top Design Firms, the ones that publicize advertising campaigns focused on current issues, such as diversity and inclusion, increase their sales by 64%<sup>9</sup>. These advertisements create an emotional connection between the brand and the client and foster the relationship between them, encouraging brand loyalty and reputation.

Lloyd's Banking Group's study reports a 13% increase in the representation of minorities in major advertising between 2016 and 2018. Despite this enhancement in minority presence during a company's development and growth stages, minorities continue to feel underrepresented in the way their race is portrayed.

Furthermore, Rienda et al. underline that firms, customers, and the environment are constantly evolving but the pandemic crises have drawn attention to the lack of capacity of the system to adapt to volatile contexts; this crisis has also taught industries and governments to look beyond short-term measures and to change actual business models. The authors explain that luxury firms have a fundamental role in designing long-term sustainable strategies due to their exclusivity and high-quality products. In addition, they can spend money to promote sustainable campaigns while maintaining the right financial position and competitive advantage.

Data derived from the Eurobarometer indicate that 92 percent of respondents to a survey regarding the attitude of Europeans towards the environment believe that fashion brands have a responsibility to ensure good working conditions for employees; this demonstrates the growing consumer awareness and demand for ethical practices within the industry.

Many scholars highlight that implementing inclusion and diversity in the fashion industry is important but implies the presence of some challenges.

For example, Arol Majok in his study *The challenges of diversity and inclusion in the workplace and the role of human resources in promoting these values* (2024) says that bias among employees and leadership can make the implementation of inclusive strategies more difficult. For example, some workers could have difficulties in accepting changes due to a lack of awareness, fear of interrupting standard routines, or

---

<sup>9</sup> Shelby Jordan, "64% of Consumers Consider Making an Immediate Purchase After Seeing Diverse Advertisements, New Data Shows," *Top Design*, November 11, 2020, <https://www.prnewswire.com/news-releases/64-of-consumers-consider-making-an-immediate-purchase-after-seeing-diverse-advertisements-new-data-shows-301170981.html>

personal biases. This can result in passive resistance or, worse, active pushback against diversity and inclusion efforts.

Catherine Cassel, Kathryn Watson, Jacqueline Ford, and Juliet Kele believe that another barrier to inclusion is the lack of accountability for managers for addressing future challenges associated with the implementation of inclusive strategies. This means that inclusion is not related to managers' goals for enhancing sustainability in business strategies, demonstrating that inclusion is not part of management's future goals.

Moreover, they emphasize that minority ethnic groups are accepted in the firm's culture, but not for senior roles. In fact, many companies are subject to the lack of inclusive models in the senior management.

In addition to these barriers analyzed by various authors, there are other challenges linked to the implementation of diversity and inclusion. For example, expanding product lines to be more inclusive can involve additional costs, such as sourcing different materials and creating diverse marketing campaigns; smaller brands or those operating on thin margins may find it hard.

Ensuring inclusion and diversity can be affected by ethical barriers due to the presence of workers who follow specific labor practices linked to their cultures, in fact, some rules or behaviors that are accepted in one country might not resonate in another one.

Furthermore, the implementation of inclusive practices may alienate the existing customer base since customers may be accustomed to specific norms and operations and perceive the changing of the brand's core values as a negative aspect; educating consumers about the importance of diversity and inclusivity can be difficult and some of them could be reluctant to change or be unaware of the issues surrounding inclusivity in fashion.

Thorey S. Thorisdottir and Lara Johannsdottir in the study *Sustainability within Fashion Business Models: A Systematic Literature Review* (2024) propose collaboration with stakeholders, investment in research and development, and the exploitation of digital technologies as possible solutions to overcome these issues.

Many companies lack awareness and education on these issues, and without comprehensive training and a strong commitment, there is a risk that the efforts made by these firms will ultimately be worthless.

### **1.3 The Impact of Globalization and Cultural Diversity on these New Challenges**

According to the International Monetary Fund, Globalization is a "historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders. The term

sometimes also refers to the movement of people and knowledge across international borders. There are also broader cultural, political, and environmental dimensions of globalization”.

Thus, Globalization refers to the increasing integration of the world's economies, cultures, and societies driven by international trade, technological advancements, cultural exchanges, and the influence of social media. It represents the movement of financial products and services, information, and jobs across different countries.

The term "globalization" gained widespread popularity in the 1980s, a decade marked by technological advancements that significantly optimized and accelerated international transactions.

Fredrik Erixon in his work *The Economic Benefits of Globalization for Business and Consumers* (2018) underlines several positive effects that globalization could have on business. Firstly, globalization has a huge impact on the opportunities and challenges of the fashion industry, in fact, it has enabled companies to access new markets and attract new customers allowing the rise of the company's sales and revenue and the reduction of its dependence on a single market.

In addition, globalization allows companies to achieve economies of scale, reducing per-unit costs by producing and distributing products in larger quantities. This can enhance their competitiveness.

Globalization also enables companies to access lower-cost labor and raw materials in different parts of the world. By outsourcing production or starting operations in countries with lower costs, businesses can reduce their expenses and improve their profits.

Thanks to a more globalized world, companies can collaborate with international institutions and suppliers to share knowledge and information with them and drive innovation and the implementation of new methods of production.

Furthermore, globalization enables firms to have access to international financial markets where they can have the possibility to increase their capital thanks to foreign investments and partnerships.

Lastly, globalization allows companies to participate in global sustainability initiatives and address environmental and social challenges on a larger scale. This can lead to positive social impact and the enhancement of the company's reputation after the achievement of global sustainable goals.

At the same time, companies have to face different challenges due to globalization. Firstly, they have to interpret different cultural norms, and behaviors, and overcome language barriers to avoid the misunderstanding of local cultures that can cause marketing, communication, and production mistakes.

According to Linda Lim<sup>10</sup>, globalization has given rise to economic development and created wealth; however, this wealth is unevenly distributed, leaving many people living in poverty despite economic growth. She also believes that globalization may cause an increase in migration and, as a result, difficulties related to the rights of migrant workers and international policies.

In addition, she explains that companies operating in multiple countries must comply with different regulatory and legal frameworks, which can be complex and vary significantly from one jurisdiction to another. Failure to comply with local laws and regulations can result in legal sanctions and reputational damage. Companies must invest in legal expertise and compliance systems to navigate these challenges effectively.

Lastly, global companies must adapt their products or services to meet the specific preferences and needs of local markets. Successfully entering a new market may require adjusting branding, merchandising, and marketing strategies to connect with local consumers and avoid difficulties in reaching the target audience.

#### **1.4 The Fast Fashion Industry**

Fast fashion is distinguished for the rapid production of inexpensive products that follow the latest fashion trends. This system is characterized by a rapid production model that usually causes mass production and overconsumption.

The manufacture of cheap and low-quality clothes and accessories has led consumers to increase their purchases, giving rise to the emergence of a throwaway fashion culture<sup>11</sup>. Several studies show that more than 90 million pieces of clothing end up in the world's landfill sites every year and that in the UK consumers produce 2 million tonnes of textile waste per year, 1.2 of which is found in depots.

For example, in 2022, 59,000 tonnes of fast-fashion waste was abandoned in the Atacama Desert in Chile did not have permission to discard these items and, for this reason, the garments were burned, causing an increase in pollution due to the release of harmful gases in the air<sup>12</sup>.

---

<sup>10</sup> Linda Lim and International Labour Organization, Bureau for Employers' Activities, *The Globalization Debate: Issues and Challenges* (Geneva: ILO, Bureau for Employers' Activities, 2001), [https://ilo.primo.exlibrisgroup.com/discovery/fulldisplay/alma993506773402676/41ILO\\_INST:41ILO\\_V2](https://ilo.primo.exlibrisgroup.com/discovery/fulldisplay/alma993506773402676/41ILO_INST:41ILO_V2)

<sup>11</sup> C. M. Moore and G. Birtwistle, "The Burberry Business Model: Creating an International Luxury Fashion Brand," *International Journal of Retail & Distribution Management* 32, no. 8 (2004): 412-422, <https://www.emerald.com/insight/content/doi/10.1108/09590550410546232/full/html>

<sup>12</sup> Tibisay Zea, "Fast fashion is causing an environmental disaster in Chile's Atacama Desert", *The World*, November 1, 2022, <https://theworld.org/stories/2022/11/01/fast-fashion-causing-environmental-disaster-chiles-atacama-desert>

Xiaoyang Long and Javad Nasiry in their work *Sustainability in the Fast Fashion Industry: Manufacturing & Service Operations Management* (2022) aims to estimate the environmental impact of the fast fashion industry by using as measurement tools the production amount, leftover inventory, and consumer waste, taking into account consumers who are attentive to trends and fashion and driven by a casual fashion trend.

They understand that the fast fashion industry's operations generate a huge amount of waste and leftover inventory due to brands and consumers' desire to follow current trends, which negatively affect the environment. Consumers influence companies' decision-making process regarding the quantity and quality of clothes that are produced; in particular, consumers who are attentive to fashion trends contribute negatively to the environment since they buy items that they use only briefly, contributing to the growing issue of waste.

This paper also analyses three environmental initiatives that fast fashion brands could realize to reduce their environmental impact: waste disposal regulations, consumer education, and production tax schemes. Waste disposal policies and production tax schemes are successful in reducing companies' leftover inventory but could provoke a reduction in product quality; education initiatives have the intended effect of enhancing consumers' sensitivity to quality only in the long period.

In particular, waste disposal policies aim to mitigate the environmental impact of excess production and low-quality products such as landfill bans or waste disposal fees. The firm will reduce inventory leftovers and replace them with a quicker response to satisfy consumers' demands. The problem is that quick response is more expensive than production, which drives the firm to produce low-quality products. This means that waste disposal policies may not achieve their intended effects.

Secondly, fast fashion companies can enhance their environmental situation through consumer education to raise awareness regarding the importance of sustainability and quality clothes and materials. However, when the firm starts the transformation to become more sustainable and inclusive, part of the company's inventory could remain unemployed. A solution may be that, as fast fashion shifts toward a more sustainable business model with higher quality products, governments should avoid penalizing inventory disposal which is a necessary part of the transformation process.

The last initiative is a taxation imposed by the government on every unit realized by the company to reduce overproduction. As in the case of disposal cost, there could be a trade-off between the environmental gain and the increased costs that the company may have to face.

With the rise of sustainability practices, many fashion companies have started to focus on Environmental Management Systems (EMS), which are frameworks designed to effectively implement environmental management strategies that reduce the environmental impact of production processes. However, some



researchers point out that environmental management activities often require significant energy consumption. This creates a trade-off between environmental performance and energy efficiency in the adoption of EMS, which can be mitigated through balancing measures, such as monitoring energy efficiency and redesigning incentive schemes to enhance energy performance. Additionally, the implementation of sustainable practices can make it challenging to maintain low prices and high profitability. This tension between sustainability and profitability remains a major challenge in the fashion industry.

## 1.5 The Luxury Industry

There are different definitions of what luxury is. For example, Giorgio Armani clarified at the International Herald Tribune (IHT) annual luxury conference in 2005 that it is “Something that is unique and very difficult to be found elsewhere. This is still my image of luxury: exclusivity, sophistication, quality, the refined manner of selling something difficult to get, exactly the contrary of the perceived luxury of today”. He underlines the idea of luxury as exclusive thanks to high average price, limited supply, and, as a consequence, limited availability. He believes that customers have a responsibility when they decide to buy a luxury good, this means that they have to earn the ownership of luxury by increasing their knowledge and understanding of the items that they want to buy.

Suzy Menkes, a renowned fashion journalist and critic, offers a different perspective on luxury. She firmly believes that luxury is tied to the concept of a dream. In her view, luxury remains associated with the feeling of aspiration and indulgence. People are drawn to luxury products not only for their high quality but for the experience they provide, such as the pleasure of touching fine fabrics or smelling the rich scent of leather. Luxury, for her, is also about the passion of acquiring items that have distinct designs, packaging, and features that elevate the act of realizing an emotional experience. In fact, the idea of luxury is tied to the experience of buying iconic items. In fact, the desire to buy a luxury product is not only linked to physical ownership but also to the emotional side of entering into an exemplary boutique with the possibility of realizing personalized experiences.

Laura Rienda, Lorena Luiz Fernandez, Lindsey Drylie Carey, and Irene Garcia-Medina in their book *Firms in the Fashion Industry. Sustainability, Luxury, and Communication in an International Context* (2021) explains that after the financial crisis of 2008, the fashion industry started to feel the need to increase its customer base and purchasing power. This led to the beginning of the period of “Massification and Democratization of Luxury”, during which companies introduced more accessible products to extend the customer base and communicate to non-luxury consumer segments. This shift in the concept of luxury prompted criticism, with many arguing that by acting in this new way, luxury brands were risking losing their essence and identity.

Some scholars criticize the substantial environmental impact that the luxury sectors has on the environment due to resource-intensive materials and unsustainable production practices. In particular, the CEO of Harley-Davidson argues that nearly all environmental impacts occur within the supply chain of fashion organizations (including all the production processes, material sourcing, and global distribution), underlining that these impacts are outside the direct control of the luxury industry.

But, at the same time, luxury products are high-quality thanks to a combination of distinctive factors, such as the use of valuable materials, craftsmanship, and attention to detail. For this reason, they have a longer life cycle and can easily become second-hand products, which are useful to reduce the issue of overconsumption. For example, Vestiaire Collective is a very popular online business that deals with the resale of luxury fashion.

### **1.6 Gap of the existing literature review**

To sum up, existing studies investigate strategies and initiatives that companies can adopt to implement sustainability, inclusion, and diversity into their operations. Firms usually adopt sustainable and ethical practices within existing business models or develop entirely new ethical business models. Moreover, the literature review highlights the challenges associated with the implementation of these actions and proposes potential solutions to overcome the issues.

This thesis aims to go more in-depth about these aspects through a comparative analysis of the luxury and fast-fashion sectors. The research is based on an empirical approach, in fact, interviews, corporate reports, and recent articles and publications have been exploited to achieve the final results. In addition, this study intends to investigate sectoral strategies within the most important areas of the fashion industry: leather, textiles, and retail.

The thesis also takes into account recent topics such as emerging technologies, social media, and globalization. Lastly, the thesis analyses the role of customers in affecting companies' decision-making process and examines the impact of regulatory frameworks on the environmental impact and ethical standards.

## **2 Research Questions and Objective of the Study**

The fashion industry is increasingly conformed with integrating sustainability, inclusion, and diversity into its business models. However, implementing these principles in a globalized context is not easy. In fact, sustainable and inclusive businesses may encounter numerous opportunities, but they also face significant challenges in the integration process. This study aims to explore both the opportunities and challenges that fashion companies face when incorporating sustainable and inclusive practices into their

operations, as well as the impact these policies have on business performance and consumer base. Specifically, this thesis conducts a comparative analysis of luxury and fast fashion in terms of their environmental, social, and economic growth by examining three representative firms within the fashion industry: Bulgari, representing the luxury sector, H&M, representing fast fashion and Patagonia, a technical apparel company focused on environmental sustainability.

For this reason, this study aims to answer this research question: *“How do fashion companies address the challenges of sustainability, inclusion, and diversity in an intercultural context, and how do these policies differ between luxury or fast-fashion brands?”*

Moreover, this thesis is intended to explore the consequences of sustainability, inclusion, and diversity on companies' performance, growth, and consumers' attitudes, behavior, and loyalty. Thus, the sub-question to which this study seeks to answer is *“What are the measurable impacts of sustainability, inclusion, and diversity practices on business performance, consumer behavior, and brand loyalty in a multicultural world?”*

The objective of this study is to provide a complete analysis of how fashion companies implement sustainability, inclusion, and diversity practices into their business models through a comparative analysis between the luxury and fast-fashion segments by examining the capacity of these sectors to define and implement sustainable and inclusive processes and the impact of these practices on business performance. Lastly, the aim of this research is to identify challenges and opportunities faced by fashion companies in order to integrate sustainability, inclusion, and diversity into their strategies.

### **3 Methodology**

#### **3.1 Data Collection Methods**

This study makes use of multiple sources including academic papers, corporate reports, articles, and interviews with a specific focus on three companies: Bulgari, H&M, and Patagonia. These data collection methods have been chosen to realize a detailed analysis of each company's practices, strategies, and operations.

The data collection method of this thesis is based on triangulation<sup>13</sup> to assure the validity and reliability of data. In particular, data were gathered from a variety of sources and through interviewing different participants holding diverse roles, experiences, and future perspectives regarding the organization they work for.

---

<sup>13</sup> Using multiple datasets, methods, and theories, to answer a research question.

Academic papers determine theoretical insights and details about the definitions of fashion, sustainability, inclusivity methods, and practices followed by fashion firms to avoid criticism regarding their environmental impact, and new trends, such as globalization and digitalization. While maintaining the focus on specific sections related to luxury, fast-fashion, apparel, and textile sectors to ensure alignment with the business models of the three companies under consideration, some keywords have been utilized to identify relevant papers aligned with the purpose of this study; these keywords include “sustainability practices,” “inclusivity strategies,” “corporate social responsibility,” and “circular economy”.

Additional information was gathered from reports, including annual sustainability, social, and governance ones, which served as primary sources of data. These documents were useful for understanding strategies, obligations, and advancements of firms toward sustainability, inclusion, and diversity goals. They provided quantitative data, such as greenhouse gas emissions, energy consumption, and workforce gender composition, as well as insights about corporate values, sustainable initiatives, and stakeholder engagement initiatives.

Interviews represented another key source of information in the data collection process that highlights corporate sustainable projects, ethical practices, current achievements, future goals, consumer engagement, and challenges faced by the three firms analyzed in this study.

These interviews can be divided into two categories: those conducted directly by the researcher and interviews accessible online.

The interviews realized by the researcher were semi-structured<sup>14</sup>, designed to ensure flexibility during the examination of detailed topics while maintaining the focal point on the main subjects of the thesis. Additionally, the questions were customized for each interviewed and tailored to their careers and roles, and the interview conducted by the researcher was recorded and then transcribed to ensure that all the information was accurately collected, avoiding the risk of forgetting or distorting meaningful details. Moreover, the interview recording was useful in verifying the validity and correctness of the information gathered. The transcription of the interviews was exploited to systematically analyze the data more easily by underlining the different topics, patterns, and citations.

Participants were informed about the purpose of data collection before the realization of the interviews. Furthermore, the researcher provided a detailed explanation of the methods used to collect data, and how they would be stored, and utilized.

---

<sup>14</sup> A methodology for qualitative data collection. The interviewer follows a pattern with all the main themes and questions, but he or she can adapt the conversation to the respondent's answers.

Other interviews were public and accessible to everyone online. The researcher decided to include this type of interview in order to enhance the validity of the study by including the opinions and ideas of authentic people who would have been difficult to interview in person.

### **3.2 Sample**

The criteria for selecting fashion companies, information sources, and interview participants have been carefully and thoroughly considered.

The three firms analyzed in this thesis were carefully chosen to represent distinct sectors of the fashion industry in order to realize a detailed comparison between luxury and fast fashion. Specifically, Bulgari was selected to represent luxury, H&M as a fast fashion brand, and Patagonia to represent an apparel firm focused on sustainability.

The sample consists of only three companies since they are highly representative of their respective sectors, allowing them to effectively represent the entire industry and serve as valid examples.

The case studies presented in this thesis are based on a qualitative analysis that takes into account both academic articles and reports.

Eight interviews were conducted and evaluated in order to also include recent data as part of the information sources. The participants of the interviews are members of the three analyzed companies. They play different roles within the organizations; in fact, they were chosen to reflect various responsibilities and experiences related to the implementation of environmental safeguards and moral practices and provide a complete understanding of the companies' approaches to sustainability and moral practices.

### **3.3 Data Analysis**

The collected data was analyzed through coding, which is a qualitative research method useful for finding patterns, categories, and themes in a text. The main aim is to divide the interview into smaller parts in order to simplify the analysis.

The first stage of the analysis process was reading the transcripts of the interviews to gain a deep understanding of their content and identify significant elements for the analysis process.

Then, the first level of coding, the open coding, was implemented. It consists of a procedure for developing initial codes by breaking down the text of the interview into distinct parts in order to examine the text more thoroughly. During this step, some labels have been assigned to the pieces of the transcription with the intent of identifying common categories or themes.

The next stage of coding is the axial coding. It consists of a procedure for constructing categories from open codes. In particular, the goal is to find relationships between labels and organize them into a specific category in order to realize a more structured analysis.

The last step of coding is selective coding, a tool for building a story that connects the categories that emerged from axial coding with the purpose of producing a discursive set of theoretical propositions related to the research questions and topic of the study.

This approach has allowed to obtain a detailed and nuanced understanding of the studied phenomenon, transforming a complex set of qualitative data into meaningful results and theoretical interpretations. This provided a solid basis for drawing research conclusions.

## **4 Case Studies**

### **4.1 Case Study 1: Bulgari**

#### **4.1.1 An overview of the company and its cultural context**

Bulgari is a luxury brand founded in Rome in 1884 by Sotirio Bulgari, and renowned for its jewelry, watches, fragrances, and accessories. Its craftsmanship and high-quality jewelry quickly helped the company achieve a significant position in the Italian luxury market. Over the decades, Bulgari's features defined a distinctive style characterized by vibrant colors, geometric motifs, and patterns that emphasize the Roman roots.

In fact, Rome and its outstanding architecture have always been a source of inspiration for the Brand. In particular, Bulgari's jewels represent the Eternal City's beauty through chromatic symphonies, balance of volumes, and passion for geometries that evoke Rome's details. This link between the Brand and the City is expressed even in the logo's lettering recalling classical Latin inscriptions.

Bulgari joined the LVMH Group in 2011 with the aim of growing while remaining linked to its history, values, and identity. Francesco Trapani, Chief Executive Officer of Bulgari S.p.A., declared: "This is a significant step for our family as well as for Bulgari, occurring at a time of strong revenue growth. Our entrance into LVMH will allow Bulgari to reinforce its worldwide growth and realize noteworthy synergies, in particular in the areas of purchasing and distribution. I would like to add that I am greatly honored that the management of LVMH's Watches and Jewelry activities, which include prestigious firms such as TAG Heuer, Chaumet, Zenith, Hublot, Fred, and De Beers, has been entrusted to me.

Bulgari and these brands will be able to invest and innovate even further to become the world leader in the high-end segment.”<sup>15</sup>

#### **4.1.2 Mission, vision, and values**

Bulgari’s mission is to create, design, and produce high-quality luxury products that are innovative and iconic, expressing Italian elegance and style. Moreover, this company aims to offer its customers exclusive and timeless experiences, focusing on craftsmanship, beauty, and design.

Bulgari's vision is to remain a global leader in the luxury sector and increase the growth and innovation of its businesses. The brand seeks to continue to represent contemporary luxury while preserving its historical heritage and craftsmanship.<sup>16</sup>

As a member of the LVMH Group, Bulgari emphasizes and shares four values of this group which are the basis of its performance.<sup>17</sup>

The first one is to be creative and innovative by renewing products and implementing bold ideas while continuing to stay true to heritage and traditions. Innovation and creativity give free expression to the infinite possibilities created by new technologies, one of the Group's key areas of development.

The second value is to deliver excellence through the high quality of its goods and extraordinary craftsmanship, with special attention to detail and design in all the realization of the brands.

The third value is to deliver an entrepreneurial spirit by cultivating individual initiatives and giving responsibilities to each person. The company culture fosters a willingness to take risks and promotes persistence; it demands an effective strategy and the skill to inspire teams, leading them toward challenging goals.

The last value is to be committed to positive impact through environmental, ethical, and social responsibility which are the basis of long-term success, in fact, nowadays, consumers demand sustainable products and the way they are realized can have a positive impact on the entire ecosystem and the places in which the brands compete.

---

<sup>15</sup> LVMH, “The Bulgari family joins forces with LVMH and transfers its majority shareholding in Bulgari S.p.A.”, *LVMH*, <https://www.lvmh.com/it/financial-calendar/the-bulgari-family-joins-forces-with-lvmh-and-transfers-its-majority-shareholding-in-bulgari-s.p.a>.

<sup>16</sup> Bulgari, “Our vision”, *Bulgari*, <https://www.bulgari.com/en-co/our-csr-vision/our-csr-vision.html?srsId=AfmBOoqXriRbJS7H9l-bQAhmcZXZYcZLdfXgQA3rpYxlyms1kr0-77Tq>

<sup>17</sup> Bulgari, “Our values”, *Bulgari*, <https://www.bulgari.com/en-gb/people-and-careers/our-values?srsId=AfmBOoEV5ANomv0Zr8wE9ezTwq9yIvHI5jFH2cyB2LsZtjOMvIJ5BaB>

### 4.1.3 Bulgari Icons

Bulgari is famous for its identifiable designs and representative pieces that embody a combination of classical elegance and modern creativity. One of the most iconic figures is the snake, a symbol of wisdom, rebirth, and vitality which was exploited for the first time to create a watch. In the very stylized designs of the late 1940s, the flexible form was crafted from smooth yellow gold; over time, this concept evolved, exploring a wide range of dial shapes and materials in various versions.

Moreover, this firm has always emphasized the natural beauty of nature, particularly of flowers by realizing products in bright shades and in the brightness of diamonds. Bulgari captures and organizes the splendor of flowers in timeless creations.

One of the most celebrated Bulgari icons is the historical coins, which have been introduced as a tradition in jewelry to make a tribute to Ancient Rome. The first coin jewels were realized in 1966 and were elegant and modern at the same time; they were engraved with the emperors' names, the dates they were in power, and the type of coin.<sup>18</sup>

### 4.1.4 Commitment to the Environment

Bulgari, as a member of the LVMH group, is characterized by a strong commitment to the environment that relies on the *Environmental Charter* adopted in 2001 and applied by all LVMH Maisons. This document explores the different responsibilities towards the environment, such as encouraging shared responsibility, managing environmental hazards, creating high-quality items by incorporating environmental innovation and creativity and extending commitment beyond the company itself.

Moreover, as explained in the *Social and Environmental Responsibility Report* (2023), the company follows LIFE 360, a program launched in 2021 that addresses four pillars: protecting biodiversity, fighting climate change, improving the circular economy, and ensuring transparency with the main aim of achieving different objectives by 2026, which are zero virgin fossil-based plastic packaging, 100% of new products supported by a customer information system, 100% of raw material certified, and 50% reduction in Greenhouse Gas emissions tied to energy consumption.

The first section of the program focuses on improving the circular economy to incorporate all new products in the eco-design process by 2030. The second pillar emphasizes biodiversity protection in order to redevelop 5 million hectares of wildlife habitat and reduce water withdrawals by 30%. With respect to the climate, the goal of LIFE 360 is to reduce Scope 3 carbon emissions by 55% by 2030, using 2019 as a baseline. Lastly, the program is intended to achieve 100% traceability across the entire supply chain.<sup>19</sup>

---

<sup>18</sup> Bulgari, "Our identity - Bulgari icons", *Bulgari*, <https://www.bulgari.com/en-int/bulgari-heritage-icons.html?srsId=AfmBOooDSUJvGThZT62hQtgFIRkDVIm59xTKDVkssOzebLreJW-pjkNN>

<sup>19</sup> LVMH, "Il nostro impegno per l'ambiente", *LVMH*, <https://www.lvmh.com/it/impegno-in-azioni/per-lambiente>



This program encompasses numerous ambitious and detailed targets. One of them is the commitment to establish full traceability, with the aim of tracking 100% of the raw materials that Bulgari uses to realize its goods. Another future target of LIFE 360 is reducing the water usage in production sites by 60%.

The final deadline for achieving all the goals set for 2030, aligns with the 2030 Agenda for Sustainable Development adopted by the United Nations Member States in 2015. This Agenda establishes 17 goals and 169 targets regarding ethics and environmental priorities to be achieved by 2030.

LIFE 360 has been an important tool to obtain several results thanks to the efforts made at every level of the group, such as an energy efficiency plan to cut lighting use in the stores. These measures have reduced the carbon footprint and greenhouse gas emissions.

Another key project realized by Bulgari in 2022 is the Valenza Site which with a capacity of 33,000 m<sup>2</sup>, became the largest jewelry facility in the world. The objective of the project is to achieve zero carbon footprint by 2025 by exploiting renewables to supply 100% of the factory's energy. 50% of the production will take place onsite through geothermal installations and photovoltaic systems; the remaining 50% of the energy will be bought in the surroundings of the site and from green sources. This is the first location of over 23,000 m<sup>2</sup> entirely fueled by renewable energy.<sup>20</sup>

According to the LVMH's *Social and Environmental Sustainability Report* (2022), Bulgari is particularly focused on acting for the climate. In fact, in 2022, this company reduced its energy consumption by 19% compared to 2019 through the use of renewable energy and LED lighting. Bulgari also installed smart systems in its stores to control energy consumption and emphasized responsible sourcing of materials that follow ethical and environmental measures.

The products of this brand are realized by using natural and high-quality materials whose design requires innovation, creativity, and excellence that has to reflect environmental respect.

Eleonora Rizzuto, Director of Sustainable Development for LVMH Italia and Bulgari, in an interview published by Fabrizia Mirabella in 2020 on the Marie Clarie website, says that the luxury industry has the ability to create products with a very long life cycle; in fact, a consumer who decides to purchase a valuable good, which could be a bag or a jewel, wants to be sure that the manufacturer will repair it in case of damage. In 2020, a directive regarding the extended responsibility of the producer was

---

<sup>20</sup> Jean-Christophe Babin, Interview by Cristina D'Agostino, March 2, 2023, <https://www.luxurytribune.com/en/bulgari-has-initiated-a-comprehensive-study-of-its-carbon-footprint-worldwide>

promulgated by the European Union, highlighting that he or she must not only be able to make a product qualitatively acceptable but repairable N times.<sup>21</sup>

She also explains that another strategy the company follows to enhance its environmental commitment is the use of sustainable packaging created with recycled materials and sustainable energy sources to reduce the carbon footprint and save energy to reduce and avoid climate change.

In particular, significant investments have been realized to increase the possibility of creating accessories that are characterized by easy disposal. Moreover, Bulgari is striving to organize catwalks, meetings, events, and pop-ups using plastic-free materials and ensuring that these materials are later donated to associations that guarantee their reuse.

Additionally, Bulgari supports several initiatives that have the objective of protecting biodiversity and conserving natural resources, in particular, the brand has partnered with different organizations and projects that focus on these topics, such as the World Wide Fund for Nature (WWF) and other conservation groups.

Bulgari and WWF have decided to help the start-up Impact Hub Milano with a project regarding marine waste recovery with the main aim of finding innovative solutions to collect and reuse discarded materials that pollute seas and oceans and that can be used to produce luxury items or packaging. Projects are useful also to create impacts in areas such as the reduction of materials into water, the recycling of materials, collection, and storage, and the transformation of waste materials into new raw ones.<sup>22</sup>

Bulgari collaborates with the Responsible Jewelry Council (RJC) to verify that companies respect ethical and sustainable standards about the production of gemstones. After an audit recently conducted in Mozambique and Botswana by the LVMH Group, Bulgari's gold was certified as 100% recycled (sourced entirely from recycled materials and unsold goods) while maintaining an extremely good quality. In particular, gold is usually produced with unsold items that are melted down to prevent their sell-off.

Lastly, Bulgari ensures transparency and traceability in its initiatives and practices through ordinary reports on its progress and accomplishments in the implementation of sustainability into the business. For instance, the company has started a partnership with some international brands in order to develop the

---

<sup>21</sup> Fabrizia Mirabella, "Come saranno i gioielli del futuro," *Marie Claire*, 2 luglio 2020, <https://www.marieclaire.it/moda/fashion-news/a33078101/bulgari-eleonora-rizzuto/>

<sup>22</sup> "WWF, Bulgari e Impact Hub lanciano un bando per startup che vogliono salvare il mare", *Start Up Italia*, 2017, <https://startupitalia.eu/economy/economia-digitale/wwf-bulgari-e-impact-hub-lanciano-un-bando-per-startup-che-vogliono-salvare-il-mare/>

AURA blockchain network, a tool that consumers can exploit to access a digital passport where clients can find information on the origin and authenticity of luxury products.<sup>23</sup>

This consortium has recently reached more than 50 million registrations, underlining the increasing use of technologies through which luxury brands seek to improve their authenticity and traceability.<sup>24</sup>

Eleonora Rizzuto in an interview granted in 2023 for the ClassTvModa Channel says: “Il mondo dei gioielli è un mondo particolare perché ha dentro di sé, oltre i canoni principali della sostenibilità, anche una problematica da affrontare e risolvere immediatamente che Bulgari ha affrontato e sviluppato con successo in questi anni, ed è quello della tracciabilità delle materie prime. Ad esempio, se parliamo dell’oro, quello che sicuramente è stato raggiunto sul versante delle miniere possiamo dire che il fatto che il 100% di tutto l’oro lavorato in Bulgari è etico, quindi non proviene da condizioni dove, ad esempio, lavorano i minori o dove, dal punto di vista ambientale, vengono creati dei danni sui territori ed il 99% dell’oro utilizzato dalla nostra azienda è riciclato”.<sup>25</sup> She also believes that is important to have clear communication with the public regarding future actions to increase sustainability, inclusion and ethics; Bulgari had long been ready to talk address sustainability and traceability, having worked on these issues for several years, but it decided to wait until the moment it could provide reliable and proved quantitative data, avoiding greenwashing or the effect of "news for the sake of giving it".

Bulgari is part of “Circular Evolution”, an association that was born through a partnership between Bulgari, Enel X, CESI, and ICMQ and aims to spread among companies the essential positive effects that the circular economy could have on the environment.

The purpose of Circular Evolution is to offer everyone, both members and non-members of the association, a practical metric to assess their starting point and endpoint, enabling them to chart a pathway to reduce their environmental impact. Francesco Venturini, head of Enel X, affirms that “l’economia circolare è un nuovo modello economico. La misurazione della circolarità è fondamentale per costruire un percorso e svilupparlo fino al raggiungimento degli obiettivi. In un momento difficile come quello che stiamo vivendo attualmente l’economia circolare è fondamentale per superare gli ostacoli”.<sup>26</sup>

---

<sup>23</sup> Olivia Di Selene, “Bulgari il futuro è nella strada della sostenibilità e responsabilità”. *Bulgari*, 2020, <https://www.vogue.it/moda/article/bulgari-gioielli-moda-sostenibile-lusso>

<sup>24</sup> Aura Blockchain Consortium, “A revolution in the luxury industry”, Aura Blockchain Consortium, <https://auraconsortium.com/>

<sup>25</sup> “Green revolution”, YouTube Video, 17:15, published by ClassTvModa, July 13, 2023, <https://www.youtube.com/watch?v=GRBA1gfhoPY>

<sup>26</sup> Isabella Ceccarini, “Circular Evolution, diffondere e misurare l’economia circolare, *Rinnovabile.it*, 2022, <https://www.rinnovabili.it/economia-circolare/circular-evolution-diffondere-e-misurare-leconomia-circolare/>

The Circular Evolution Association promotes the Circular Certification, one of the first international circularity measurement standards; the aim of this certification is giving to several companies the possibility of becoming aware of the benefits that can be achieved through innovative, sustainable, and transparent solutions. In fact, this certification proves with a label the achievements obtained by the firms in terms of circularity. This means that thanks to this certification, businesses can improve not only their environmental impact and social solidarity but also their reputation and market positioning.

This association wants to make companies understand that the circular economy is useful to preserve the environment, but also to save money during the production process and differentiate the commercial strategy.

Jean-Christophe Babin, CEO of Bulgari, in an interview given in 2023, before the second edition of the Swiss Genius Innovation award, explained that the brand, in collaboration with Quantis, an environmental consulting company, decided to initiate a program with the aim of measuring its global carbon footprint by focusing on an assessment of all its facilities in Italy and Switzerland to understand what improvements the business model needs. He also says that Bulgari is making several investments to enhance its sustainability level. For example, the company decided to buy new machines to switch from old-generation ones to new ones and increase the production quality. In fact, the productivity of these new items is three times higher, with 40% less energy consumption and much less space required.<sup>27</sup>

Moreover, the company changed the light system to diminish by 75% the power consumption of its 320 stores and a store 100% powered by renewable energy was established in Los Angeles in 2024 as a pilot for the future stores.

#### **4.1.5 Social Commitment**

Bulgari's people are an essential part of the brand. In fact, one of the main objectives of this firm is to find virtuous and talented people who can contribute to the various projects and initiatives. As a global player, Bulgari is committed to all issues affecting diversity since employees from around the globe are engaged in the team, ensuring that everyone has the opportunity to succeed. Bulgari believes that employees from different cultural, lexical, and local backgrounds provide bold ideas and innovative competencies for understanding international markets and solving complicated issues.

Bulgari considers its employees a strategic resource for the growth and success of the brand and, for this reason, it organizes various learning opportunities to support them in the improvement of the required

---

<sup>27</sup> Jean-Christophe Babin, Interview by Cristina D'Agostino, March 2, 2023, <https://www.luxurytribune.com/en/bulgari-has-initiated-a-comprehensive-study-of-its-carbon-footprint-worldwide>

skills. Training employees at Bulgari is important to achieve high individual performance and helps spread the company's values, history, culture, products, and strategy across different teams.

As mentioned by the LVMH's *Social and Environmental Responsibility Report*, in 2022 Bulgari obtained important results regarding the implementation of inclusion and diversity into its mission. In particular, these are some data that underlines the social commitment of this brand:

- Women hold 45% of key positions.
- 1.4% of the workforce have disabilities.
- 73% of recruiters have undertaken non-discrimination training.
- 62% of the directors, senior managers, and members of the management committee are women, which represents 800 people out of 8000 employees.

Bulgari sets some ambitious targets for 2025:

- Women hold 50% of key positioning.
- 2% of the workforce have disabilities.
- 100% of recruiters have undertaken non-discrimination training.

Through different actions and initiatives, Bulgari has the main aim of valuing individuality and fostering inclusivity in its culture to create a work environment where they can express their talent and apply their skills and expertise. In fact, Bulgari's workforce is composed of more than 190 nationalities to ensure that all workers feel welcomed, respected, and represented through the diversity and inclusion policy which is based on three main elements: talent, partners, and image.

Since 2011, LVMH intensified its training efforts, in fact, 73% of employees have undertaken non-discrimination education in the last three years, and LVMH Group has introduced digital training courses on combating prejudice along with specific programs for store teams. Bulgari, as a member of the Group respects and supports the diversity and inclusion policy by following the Code of Conduct that underlines the anti-discrimination by underlining the importance of the respect for individual rights, and the equality of all employees in terms of pay, recruitment, training, and protection. Bulgari complies with the cultures of the countries where it conducts business and it is committed to supporting local cultures and talents.

Furthermore, Bulgari promotes the principles of the United Nations Global Compact which is based on the elimination of discrimination concerning employment and occupation and all forms of forced and child labor. The brand is committed to ensuring that all people feel included and that skin color, sex,

religion, political orientation, nationality, age, disability, sexual orientation, and gender identity are respected and protected and all forms of discrimination are prohibited.<sup>28</sup>

In 2009, Bulgari decided to take action to help the world's most vulnerable children who do not have the opportunity to live comfortably and develop their potential due to the lack of schooling and poverty. For this reason, Bulgari has launched an ambitious and unprecedented campaign in partnership with Save the Children to donate to the organization part of the earnings obtained with some jewelry specially made for this initiative. After almost 15 years, the partnership has become a solid and lasting collaboration that raised more than €113 million used to help more than two million children and adolescents whose opportunities and rights are critically affected by poverty, discrimination, wars, and natural disasters and to enhance their economic situation and education thanks to educational programs and fundraising initiatives.<sup>29</sup>

All these initiatives follow and respect the UN Sustainable Development Goals (SDGs) established in 2015 by the UN General Assembly, in particular, it consists of seventeen goals that aim to establish and improve sustainability in all its forms: from zero hunger, health and education to health, gender equality and women's emancipation.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) believes that education and essential human rights can change the future of people, spread peace, reduce poverty, and promote sustainable development. Moreover, according to this organization, the main problem in this respect is that 250 million people in the world are excluded from school and many students do not complete their studies.

To solve this problem, in 2019, Bulgari and Save the Children launched the “Punto Luce delle Arti”, a center located in an abandoned school in Ostia transformed into a multifunctional space to realize social activities and free training to promote talents and skills, transmit arts and open up new professional perspectives to the children and teenagers involved. It includes 1.000 children and adolescents between six and eighteen years old who can attend classes regarding several topics such as cinema with a focus on the theory and practice of film production thanks to a partnership with the Institute of Cinematographic Art *Gian Maria Volontè* and the Association *Greve 61* or photography thanks to a collaboration with the *WFP Photography* of Rome.<sup>30</sup>

---

<sup>28</sup> LVMH Group, Social and Environmental Responsibility Report 2024 (Paris: LVMH Group, 2022), 31, 42, <https://www.bulgari.cn/media/wysiwyg/pdf/rse2022.pdf>

<sup>29</sup> Save the Children, “Bulgari al nostro fianco”, *Save the Children*, <https://www.savethechildren.it/bulgari-al-nostro-fianco>

<sup>30</sup> Bulgari, “Save the Children Partnership”, *Bulgari*, <https://www.bulgari.com/en-us/sustainability/social/save-the-children-partnership?srsId=AfmBOoo6HPm4qHkhvnSRMQh2OujoSCfIJ1baX1Lv8MEyQUzI3jwi8e6b>

#### **4.1.6 Future Goals and Areas for Improvement**

According to Jean-Cristophe Babin, Bulgari seeks to increasingly use innovative materials characterized by aesthetics, sustainability, and quality. They are considered alternative materials since they will not replace Bulgari's traditional leathers, which are primarily sourced from cattle intended for meat production and exotic species raised in highly regulated farms. These alternative materials may be useful for retailers, giving them the opportunity to present a collection composed of products realized with non-animal origin materials.

Another future goal of this firm is to minimize the extraction and use of raw materials by prompting innovative production processes to spread the use of environmentally friendly or recycled materials, in order to reduce the corporate environmental impact. By doing so, Bulgari wants to diffuse a culture of reuse, recycling, and valorizing existing materials.

Additionally, Bulgari has implemented strategies to foster a circular economy model through the enhancement of the production processes with the purpose of ensuring sustainability, ethics, and traceability throughout the entire production and sales chain while promoting the reuse and recycling of secondary materials.

### **4.2 Case study 2: H&M**

#### **4.2.1 An overview of the company and its cultural context**

H&M is a fast fashion brand aiming to develop fashion and quality at the best price by offering clothes and accessories with different styles and for different personalities, preferences, body types, ages, gender identities, and cultures. The brand's assortment encompasses a huge amount of items from unique designer collaborations to functional sportswear clothes, beauty products, and accessories<sup>31</sup>. According to H&M Group (*Annual and Sustainability Report, 2023*), this business is also intended to inspire people around the world and allow them to express their personal style. In fact, this company intends to give its customers different values by providing an optimal balance of style, design, quality, affordability, and sustainability to enhance the experience for its customers and meet their expectations.

#### **4.2.2 Mission, vision, and values**

H&M's official website describes its mission, vision, and values. H&M's main vision is to create a responsible, customer-focused, creative, and value-oriented brand that offers the optimal combination of quality and design at affordable prices. This brand contributes to the industry's transformation and

---

<sup>31</sup> H&M Group, *Annual and Sustainability Report 2023* (Stockholm: H&M Group, 2023), 13, <https://hmgroupp.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf>

adaptation of the business model to the new sustainable and technological world through an entrepreneurial spirit and innovative ideas.

The mission of this brand is to make fashion accessible and enjoyable for all by offering elegant and comfortable clothes at affordable prices. H&M's mission underlines the fact that fashion is for all, this highlights the fact that this company is committed to producing clothes and accessories for women, men, and children and that it has expanded to include all sizes and body types.

H&M is inspired by some values that are based on the idea of working together to do what matters to the clients and their future; these values contribute to the creation of a workplace in which everyone works together and can benefit from each other's knowledge and competencies.

The first value is "We are one team". The workplace is inclusive and respectful, everyone helps each other to achieve the aims together by sharing skills and knowledge in the interest of the business.

The second one is "We believe in people". H&M underlines people's capacities and talents to enhance the business's actions and revenues; the company empowers and trusts others to take ownership of different perspectives and learn from them.

The third value is "We are entrepreneurs". H&M has a strong business mindset based on curiosity, inspiration, and flexibility to maintain the promise of delivering the best products, services, and customer experience.

The fourth value is "We are cost-conscious". The brand makes careful and sustainable choices through the use of renewable and recycled materials and packaging, the creation of sustainable products, and the implementation of initiatives that follow sustainable practices.

The last value is "We keep it simple". H&M's main objective is to go straight to the point with simplicity and clarity in order to focus only on what matters and avoid complicated actions that could be unnecessary.

Customers are at the heart of every decision H&M makes. In fact, this company continually analyzes the evolution of customers' preferences and behaviors to understand and satisfy all their needs regarding the design of a product, the price, and the customer experience; H&M aims to build diverse teams in order to gain a deeper understanding of customer needs and viewpoints, develop relevant product offerings, foster diversity, and help create a more inclusive world through both its products and workforce.



### 4.2.3 Sustainable initiatives and their implementation

Sustainability is part of the business goal which is based on the concept of offering customers the best combination of quality, design, price, and sustainability<sup>32</sup>. H&M has made a lot of advancements, regarding these aspects, however, there is still much more to continue to reduce the impact of fast fashion on the climate, improve the social impact of these firms, and build a better fashion system.

H&M exploits scientific and technological data to achieve its objectives effectively and rapidly. In particular, the evolution of this brand is based on these goals that are explained within the *Annual Sustainability Report 2023*:

- Reducing emissions (integrated not only at the company level but also across the entire supply chain) by 56% compared to 2019 and becoming net-zero<sup>33</sup> by 2040.
- By 2025, 30% of materials used to create commercial products must be certified recycled, and, by 2030 100% of these materials should be recycled or sustainably sourced.
- By 2025, plastic packaging must be 25% less compared to 2018, and, by 2030, 100% of packaging must be realized by using recycled or sustainably sourced materials. In fact, in an interview published in 2019 on the official H&M Group website, Anna Gedda, Head of Sustainability at H&M, explains that “With our goal to only use recycled or sustainably sourced packaging materials by 2030, we will be able to have a big environmental impact<sup>34</sup>”.
- By 2025, the total absolute use of fresh water must be reduced by 10% compared to 2022. And by 30% by 2030.
- Annual increase in the percentage of female worker representatives and supervisors.

H&M is focusing on three areas to achieve the goals listed above<sup>35</sup>.

The first area is “leading the change”. The company wants to be an essential part of environmental change through innovation, transparency, and collaboration. For this reason, it is trying to lead the change by investing in new materials, technologies, and business models in order to differentiate business growth from resource use and communicate openly and sincerely with stakeholders, customers, and investors

---

<sup>32</sup> H&M Group, *Annual and Sustainability Report 2023*, (Stockholm: H&M Group, 2023), 13, <https://hmgroupp.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf>

<sup>33</sup> Currently, it is not possible to reduce emissions by 100% to achieve absolute zero. The solution is to take action to balance out any unavoidable, or residual, emissions to reach net zero.

<sup>34</sup> H&M Group, “News article, interview with Anna Gedda”, H&M Group, 2019, <https://hmgroupp.com/our-stories/interview-with-anna-gedda/>

<sup>35</sup> H&M Group, *Corporate governance Report* (Stockholm: H&M Group, 2023), 17-24 <https://hmgroupp.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf>

about business operations. Transparency alone may not be enough to directly enhance sustainability performance, but it fosters accountability and enables comparisons. This, in turn, motivates others within the industry to adopt similar practices, driving broader progress. Moreover, H&M is seeking to lead the change by working with other firms or people to revolutionize the industry's processes thanks to the incorporation of different ideas and competencies to drive innovation and enhance transparency initiatives.

The second one is “circularity and climate”. H&M has the aim of achieving carbon neutrality by 2040 to have a favorable effect on biodiversity and reduce water consumption. In fact, Anna Gedda, in the interview gave in 2019, affirms “One area that we have been focusing on for a while is the shift from a linear to a circular business model, where we have the ambition to become fully circular<sup>36</sup>.”

This company is implementing circular models for its products and supply chains thanks to a focus on four main points: climate, water, biodiversity, and circularity which are linked to each other, what happens in one area may have a consequence on another area; for example, the reduction of Greenhouse Gas emissions will minimize also the impact on hydric resources, help preserve biodiversity, and support human rights such as health, livelihoods, land rights, and access to water. This means that H&M is focusing its sustainable strategy on different issues.

Starting with climate, H&M’s goal is to reduce greenhouse gas (GHG) emissions by 56% by 2030 and by 90% by 2040 (taking into account the 2019 baseline). However, putting attention only on the business impact will not be enough, there will also be a need to launch initiatives to invest in environmental projects, such as LEAF Coalition<sup>37</sup> which offers financial support to protect tropical forests.<sup>38</sup>

H&M is trying to reduce GHG emissions by assisting its suppliers to save energy and switch to renewables, phasing out coal, and carrying out evaluations about energy efficiency to plan and implement new measures where necessary. H&M has also entered into virtual purchase agreements in the UK, Sweden, and Spain to secure green electricity for nearly all of its operations in Europe.

Moreover, H&M, as part of the Fashion Industry Charter for Climate Action under the United Nations Framework Convention on Climate Change (UNFCCC), promotes trade associations and other industry

---

<sup>36</sup> H&M Group, “News article, interview with Anna Gedda”, *H&M group*, 2019, <https://hmgroup.com/our-stories/interview-with-anna-gedda/>

<sup>37</sup> A historic agreement that aims to eliminate deforestation in the Amazon region of Brazil. As members of the LEAF Coalition, H&M Group, alongside other buyers such as Amazon, Bayer, BCG, and Capgemini, have pledged to acquire five million emission reduction credits to support the preservation of vital ecosystems in Brazil.

<sup>38</sup> H&M Group, “Climate”, *H&M Group*, <https://hmgroup.com/sustainability/circularity-and-climate/climate/>

groups that sustain policies aligned with the Paris Agreement<sup>39</sup> in order to make efforts to reduce carbon emissions, encourage circularity, and implement sustainable business practices in the fashion industry. For example, H&M collaborates with the Global Fashion Agenda (GFA), an organization that promotes sustainable fashion with the goal of reaching net-zero emissions by 2050.

H&M also realizes some green investments to finance initiatives that will have a positive environmental impact; the return on these investments is not measured in financial gain but in Greenhouse Gas emissions reduction. In particular, H&M is one of the main funders of the Fashion Climate Fund by the Apparel Impact Institute which leads collective efforts to address greenhouse gas emissions in the supply chain<sup>40</sup>.

The fashion industry is one of the biggest water consumers, in fact, water is necessary to produce raw materials, and wash and paint fabrics. H&M is committed to becoming more water efficient by creating an innovative business even more attentive to water consumption.

According to H&M's official website, its strategy regarding water is linked to five areas of interest:

- Leadership: creating a strong leadership to diffuse benchmarks to monitor water use and waste, setting up a cost for water that will be incorporated into supply decisions, and creating internal targets to stimulate better water performance.
- Investment: making investments to lead innovations such as zero water processes, new recycled materials, and landscape transformation projects.
- Change mindsets: trying to make people understand the value and importance of water for the future of the environment by developing metrics for water usage and impact in the design of clothing and accessories. "In an interview published in 2018 on the official H&M Group website, Annie Wu, the Global Head of People, Identity & Purpose at H&M Group, explained "The biggest learning for me though is just how committed everyone inside H&M is to this mindset. There is a genuine belief internally that H&M is a diverse, fair, and equal company. And everyone is determined to make sure that this is also what the outside world sees and believes – not through communications but just because it's true. People really do care about H&M and took it very personally that we had received such negative criticism<sup>41</sup>."

---

<sup>39</sup> An international agreement on climate change that was signed by 196 nations at the UN Climate Change Conference (COP21) in Paris, France, on December 12, 2015; it came into effect on November 4, 2016.

<sup>40</sup> H&M Group, "Climate", *H&M Group*, <https://hmgroup.com/sustainability/circularity-and-climate/climate/>

<sup>41</sup> H&M Group, "News article, interview with Annie Wu", *H&M Group*, 2018, <https://hmgroup.com/news/interview-with-annie-wu/>

- Ecosystem innovation: by increasing collaboration with stakeholders and partners, H&M makes its water-related actions and performances known.
- Circularity: working to meet the goals, tackle local water challenges, and collaborate with partners and stakeholders to manage water resources<sup>42</sup>.

Nowadays, biodiversity loss is considered one of the biggest challenges for sustainability scholars. H&M is attempting to contribute to biodiversity by improving material sourcing, decreasing GHG emissions, water and chemicals use, and taking care of habitats and species. But, it is not enough. H&M needs to assume more responsibility and adopt a more strategic attitude throughout its value chains, supply chain, and production.

H&M is realizing projects regarding the extraction and use of raw materials which have a huge impact on the environment. In particular, cotton and wool are two materials used by this brand to create its products by following traditional production methods that could be environmentally harmful and cause negative consequences such as soil erosion, pollution, and overgrazing.

For this reason, another objective of H&M is reducing the environmental impact by incrementing the recycled content of the products and using certified materials, such as responsible Wool and wood from FSC-certified forests<sup>43</sup>.

H&M supports initiatives that can help nature and the environment. For example, H&M partnered with the Better Cotton Growth & Innovation Fund and WWF India on a project designed to create a regenerative agriculture model for smallholder farms that can be substituted elsewhere. That project emphasizes simple and rapid practices to produce immediate benefits for soil health, such as applying organic compost and using biological substitutes for synthetic fungicides.

The third and last area is “being fair and equal” by influencing people throughout the value chain in a positive way actively fostering inclusion and diversity both in the operations and in the supply chain, and bringing fair jobs and equal treatment to everyone<sup>44</sup>.

Anna Gedda explained in the interview granted in 2019 that H&M exceeds the goals of the five-year Fair Living Wage Strategy, affecting the lives of almost one million garment workers. For instance, the

---

<sup>42</sup> H&M sets up some targets to address the individual water challenges of each supplier by solving problems like water scarcity, water quality, governance, WASH (water, sanitation, and hygiene), and flooding.

<sup>43</sup> Responsible Wool Standards is a voluntary standard that demands all materials to be certified. FSC-certified forests are those that respect the standards set by the Forest Stewardship Council, a global organization that copes with responsible forestry.

<sup>44</sup> H&M Group, *Corporate governance Report* (Stockholm: H&M Group, 2023), 17-24 <https://hmgroup.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf>

company was able to ensure that 73% of its production was realized by industries that respect ethical standards for workers' election, surpassing the original target of 50%). Another goal of the five-year Fair Living Strategy was to ensure that at least 50% of industries that produce H&M's items are implementing Wage Management Systems and a percentage of 67% was reached.

In addition, H&M is implementing diversity and inclusion into its business model by expanding its size range. In fact, the clothing size reaches XXXL and the clothes are suitable for all body types and do not follow all the traditional fashion standards (Anais de Bergeyck, interview conducted by Chiara Bernabei, October 3, 2024).

#### **4.2.4 Inclusion and Diversity**

H&M wants to lead the change and create a better and more inclusive world by intending inclusion and diversity as a concept that constantly evolves and needs a constant effort to make the fashion industry more inclusive and diverse.

Nowadays, H&M is characterized by a high level of internal diversity with several positions that women and people of different ages and nationalities hold; this company explores how it can adapt its systems to be more inclusive of all genders while complying with local laws and regulations. Anais de Bergeyck in an interview conducted by Chiara Bernabei in October 2024 explains that “Diversity and inclusion are essential aspects of our company which are diffused not only through our products but also by our stores where you can find workers with different origins and backgrounds. Additionally, we have a dedicated diversity and inclusion team to ensure fair and equitable treatment for all workers”.

“Through our Inclusion & Diversity focus areas and objectives, everyone within our company is empowered, expected, and able to contribute. I am proud to see all the work achieved, but there are many challenges ahead. Our commitment to being an inclusive company is unwavering, as is our ambition to build a better world through our influence”, says Annie Wu, Global Head of People Identity and Purpose at H&M Group<sup>45</sup>.

H&M's inclusion and diversity strategy is structured around three elements: People, Business, and Communities.

The workforce of this brand is composed of people with different cultures and backgrounds, and all of them contribute to the business's accomplishments. One of the main aims of H&M is to enhance the quality of the environment where workers can feel comfortable and free from any discrimination.

---

<sup>45</sup> H&M Group, “Inclusion and Diversity”, *H&M Group*, <https://hmgroupp.com/about-us/inclusion-and-diversity/>

H&M works to diffuse inclusion and diversity through its products and services. Internal teams continue to create goods and ensure experiences to serve local market needs, including better representations of domestic customers, size inclusivity, more cultural diversity, and unique local products.

The brand belongs to the Unstereotype Alliance<sup>46</sup> to promote inclusion and diversity and challenge stereotypes in media and advertising. The Unstereotype Alliance was introduced in 2017 by combining influential companies to achieve the same goal: eliminating gender-based stereotypes and diffusing more inclusive marketing and media content. H&M's participation underlines its dedication to promoting inclusivity, both within its internal operations and in the global representation of the brand, with the aim of creating a more fair and diverse media landscape.

In particular, H&M pursues different strategies to implement inclusion and diversity in its business practices.

Firstly, it deals with increasing the increase of inclusion and diversity through training in order to raise awareness about essential topics such as unconscious bias, inclusive leadership, cultural representation, and psychological safety. Training is delivered to all employees thanks to internal learning platforms and collaborative forums that allow different members of the community to come together, share beliefs, and plan successful strategies.

Moreover, H&M is trying to increase its diverse representation through the creation of teams composed of different types of people characterized by distinct talents and personalities. To do so, and to be fully inclusive when acquiring new talents, the company has designed, fair, transparent, and competence-based recruitment processes to reduce subjectivity and bias in the work environment.

Lastly, H&M aims to ensure fair and equal opportunities thanks to an employee survey, called The People Engagement Pulses (PEP) that gives the workers the possibility to express their opinions through an online survey regarding employees' engagement, culture, inclusion, and diversity in the system. The outcome of this survey is useful to find information regarding these important topics and discuss actions to enable the growth of the business thanks to feedback from employees<sup>47</sup>.

H&M has started different partnerships to create a real sense of community by boosting equitable access to opportunities and equal rights for people.

For example, in 2022, H&M joined the World Economic Forum's Global Parity Alliance, a cross-industry group of companies that have the same goal, increasing inclusion and diversity in the workplace.

---

<sup>46</sup> A platform that attempts to abolish harmful stereotypes in media and advertising content.

<sup>47</sup> H&M Group, *Annual and Sustainability Report 2023*, (Stockholm: H&M Group, 2023) 20-24, 43-44, <https://hmgroupp.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf>

This alliance looks to promote the best practices to help underrepresented groups, create new job opportunities, and launch inclusive projects.

H&M wants to contribute to society without prejudice by treating people objectively and giving everyone access to the same possibilities. The company aims to ensure that all women can have the same importance, voice, and participation as men. But, nowadays, women's wages continue to be lower than men with the same amount of work. Fast-fashion companies are working to solve this problem by establishing wage management systems to ensure that salary levels comply with company policies and legal regulations. For example, by exploiting these systems, jobs are classified by considering skills, responsibility, difficulty, working time, and performance, and wages are decided and established according to these elements. According to the *Annual and Sustainability Report 2023*, wages are 5% higher for all workers in factories that use wage management systems than in workplaces where these systems are not followed.

#### **4.2.5 Criticism and Future Challenges**

Many people argue that fast-fashion business models are unsustainable since they are characterized by rapid production cycles, low costs, and high-volume production and consumption. In particular, brands such as H&M produce a vast amount of clothes and accessories, harming the environment due to pollution and waste. The issue is that fast fashion brands are strictly linked to trends, which drives consumers to use fast fashion products for a short period of time and buy new clothes that they often do not need, only to follow new trends. Fast fashion consumers feel a sense of urgency to buy, an action that prompts mass production and overconsumption that are not aligned with sustainability goals.

Moreover, H&M has been accused of harming the environment because of the use of microplastics, non-renewable resources, and low-quality materials.

Anais de Bergeyck, a Sustainability Data and Reporting Analyst at H&M Group, clarifies during an interview how fast fashion, which is usually characterized by overconsumption and low-quality products, manages to align with sustainable initiatives and finds a balance in providing affordable clothing with the costs involved in implementing environmentally conscious changes. She explained that H&M is trying to implement sustainability into its strategy by increasing the quality of its products to increase their durability and reduce waste and pollution and adhering to strict regulations that aim to reduce the company's environmental impact, such as the Global Organic Textile Standard (GOTS) for organic materials, a regulation that intends to ensure that textiles are produced by using sustainable and biological fibers or the Better Cotton Initiative (BCI) which establish the requirement to produce cotton sustainably, reduce the use of pesticides, and improve working conditions for farmers.



Anais also talked about the conscious collection as the main initiative launched by H&M to combine fashion trends and sustainable actions. This collection is composed of clothes made with certified sustainable materials, such as organic cotton or recycled materials.

In addition, she explained that H&M is seeking to reduce waste and unsold inventory by aligning quantity produced to consumer demand by producing smaller quantities or offering temporary collections with the aim of avoiding excess stock that might otherwise end up as waste or require markdowns. This strategy is called “buy now or never”.

H&M has been accused of greenwashing in recent years. In particular, an American student called Chelsea Commodore brought the case to the federal court by saying that the garments that composed the Conscious collection were not as sustainable as the brand explained and that *"the goal of H&M's advertising program is to market and sell products that capitalize on the growing segment of environmentally conscious consumers, but H&M does so in a misleading and deceptive way"*<sup>48</sup>. In fact, according to this girl, consumers have to pay extra in order to buy sustainable clothes and accessories but, in reality, many products from this collection were made using unsustainable materials, such as polyester, a material that does not biodegrade and releases microfibers into the environment.

According to stated on H&M's official website, the garments of the Conscious Collection line had been created "with even more attention to the environment" and each product would be "made from at least 50% more sustainable materials, such as organic cotton or recycled polyester". In addition, H&M has tried to enhance its environmental credentials by joining the Higg Index, a sustainability index representative of the textile and fashion industries designed by The Sustainable Apparel Coalition linked to five tools useful to evaluate and evaluate the social and environmental performance of the fashion industry production process and the environmental impacts of its products; these tools assess five environmental impacts, which are global warming potential, pollution in water, water scarcity, fossil fuel depletion, use of chemistry. After the American student's complaint, H&M decided to eliminate the published Higg Index scores, and, for this reason, the doubts that this brand has made false statements regarding its sustainable actions increased.

Moreover, the recycling program implemented by this company is totally misleading due to the fact that only 1% of the materials currently used for the production of clothes are recycled to make other items. The problem derives from the fact that H&M is the world's second-largest company in terms of sales volumes in the fashion sector and, according to a measure reported by Quartz, it produces 3 billion pieces

---

<sup>48</sup> Giorgia marino, “Moda (in)sostenibile: H&M sotto accusa per greenwashing”, *Renewable Matter Magazine*, 2022, <https://www.renewablematter.eu/moda-insostenibile-h-and-m-sotto-accusa-per-greenwashing>



per year. Even though the brand is following and implementing recycling solutions, they are still far from being enough for these volumes of production.

H&M won against the accused received by the American student. The United States District Court has taken the side of the brand since H&M “does not declare that its products are 'sustainable' or even 'more sustainable' compared to those of its competitors. But the company affirms that the Conscious Collection contains “more sustainable materials” and that the collection includes “more sustainable products<sup>49</sup>”. Specifically, the Court remarked that H&M tells its consumers that “fashion has a huge impact on the environment and that the only trends worth following are recycling and repairing clothes”. Therefore, a reasonable consumer would not be led to believe that buying one or more items from the Conscious Collection is the only right way to help the environment.

### **4.3 Case Study 3: Patagonia**

#### **4.3.1 An overview of the brand and its cultural context**

Patagonia is an outdoor apparel company founded in 1973 that is committed to environmental protection and activism, in fact, it aims to become a carbon-neutral company by 2025.

In 2011, Patagonia became a Certified B Corp<sup>50</sup>, and starting from January 2012 it was formally registered as the first benefit corporation, a for-profit firm focused on having a positive effect on society, in the state of California<sup>51</sup>.

As can be seen in the table below, the B Corp certification takes into account five main topics: governance, workers, community, environment, and customers. Each company obtains a score based on these sections which are linked to the idea of measuring their environmental and social commitment. In order to obtain the certification, the firm must obtain an overall score of at least 80 points.

According to the table, Patagonia obtained a high B Corp overall score which has steadily grown, from 107.3 in 2012 to 151.4 in 2019.

---

<sup>49</sup> Seac, “Vittoria di H&M contro l’accusa di green washing dei suoi articoli di fast-fashion”, *All-in Giuridica*, 2022, <https://all-in-giuridica.seac.it/document/327/5010838/0>

<sup>50</sup> To be a Certified B Corp, a firm must obtain a minimum of 80 out of 200 points on B Lab’s Impact Assessment. Patagonia’s score from the latest assessment executed in 2019 was 151.4.

<sup>51</sup> Patagonia, Inc., *Group Sales Report*, 2023, 10, [https://www.patagonia.com/on/demandware.static/Sites-patagonia-us-Site/Library-Sites-PatagoniaShared/en\\_US/PDF-US/GSF23.pdf](https://www.patagonia.com/on/demandware.static/Sites-patagonia-us-Site/Library-Sites-PatagoniaShared/en_US/PDF-US/GSF23.pdf)

As regards the governance scores, although they do not reach the maximum possible of 30 points, they are good scores. In fact, Patagonia is actively working to elevate the level of its leadership by enhancing its commitment to responsibility and transparency.

Regarding the workers' scores, they are very high due to Patagonia's efforts to ensure good working conditions, fair wages, and benefits for its employees. The only score that falls below the average is 20.8 which may be due to changes in corporate policies or working conditions.

Community scores show a significant improvement over time, rising from 19.9 in 2012 to 63.8 in 2019, reflecting Patagonia's growing commitment to have a positive impact on the community, through initiatives such as diffusing ethical business practices, supporting local causes, and working to reduce inequalities.

The scores related to the environment are quite high, even if they fluctuate over time. These variations may be caused by changes in the criteria used to evaluate the environmental impact and sustainability level or adjustments in company policies. Despite this, the performance of Patagonia in this area continues to be high.

As regards the clients, scores are solid, especially considering that the maximum possible is 10 points. This underlines Patagonia's dedication to creating value for its clients and particularly their well-being. However, there is still room for improvement, especially regarding communication and product availability.

To recap, Patagonia's strongest areas are Community and Environment, reflecting its solid commitment to sustainability and corporate responsibility. Moreover, this company obtained a good score also concerning workers, underlining Patagonia's dedication to its workers' well-being.

However, there are some areas where Patagonia could enhance which are Governance and Customers. Although its governance policies are solid, there is room to increase transparency and effectiveness in this section. As regards the customers, the company needs to strengthen the overall customer relationship and experience by improving communications and product accessibility.

	2012	2014	2016	2019
Governance	14.7	17.1	17.3	16.9
Workers	25	25	24.9	20.8
Community	19.9	30.9	58.7	63.8

Environment	47.5	34.7	44.8	43.5
Customers	-	7.1	5.8	6.3
Overall	107.3	113.9	151.5	151.4

Table 1: Patagonia, Inc., *Patagonia Annual Benefit Corporation Report*, 2021,

<https://www.patagonia.com/on/demandware.static/-/Library-Sites-PatagoniaShared/default/dw18ad9c7c/PDF-US/Patagonia-2021-BCorp-Report-Updated-2-15-22.pdf>

For nearly four decades, Patagonia has been committed to supporting environmental organizations in their efforts to address the growing environmental crisis. During this era of remarkable threats to the environment, the company is working to contribute to the environment and society worldwide in the best possible way.

Patagonia's aim is to not only preserve nature through innovative initiatives but it also wants to inspire meaningful action, setting a good example to other organizations. This means that Patagonia desires to connect individuals with a wide range of environmental organizations, enabling them to actively participate in addressing environmental and social challenges such as grassroots movements and fundraising<sup>52</sup>.

In particular, Patagonia strives to inspire other firms to use clean energy and sustainable materials while finding the right balance between profits and environmental responsibility<sup>53</sup>. This organization demonstrates that implementing sustainability and inclusion can be profitable. In fact, nowadays customers are not only concerned with the availability of products but also with the efforts companies make to safeguard the environment. Yvon Chouinard, the founder of the brand, emphasizes these aspects during an interview shared in 2023, where he says: "We needed to find a way to put more money into fighting the environmental crisis while maintaining Patagonia's values. There weren't any good options available, so we had to create our own. The new ownership structure ensures the company stays true for another 50 years or more and uses the wealth the firm generates to protect our home. After everything we've been through, I hope Patagonia can serve as a model for other businesses as they evaluate their

<sup>52</sup> Patagonia, Inc., *Annual Benefit Corporation Report*, 2021, 10-13, <https://www.patagonia.com/on/demandware.static/-/Library-Sites-PatagoniaShared/default/dw18ad9c7c/PDF-US/Patagonia-2021-BCorp-Report-Updated-2-15-22.pdf>

<sup>53</sup> Yvon Chouinard, Interview by McKinsey, April 20, 2023, <https://www.mckinsey.com/industries/agriculture/our-insights/patagonia-shows-how-turning-a-profit-doesnt-have-to-cost-the-earth>

environmental policies, and that this company's success is proof you can make a profit doing the right thing".

Companies can not grow indefinitely, in fact, there is an ideal size for them and when they become too big, they risk failure due to various aspects such as market saturation, operational inefficiencies, and resource limitations. Yvon Chouinard in his interview explains that "a company needs to be cautious about growing too big. A company doesn't last 100 years by chasing endless growth. We know we have to be intentional in our growth to be around for another 50 years, so we're focused on longevity, not expansion.

Patagonia also wants to interact with customers in order to engage them in its activism campaigns and convince customers to follow its commitment to the environment and society. "The twin goals would be to reduce our impact really quite a bit, and in line with the Science Based Targets. The second would be to amplify our activism on behalf of saving the planet" says Vincent Stanley, one of the first employees of the company, in an interview conducted by Emily Farra and published in a Vogue article in 2022. He also explained in this interview that Patagonia is establishing a new mission statement not based only on producing the best goods, but also on creating items that preserve the environment and are realized by following ethical practices. For this reason, employees have started asking themselves, 'What does that mean for my collection? What does that mean for our team? How do we make that change<sup>54</sup>?'

Patagonia is one of the founding members of the Sustainable Apparel Coalition, an organization that promotes sustainability in the textile and apparel industries. In 2012, this Coalition launched the Higg Index, a tool useful to measure and evaluate the environmental and social impact throughout the production chain. The company uses the Higg Index to monitor its progress toward sustainability goals and to encourage other companies to do the same.

Moreover, Patagonia's website has a specific section dedicated to these topics called "activism" where consumers can find information regarding strategies that this company is following to help the environment and actively participate in different campaigns, events, and petitions related to environmental conservation. By empowering people to take action in various ways, Patagonia aims to amplify the efforts of environmental organizations and inspire a collective movement toward a more sustainable future.

---

<sup>54</sup> Vincent Stanley, interviewed by Emily Farra, November 9, 2021, <https://www.vogue.com/article/patagonia-cfda-award-climate-change-ambitions-vincent-stanley>

### 4.3.2 Commitment to the Environment

Patagonia is dedicated to making a positive impact on different aspects linked to the environment such as land, water, climate, communities, and biodiversity in order to address interconnected environmental challenges and provoke a huge social change<sup>55</sup>.

Patagonia's main purpose is helping the environment by enhancing the quality of landscapes and reducing the ecological footprint of human and economic activities such as material extraction and clothes production. The company tries to achieve these objectives through some sustainable actions such as responsible mineral extraction, sustainable land use practices and agriculture, and pollution reduction.

Patagonia actively works to preserve not only lands but also the marine ecosystem by eliminating pollutants and toxic substances that contaminate ocean health and mitigate problems due to water waste problems. These actions are essential to protecting biodiversity and supporting both wildlife and human communities that rely on these ecosystems.

Patagonia is also committed to climate change. In particular, it works to find a solution to the critical issue of the overexploitation of non-renewable energy sources which can cause air and water pollution and generate dangerous waste. The company is making several efforts to avoid these problems by ensuring atmospheric conditions monitoring and transitioning to renewable energy sources.

The commitment to the environment of this firm is validated by these data regarding the amount of money that Patagonia has collected to contribute to sustainable actions<sup>56</sup>:

- \$161,000,000 raised to support environmental work since we started our tithing program in 1985.
- \$5,700,000+ raised through grants that have been donated to groups that deal with lands, and water. and wildlife protection.
- \$2,500,000+ collected and donated to groups that fight to stop climate change, especially to the ones focused on mitigating greenhouse gas emissions and enhancing human and ecological resilience.
- Over \$430 million has been devoted to environmental groups by 1% for the Planet since its founding in 2002.

Since 1985, Patagonia has donated 1% of its annual sales or revenues to initiatives regarding the protection and restoration of the environment, succeeding in collecting more than \$89 million. In

---

<sup>55</sup> Patagonia, Inc., "Who do we found?", *Patagonia, Inc.*, <https://eu.patagonia.com/gb/en/actionworks/about/>

<sup>56</sup> Patagonia, Inc., *Annual Benefit Corporation Report*, 2021, 5, <https://www.patagonia.com/on/demandware.static/-/Library-Sites-PatagoniaShared/default/dw18ad9c7c/PDF-US/Patagonia-2021-BCorp-Report-Updated-2-15-22.pdf>

2002, Yvon Chouinard, the founder of Patagonia, and Craig Mathews, owner of Blue Ribbon Flies, founded a non-profit organization to stimulate other companies to fund projects for environmental and social sustainability by donating a portion of their sales or revenues. And, as a consequence of that, 1% for the planet initiatives began<sup>57</sup>.

This initiative emphasizes Patagonia's long-lasting commitment to sustainability and environmental protection, which has shaped and influenced business processes since the company's early days. In fact, thanks to this project, Patagonia has been able to spread greater corporate responsibility in business and support diligent and meticulous consumers who believe that an honest commitment to the environment can change their future and that of businesses.

But, the company will also get a financial return thanks to this initiative. In fact, Patagonia has strengthened its reputation as a sustainable and responsible company, gaining the trust of consumers who share its values, leading to increased customer support and, consequently, sales growth.

Patagonia has a strong role in this initiative, in fact, as a founding member, it not only commits 1% of its revenues to environmental causes but also encourages other firms to join the movement. This means that Patagonia, together with other "1% for the Planet" members, strives to fund environmental organizations that might otherwise find it difficult to secure financial support. Over the years, Patagonia has actively spread information regarding the importance of solving environmental issues, consumer awareness, and responsible and sustainable practices across different sectors.

Since its creation, 1% for the Planet has expanded broadly, bringing together thousands of businesses, individuals, and nonprofits that contribute by donating money to approved environmental organizations or participating in initiatives that support environmental causes. Now, over 6,000 members (from companies like New Belgium Brewing to individuals like musicians) follow this initiative.

Moreover, in May 2013 Patagonia launched "Tin Shed Ventures", a corporate venture capital<sup>58</sup> established to preserve and protect the environment. Tin Shed has invested a portion of Patagonia's profits into startups that work to solve land, water, air, and biodiversity crises that are at the heart of climate change. The main purpose is to produce returns through the joint value and exploit them to invest in new actions for the planet and improve existing ones.

At Patagonia, the product impact and innovation team leverages various tools, such as joint development agreements, and contractual agreements between two or more parties to cooperate on developing a new

---

<sup>57</sup> Patagonia, Inc., "1% for the planet", *Patagonia, Inc.* <https://eu.patagonia.com/it/it/one-percent-for-the-planet.html?srsId=AfmBOopHeTRaaN8p3a2r23ikDxrJGdLAgaYXK23nlR5zcSpRtpi2j531>

<sup>58</sup> Corporate venture capital (CVC) is the investment of corporate funds directly in external startup companies.

product, technology, or solution. Each party typically contributes by providing resources, expertise, or technology to jointly develop new and innovative solutions, and commercial purchase agreements, to encourage new material transformation and product integration.

Tin Shed follows specific investment criteria. The first one is “strategic resonance”, Tin Shed realizes investments in companies that address constant issues for apparel businesses (prices, competition, consumer preferences, inventory management, and brand loyalty) while advancing the environmental mission. The second strategy is “better together”, partnering with trusted co-investors, with checks of up to \$2M in the Seed<sup>59</sup>, Series A<sup>60</sup>, and occasionally Series B<sup>61</sup> deals. Another strategy of venture capital is “quality”, the quality of Patagonia’s products must not only be of high quality but also complemented by responsible extraction and processing. The fourth strategy is “systemic & scale”, although many solutions of the fund tackle local challenges, Tin Shed Ventures prioritizes solutions that address the systemic causes of climate change. The last strategy is “intersectional”, the climate crisis is multifaceted and disproportionately affects marginalized communities, therefore, Tin Shed seeks to find solutions that take into account the individuals and all communities where these companies function<sup>62</sup>.

Nowadays, 14 companies and funds have invested through the venture capital fund, Tin Shed Ventures. These companies are working hard to realize and increment renewable energy infrastructures, organic regeneration techniques, water conservation, and sustainable materials. Furthermore, Patagonia launched the Worn Wear Program, an initiative designed to diffuse sustainability and reduce waste. The aim of this project is to foster a circular economy by offering services such as reuse, recycling, and repair. First, Patagonia provides repair services in specific centers in order to extend the life cycle of clothes. In addition, customers can exchange Patagonia’s clothes that they no longer use with store credits. The returned items are cleaned, repaired, and resold at a lower price through the Worn Wear online store. For clothes that are too damaged to be reused or resold, Patagonia ensures responsible recycling to minimize waste and environmental impact<sup>63</sup>.

Patagonia is committed to developing and creating high-quality products while continuing to preserve the environment. The company follows some strategies to achieve this goal. The first one is creating goods

---

<sup>59</sup> Seed round is the early stage of a start-up. During this stage, the company deals with product development, initial procedures, and market analysis. These investments vary from a few hundred thousand dollars to around 2 million dollars.

<sup>60</sup> Series A round is the second stage of an investment, the company tries to increase and enhance its size, teams, and products. During this phase, investments range from \$2 million to \$15 million.

<sup>61</sup> During the Series B round, the firm aims to reach new markets and boost its customers and operations. The investment’s dimension goes from \$10 million to \$50 million or more.

<sup>62</sup> Tin Shed Ventures, “How we invest”, *Patagonia.com*, <https://tinshedventures.com/approach/>

<sup>63</sup> Patagonia, Inc., “Worn Wear”, *Patagonia, Inc.*, [https://eu.patagonia.com/it/it/worn-wear/?srsltid=AfmBOoq5rZ\\_O1SAVt-dh7PgeA0NFW1m0CXVvYreU8owpX6Xh67xj0mhC](https://eu.patagonia.com/it/it/worn-wear/?srsltid=AfmBOoq5rZ_O1SAVt-dh7PgeA0NFW1m0CXVvYreU8owpX6Xh67xj0mhC)

that are durable, multifunctional, and non-obsolete. Then, Patagonia tries to formulate products made from recyclable and reusable materials and produce clothes and accessories with a limited impact on water, chemical, and energy use, water quality, and GHG emissions. Lastly, the company has started several partnerships with its customers to ensure mutual responsibility for the life cycle of its products, and their recycling, repair, and reuse.

	FY18	FY19	FY20	FY21
Scope 1	1,082	1,041	1,442	1,085
Scope 2	3,027	4,114	3,744	2,607
Scope 3	162,948	223,285	219,379	98,966
Total	167,057	228,440	224,565	102,685

Table 2: Patagonia, Inc., *Patagonia Annual Benefit Corporation Report*, 2021,

<https://www.patagonia.com/on/demandware.static/-/Library-Sites-PatagoniaShared/default/dw18ad9c7c/PDF-US/Patagonia-2021-BCorp-Report-Updated-2-15-22.pdf>

Patagonia is a Benefit Corporation and, for this reason, it monitors in detail its environmental and social impact. This table describes and analyzes Patagonia's Greenhouse Gas emissions between 2018 and 2021, divided into Scope 1, Scope 2, and Scope 3<sup>64</sup>. During these years, Scope 1 emissions have not undergone any particular change, ranging from 1,082 to 1,442 (in metric tons of carbon dioxide equivalent). Scope 3 emissions have shown a big change from 162,948 to 98,966 thanks to Patagonia's commitment to sustainable actions to reduce its environmental impact throughout its supply chain. By observing the total, GHG emissions increased between 2018 and 2019, and then they decreased from 2019 to 2020; these shifts may be caused by increases and reductions of production.

In FY 2023, Patagonia's Greenhouse Gas emissions for Fiscal year 2023 (May 2022 - April 2023) were equal to 200,119 MT CO<sub>2</sub>e. Direct and indirect emissions resulting from the facilities and activities owned and controlled by the company itself (scope 1 and 2) are 2,963 MT CO<sub>2</sub>e; emissions caused by employee travels (scope 3) amount to 562 MT CO<sub>2</sub>e; emissions resulting from transportation (scope 3)

<sup>64</sup> Scope 1 emissions are direct emissions directly controlled by the firm. Scope 2 emissions are indirect emissions not owned by the company and tied to energy use. Scope 3 emissions take into account all the other indirect emissions which are not included in Scope 1 and Scope 2 emissions and that arise from the company's value chain.



are 13,309 MT CO<sub>2</sub>e. Finished product manufacturing and raw material manufacturing (scope 3) provoke 3,404 MT CO<sub>2</sub>e and 179,119 MT CO<sub>2</sub>e, respectively.

The company recognizes the urgent need to reduce greenhouse gas emissions and is actively engaged in efforts to shift towards more sustainable, low-impact energy alternatives that can help nature and society.

The firm has set important goals for Fiscal year 2030 which are the absolute reduction of GHG emissions linked to Scope 1 and Scope 2 by 80% compared to the reference year 2017 and the absolute reduction of GHG emissions linked to Scope 3 resulting from the purchase of goods and services, transport and distribution upstream and downstream, and business travel compared by 55% compared to the reference year 2017<sup>65</sup>.

In addition, Patagonia is aware that most of its emissions do not come from shops, offices, or distribution centers but they come from the supply chain and materials production and, for this reason, it makes GHG emissions reduction more difficult to manage and improve for different reasons. Firstly, the company outsources its production to external manufacturers which are located in numerous countries with different regulations and cultures, which makes it very difficult to control their production method. Moreover, GHG emissions come from the use of different types of materials, including recycled fabrics, organic cotton, and hemp; the issue is that this makes standardization and transparency more difficult.

In 2018, Berkeley, a university in California, published a study in order to explain Patagonia's strategies to achieve carbon neutrality by 2025. This publication underlines the importance of managing GHG emissions of the entire supply chain, but it also addresses the challenges that a company can face in monitoring and improving the sustainability of the entire supply chain that is located in different regions. According to this study, collaboration with external manufacturers is a useful tool that a firm may use to implement sustainable actions.

Patagonia is working to achieve the goal of reducing carbon emissions across the entire supply chain, taking into account the emissions that it does not directly control, starting from raw materials extraction and production to customer purchase<sup>66</sup>. However, a lot of Patagonia's factories are located in Asia and, for this reason, the firm does not own all the factories that fabricate its goods.

---

<sup>65</sup> Patagonia, Inc., "La crisi climatica è affar nostro", *Patagonia, Inc.*, <https://eu.patagonia.com/it/it/climate-goals/>

<sup>66</sup> Patagonia' is trying to achieve an important goal regarding corporate carbon neutrality is to reduce the impact of the customer's use of products and end-of-life processes through recycling damaged clothes or accessories through the Worn Wear program.

There are two main ways to reduce emissions during the extraction of raw material, the first one is enhancing the efficiency of the processing equipment and increasing the number of machines powered by renewable energy.

Moreover, Patagonia aims to reduce the emissions linked to the production of materials by incrementing the use of recycled materials, such as recycled synthetics, and renewable ones, such as plant and animal fibers or stones. Switching to recycled synthetic materials is also better than using renewable materials because it does not need energy to extract oil and transform it into fabric. However, replacing synthetic materials with recycled ones may not reduce GHG emissions as much as using renewables.

Another part of the production that uses a huge amount of energy is dyeing both natural and synthetic materials. As a consequence, Patagonia has started to tint fabrics before knitting or sewing them<sup>67</sup>.

“It’s a much more efficient process that uses far less water, which means less heating, less cooling, less drying of fabric, all of which reduce energy use,” emphasizes Foster, senior manager of product responsibility for Patagonia.

But, making these changes is not easy, in fact, a lot of the existing recycled materials do not meet Patagonia’s quality standards and the majority of the sustainable materials do not have the same performance and life compared to virgin ones. Patagonia started to use recycled nylon in 2007 and, at the beginning, there were several issues connected to how customers perceived the feel on their skin and the noise generated by the movement. Even today, Patagonia is still working to find solutions to increase the recycled nylon content of many of its products. “It’s really easy to measure performance, margin, and quality,” explained Matt Dwyer, Director of Materials Innovation at Patagonia. “But if I tell you that for next season, I can make one of our equipment lines with one hundred percent recycled materials and a water-free dyeing process, so you’re going to save one hundred percent of the water involved and the CO2 footprint will go down seventy percent, but it’s going to cost twenty-five cents more a yard, the question becomes, ‘How do we assign value to those impact reductions?’”

Patagonia is trying to push other businesses to implement these practices to ensure a huge change in the level of sustainability within the fashion industry.

Thanks in part to private ownership and in part to its owners’ values, Patagonia is willing and able to research and develop these innovations to encourage change and fulfill the third part of its mission statement. But, it also needs these other companies to adopt its innovations in order to gain a volume-based price break for itself.

---

<sup>67</sup> Daniel M. Kammen, Paul Hendricks, Seren Pendleton-Knoll, Vincent Stanley, e Robert Stran, *Patagonia’s Path to Carbon Neutrality by 2025* (Berkeley, CA: Haas School of Business, University of California, 2018), <https://cases.haas.berkeley.edu/assets/documents/patagonia-preview-2018.pdf>

Patagonia is striving to reduce its environmental impact also during the last steps of the supply chain. The shops are designed by following ecological standards, such as LEED Certification, LED lighting, and thermal insulation systems.

Moreover, Patagonia is committed to engaging its customers in its mission by pushing them to reduce waste and overconsumption. Specifically, the company offers clothing repair services. Customers can bring damaged clothes or accessories to the store, which will be repaired and resold, supporting the circular economy

This initiative is called the Worn Wear Program, a project designed to diffuse sustainability and reduce waste. The aim of this project is to foster a circular economy by offering services such as reuse, recycling, and repair. First, Patagonia provides repair services in specific centers in order to extend the life cycle of clothes. In addition, customers can exchange Patagonia's clothes that they no longer use with store credits. The returned items are cleaned, repaired, and resold at a lower price through the Worn Wear online store. For clothes that are too damaged to be reused or resold, Patagonia ensures responsible recycling to minimize waste and environmental impact<sup>68</sup>.

Additionally, Patagonia formulates and realizes products by using high-quality materials and innovative methods and tools in order to produce clothes designed to last many years. In fact, the firm is against the main features of fast fashion since it seeks to offer resistant garments, suitable for multiple uses and environments.

### **4.3.3 Inclusion and Diversity Practices**

Patagonia is committed to inclusion and diversity, in fact, it tries to implement these aspects through hiring practices, corporate culture, initiatives, and events.

Patagonia aims to create an environment where every employee feels valued and empowered to bring their own identity. This is true starting from the hiring practice to the creation of workplace policies, internal culture, and external efforts which are based on the idea of attracting a variety of talents with different personalities, experiences, and attitudes in order to ensure bold decisions and creativity that lead to more effective solutions for the environmental challenges.

Patagonia also emphasizes communities and supports less protected groups. From this point of view, the company intends to promote environmental justice, facilitating the development of sustainable communities and defending the rights and well-being of indigenous peoples. Patagonia's community

---

<sup>68</sup> Patagonia Inc., "Worn Wear", *Patagonia Inc.*, [https://eu.patagonia.com/it/it/worn-wear/?srsltid=AfmBOoq5rZ\\_O1SAVt-dh7PgeA0NFW1m0CXVvYreU8owpX6Xh67xj0mhC](https://eu.patagonia.com/it/it/worn-wear/?srsltid=AfmBOoq5rZ_O1SAVt-dh7PgeA0NFW1m0CXVvYreU8owpX6Xh67xj0mhC)

initiatives aim to address social inequalities linked to environmental degradation, ensuring that vulnerable groups are not left behind in the pursuit of sustainability.

Patagonia organizes training programs focused on unconscious bias, cultural competency, and allyship to make sure that all employees can contribute to a diverse and inclusive workplace. Through these initiatives, employees obtain the essential knowledge to recognize and challenge their prejudices and promote a more diverse and inclusive workplace.

Patagonia tries to reflect its values of inclusion and diversity within its leadership team by involving diverse voices at the decision-making level to secure inclusive practices and methods and take into account the needs of each stakeholder. The firm also organizes mentoring and leadership programs to help employees who are part of marginalized groups advance within the company.

Another strategy to promote inclusion and diversity is transparency, in fact, Patagonia publishes reports and regular updates regarding its responsibilities and achievements and it regularly monitors its workforce demographics, employee engagement surveys, and the effectiveness of its initiatives. These data are essential to understand and control the effectiveness of Patagonia's methods and strategies and allow this company to hold itself accountable to its objectives. This information can be accessible to both shareholders and customers to handle and evaluate Patagonia's future actions.

Patagonia actively partners with organizations that deal with social and environmental aspects. For instance, Patagonia has started a partnership with Earthjustice, a nonprofit environmental law organization that wields the power of law and the strength of partnership to safeguard people's health, preserve impressive places and wildlife, advance clean energy, and fight climate change. Earthjustice believes in the potential of each person and the huge contribution that cultural differences can make, leading to an increase in productivity and innovation thanks to differentiated and original methods<sup>69</sup>.

In particular, Earthjustice seeks to create a community characterized by respect, empathy, and collaboration by following three strategies. The first one is "equitable hiring practices" to create a group whose strength is diversity of all kinds by including various backgrounds, knowledge, and viewpoints through the establishment of recruitment and selection processes based on equality and fairness, ensuring the inclusion of underrepresented groups and job descriptions and interview protocols are free of bias.

Beyond hiring, Earthjustice seeks to establish a "culture of inclusion" based on comfort, humor, and joy in order to create a workplace where all individuals feel valued, supported, and encouraged to bring their real identity to work.

---

<sup>69</sup> Patagonia, Earthjustice", *Patagonia Action Works*, <https://www.patagonia.com/actionworks/organizations/earthjustice/>

The last strategy that Earthjustice follows to implement inclusion and diversity into business corporate culture is “staff development and advancement” with the aim of providing opportunities for professional growth and career advancement through the organization of training programs to ensure that all workers will have the right tools and knowledge to thrive within the organization and achieve their full potential.

Earthjustice is a diverse and inclusive organization as well and, for this reason, it can work accurately on these issues, in fact, 44% of the workplace is identified as people of color, and 67% of the workforce is composed of women. This strong representation of diverse groups in its workforce enables Earthjustice to incorporate a wide range of opinions and experiences into business actions, strengthening its ability to advocate for communities affected by environmental discrimination<sup>70</sup>.

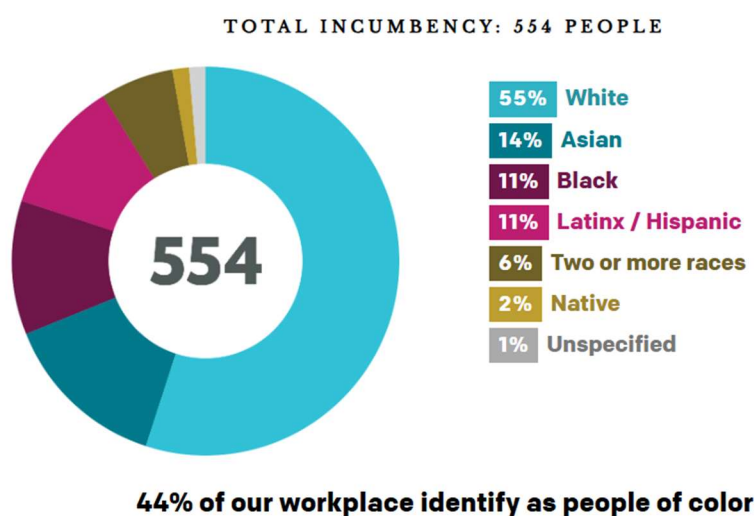
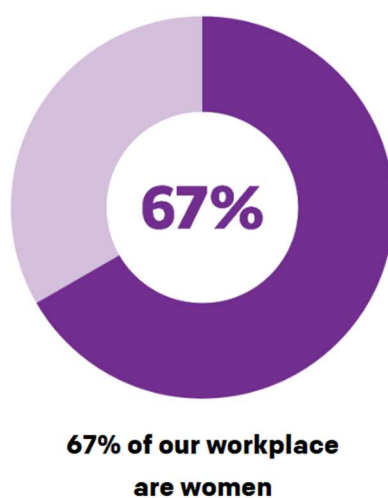


Figure 2: Earthjustice., *Diversity, equity and inclusion*, <https://earthjustice.org/about/diversity-equity-inclusion>



<sup>70</sup> Earthjustice, "Diversity, Equity, and Inclusion", *Patagonia Action Works*, <https://earthjustice.org/about/diversity-equity-inclusion/>.

Ethnic minority communities face several environmental injustices but the effects of this discrimination are usually neglected. These minorities are forced to live near polluted areas such as mines, landfills, power plants, and roads that emit particulates in the air and, consequently, these people often suffer from health problems.

The partnership between Patagonia and Earthjustice helps to give voice to diverse communities that are fighting against environmental discrimination, allowing Patagonia to integrate these perspectives into its corporate policies and practices.

Moreover, Patagonia and Earthjustice have organized different environmental justice initiatives to promote actions to preserve the environment, eliminate social discrimination, and support projects with the aim of sending help to different communities and cultures affected by these issues.

Dean Carter, vice president of human resources and shared services explains *“Use business to inspire” is embedded in the center of our mission for a reason. If we only make change in our bubble at Patagonia and don’t inspire change for a greater good outside the company, then we have not lived up to the full extent of our reason for being. Not only do we need to make more progress on how we include and bring more historically underrepresented groups into Patagonia, but we also need to do it in a way that broadens who we experience wild places with and builds a more representative community of stewards who will keep those places protected for the generations to come*<sup>71</sup>.

Patagonia also faces some challenges. Despite some issues being incessant (such as the loss of micro-batteries and the problem of durable water-repellent products), this firm aims to achieve net-zero carbon emissions in 10 years by substituting the use of virgin oil in polyester and nylon with biological cotton and engaging even more people and businesses in the activism<sup>72</sup>.

“The twin goals would be to reduce our impact really quite a bit, and in line with the Science Based Targets. The second would be to amplify our activism on behalf of saving the planet,” tells Vincent Stanley in an interview given in 2022.

---

<sup>71</sup> Patagonia, "Diversity, Equity, and Inclusion," *Patagonia Stories*, <https://www.patagonia.com/stories/diversity-equity-and-inclusion/story-71003.html>.

<sup>72</sup> Emily Farra, "Patagonia Has a New Mission to 'Save Our Home Planet'—One of Its First Employees Explains How They'll Get It Done," *Vogue*, November 9, 2021, <https://www.vogue.com/article/patagonia-cfda-award-climate-change-ambitions-vincent-stanley>

Priorities of companies have shifted over time. In fact, 50 years ago, employees were mainly focused on paying receipts on time, respecting legal regulations, and meeting the payroll. On the other hand, today firms face more responsibilities due to the fact that they must not only consider financial aspects but also prioritize sustainable and ethical ones. Times are changing, and with them, new responsibilities are emerging for businesses. This means that firms need to be more creative, brilliant, and capable since they are no longer just required to come up with another idea every season, but also to avoid harming the environment and engaging the clients.

## **5 Discussion**

### **5.1 Interviews Summary and Analysis of Business Results**

#### **5.1.1 Interviews Summary**

Different interviews conducted with three selected companies, Bulgari, H&M, and Patagonia, have been transcribed and analyzed to achieve the purpose of the thesis.

In particular, the research takes advantage of an interview with Jean-Cristophe Babin gave shortly before the second edition of the Swiss Genius Award and published by the journalist Cristina D'Agostino on the online platform Luxury Tribune. The Swiss Genius Award is a contest launched by Bulgari and the Swiss Technical Institute of Technology in Lausanne<sup>73</sup> in 2023 to encourage talent acquisition, scientific research, and technological innovation. This award focuses on innovative areas, such as science, sustainability, technology, and biomedicine. The winners receive subsidies to turn their ideas and projects into realities. Bulgari will take part in this event not only to contribute to technological advancement but also to enhance its commitment to sustainability and innovation so that it can become a strategic core value of the brand.

In this interview, Jean-Christophe Babin discusses the brand's recent sustainability actions and initiatives and clarifies how Bulgari is pursuing its commitments in compliance with LVMH Group's LIFE 360 goals.

Moreover, there are two interviews with Eleonora Rizzuto where she talks about her role and examines how sustainability and ethics can be applied to the world of jewelry, underlines the goals of LVMH Group and Bulgari regarding the environment and the implementation of strategies regarding the circular economy into the fashion world.

---

<sup>73</sup> A university and research institute in Switzerland.

The researcher also conducted an interview with Anais de Bergeyck, a Sustainability Data and Reporting Analyst at H&M Group. She clarifies how fast fashion, which is usually characterized by overconsumption and low-quality products, manages to align with sustainable initiatives and find a balance in providing affordable clothing with the costs involved in implementing environmentally conscious changes. Anais also talked about the implementation of inclusion and diversity practices in the fashion industry through advertising campaigns that spread the idea of body positivity and non-traditional standards.

This thesis also includes insights from an interview with Anna Gedda published on H&M Group's official website in 2019. She illustrates H&M's sustainability objectives achieved and future ideas and strategies that the company will follow in the future to continue reducing its environmental impact.

In addition, the interview of Annie Wu has been analyzed. She talks about the implementation of inclusion and diversity into the strategy of the firm the criticism it has received and what it has learned from it.

Lastly, the research examines two interviews with Patagonia's members. The first one is with Yvon Chouinard and the other one is with Vincent Stanley. They describe Patagonia as a non-traditional business due to its strong commitment to the environment and ethical practices. In particular, they emphasize Patagonia's mission to balance Corporate Social Responsibility with growth and profits. According to these interviews, Patagonia is also seeking to engage other firms and customers in its mission to foster more sustainable business models and encourage customers to make conscious purchase decisions.

### **5.1.2 Interviews Analysis**

Bulgari, H&M, and Patagonia represent three different sectors of the fashion and apparel industry. Bulgari, as a luxury brand, produces durable and high-quality jewelry. H&M is a fast fashion firm, and, for this reason, is characterized by mass production and affordable prices. Patagonia is dedicated to the production of ready-to-wear clothes by focusing on the environment and society.

Despite this, these companies share the same objective: integrating sustainability, inclusion, and diversity into their strategies and methods. Each firm tries to address this goal through unique methods tailored to their identity, and in order to align profitability with the application of responsible practices with the aim of improving sustainability and ethics in society.

Specifically, Bulgari seeks to protect the environment by monitoring and ensuring transparency, using less energy and more renewables, and diffusing the idea of second-hand clothes.



H&M follows distinct strategies to enhance sustainability such as using new packaging and recycled materials to reduce the use of plastic and other pollutants.

Patagonia is a leader in the apparel industry when it comes to sustainability and social responsibility, in fact, it tries to find alternative solutions to avoid waste and pollution while continuing to encourage other people and companies to be involved in its mission in order to drive significant change across the industry.

In addition to sustainability, diversity and inclusion have become essential elements of these brands' business strategies.

In particular, Bulgari promotes female representation in leadership positions, underlining the importance of gender diversity as the main strategy for growth. This company also takes care of employee working conditions, fostering a stimulating and inclusive workplace environment that ensures well-being and professional growth for all kinds of employees.

H&M has organized several campaigns with the aim of diffusing the importance of inclusion and diversity, not only as business values but also as important aspects that consumers may consider when making a purchasing decision. The brand has designed advertising campaigns that challenge stereotypes and traditional standards. At the same time, H&M has also faced some difficulties regarding these themes, such as an advertising campaign that was accused of being racist; it consisted of a sweatshirt advertised on H&M's official website, worn by a child of African origin, with the words "Coolest Monkey in the Jungle". Because of this event, the company received several criticisms but has been able to turn these difficult times into opportunities for educational growth, also involving external consultants to prevent similar issues in the future and to strengthen its commitment to inclusivity.

## **5.2 Companies Insights**

### **5.2.1 Bulgari**

Bulgari is a luxury business known for its jewelry, watches, fragrances, and accessories. Its commitment to traditional craftsmanship and the creation of high-quality jewelry enabled the brand to quickly establish a prominent position in the Italian luxury market.

The company's commitment to sustainability is embedded in its vision and values. One value is being committed to positive impact through environmental, ethical, and social responsibility, which are the basis of long-term success. In fact, nowadays, consumers demand sustainable products since they understand that the way they are realized can have a positive impact on the entire ecosystem and the places in which the firms compete.

Bulgari produces jewels using creative and innovative methods to exploit recycled and high-quality materials that reflect environmental safeguards. More precisely, the luxury industry has the ability to create high-quality products with a very long life cycle, avoiding excessive consumption and waste and promoting more sustainable purchasing behaviors. For this reason, the distinguishing feature of luxury products is their durability, which is important to reducing frequent replacements of clothes and overproduction and diminishing excessive use of raw materials.

Bulgari adheres to strict regulations to ensure the respect of moral and environmental standards associated with the production of gemstones. For instance, it collaborates with the Responsible Jewelry Council (RJC) to certify that business processes align with responsible practices. The Council has certified that Bulgari's gold is entirely produced by using recycled materials and unsold items while maintaining its quality. This gold is produced in compliance with ethical standards since it does not originate from conditions that involve unfair methods, such as child labor or unhealthy working hours.

Additionally, Bulgari ensures transparency by regularly publishing reports on its achievements and progress regarding the reduction of environmental impact and the rise in the implementation of equity actions. For instance, this brand has started a partnership with some international organizations in order to develop the AURA blockchain network, a tool that consumers can exploit to access a digital passport where clients can find information on the origin and authenticity of luxury products.

Bulgari is also committed to inclusion and diversity. This firm believes that people are an essential part of the mission. In fact, one of the main purposes of its mission is to incorporate people who belong to different cultures and backgrounds into the heart of the business.

Bulgari is an international brand and, as a result, it is committed to addressing various challenges arising from its global reputation that provoke the interest of different people. The company has to exploit this aspect in order to create an inclusive workplace with employees from different cultural, linguistic, and national backgrounds who may provide bold ideas and innovative competencies for understanding international markets and solving complicated issues. In fact, employees are considered a strategic resource for the growth and success of the company.

In summary, Bulgari demonstrates a strong commitment to sustainability, ethical practices, and diversity, integrating these values into its core operations and future objectives. The brand is seeking to make the production process even more responsible, using recycled materials and innovative methods to create durable and high-quality clothes.

Bulgari promotes an inclusive workplace by underlining the importance of integrating cultural diversities. Significant results regarding diversity and inclusion have been achieved; in fact, 45% of senior positions

have been assigned to women, 1.4% of the workforce have disabilities, and 73% of recruiters have participated in non-discrimination training.

Another challenge linked to the luxury sector is the intrinsic exclusivity of luxury companies, which are usually characterized by limited accessibility and high prices that only a few people can afford. This means that a luxury product or service accessible to all loses part of its value. However, exclusivity today is not only related to the price, but it also encompasses social and ethical dimensions. In fact, modern consumers feel part of a brand not only through buying its products but also by being in line with its values, such as sustainability, human rights, and social commitment, creating a strong connection that goes beyond material ownership.

### **5.2.2 H&M**

H&M is a fast-fashion brand and its mission is to create products for different styles, body types, ages, and tastes while selling them at the lowest possible price. Additionally, the firm seeks to set and follow trends of upcoming seasons in order to expand the customer base. In fact, fast-fashion consumers are extremely fashion-conscious, they use fast-fashion products for a short period and buy new clothes that they often do not need, only to follow new trends; they feel a sense of urgency to purchase, encouraging mass production and overconsumption that are not aligned with sustainability goals. This means that H&M operates under a rapid production model since it analyzes markets, forecasts trends, and produces clothes very quickly and in large quantities.

This production process harms the environment and contributes to significant textile waste, as consumers are incentivized to buy more than they need to adhere to trends due to the extremely low prices offered by fast fashion companies.

Moreover, many natural resources are exploited to manufacture the large volumes of clothing required by the high market demand. For example, thousands of liters of water are required to produce only one shirt.

The fast fashion industry sometimes depends on worker exploitation in developing countries to maintain low production costs. In particular, there are low wages and poor working conditions, with unsafe environments and long hours.

H&M is trying to reduce its environmental impact and carbon emission through sustainable choices and initiatives, such as using renewable and recycled materials and packaging, and implementing initiatives to realize a shift from a linear to a circular business model.

This brand also uses certifications and regulations to enhance its responsibility towards the environment. For instance, H&M adheres to the Global Organic Textile Standard (GOTS) for organic materials, with the purpose of ensuring that textiles are produced by using sustainable and biological fibers, and the

Better Cotton Initiative (BCI) which establishes rules to produce cotton in a sustainable way, reduce the use of pesticides and improve working conditions for farmers.

In recent years, the company has showcased some collections that aim to reduce issues related to the environment. One of these is the Conscious Collection which is composed of clothes made with certified sustainable materials, such as organic cotton or recycled materials.

The brand is focused on different areas to achieve its future purposes. One of these areas is *being fair and equal* throughout the entire value chain by fostering inclusion and diversity both in the operations and in the supply chain and bringing fair jobs and equal treatment to everyone. For example, H&M is seeking to produce clothes and accessories for women, men, and children, by including all sizes and body types.

Furthermore, H&M is incorporating diversity and inclusion into its business model by broadening its size range. The clothing now goes up to XXXL, offering options that cater to all body types and break away from conventional fashion standards.

The workforce of this brand is composed of people with different cultures and backgrounds, and all of them contribute to the company's accomplishments. One of the main aims of H&M is to enhance the quality of the environment where workers can feel comfortable and free from any discrimination.

Moreover, H&M deals with increasing inclusion and diversity through training to raise awareness about current topics such as unconscious bias, inclusive leadership, cultural representation, and psychological safety. Training is delivered to all employees thanks to internal learning platforms and collaborative forums that allow different members of the community to come together, share beliefs, and plan successful strategies.

### **5.2.3 Patagonia**

Patagonia is an apparel firm focused on environmental protection and sustainability. It aspires to cut carbon emissions from human and economic activities, enhance the quality of landscapes and oceans, and protect biodiversity and human communities by implementing sustainable actions such as responsible mineral extraction, sustainable land use practices, agriculture, and the removal of pollutants and toxic substances from the oceans.

Patagonia works to address the critical issue of the excessive use of non-renewable energy sources which can cause air and water pollution and generate dangerous waste to climate change. The company is seeking to eliminate these problems by establishing atmospheric conditions monitoring and a shift to renewable energy sources.

In 2011, Patagonia was certified B Corp after fulfilling standards of social and environmental performance, transparency, and accountability formulated by the non-profit organization B Lab. The evaluation to gain this certification considers five key areas: governance, workers, community, environment, and customers. Each company under analysis receives a score based on these sections and must achieve a minimum overall score of 80 points to obtain the results.

Patagonia achieves the best results in the areas of *community* and *environment* due to its solid commitment to sustainability and corporate responsibility. Moreover, the firm demonstrated a strong commitment to workers' conditions, obtaining positive results in the *workers'* section. However, there are some areas where Patagonia needs to improve which are *governance* and *customers*. Although its governance policies are solid, there is room to enhance transparency and effectiveness in this section. As regards the customers, the company needs to strengthen the overall customer relationship and experience by improving communications and product accessibility.

Patagonia aims to not only preserve nature through innovative initiatives but this company also wants to inspire meaningful action, setting a good example to other organizations in order to connect individuals with environmental organizations, enabling them to actively participate in the mission of reducing the environmental impact and overcoming ethical difficulties.

Another goal of this organization is maintaining a relationship with customers and engaging them in its mission and campaigns with the intention of continuing to preserve the environment while intensifying the number of people and organizations involved in its activism.

The company recognizes the urgent need to reduce greenhouse gas emissions and is actively engaged in efforts to shift towards more sustainable, low-impact energy alternatives that can be useful to achieve this purpose. Two specific strategies can be followed to reduce emissions during the extraction of raw materials: investing in new and innovative types of machinery to increase their efficiency and reduce energy consumption and waste and increasing the number of machines powered by renewable energy.

Patagonia aims to reduce Greenhouse Gas (GHG) emissions not only during the sourcing of materials but also during the production process. The company is increasingly incorporating the use of recycled materials and renewable ones into its supply chain. While switching to recycled synthetic materials offers more advantages than using renewable materials since it avoids the need to use energy to extract oil and transform it into fabric, it may not achieve as significant a reduction in GHG emissions as using renewables.

Regarding specific data, Patagonia's GHG emissions experienced fluctuations between 2018 and 2020; these shifts may be caused by changes in the production level. In Fiscal Year 2021 (May 2020 to April

2021), the company's total GHG emissions amounted to 102,658 metric tons of CO<sub>2</sub>e. Looking at more recent data, Patagonia's emissions for Fiscal Year 2023 (May 2022 - April 2023) were equal to 200,119 metric tons CO<sub>2</sub>e, suggesting a significant increase in emissions from FY2021 to FY2023. However, this variation may be strictly linked to a decrease in production as a result of the temporary closure of factories and shops in 2020, caused by the COVID-19 pandemic. Consequently, the emissions rose again in FY2023 in light of a return to pre-pandemic production and operational levels.

Patagonia's workplace is characterized by a strong commitment to equality and inclusion, where employees are encouraged to express themselves and their own identity throughout the entire company, from the hiring processes to the internal culture, and external attempts to attract diverse talents with a wide range of personalities and experiences to enhance creativity and drive innovation in its strategies.

Lastly, Patagonia focuses on helping communities and assisting less protected groups. From this point of view, the company desires to promote environmental justice, facilitate the development of sustainable communities, and defend the rights and well-being of indigenous peoples in order to aid vulnerable groups that are victims of social inequalities and persecution.

### 5.3 Sustainability Ratings of H&M and Patagonia

Reports and Organisations Providing Sustainable Ratings.		Ratings Used*	Boohoo	H & M	Zara (Inditex Group)	Ted Baker	Nike	Burberry	Gucci (Kering Group)	Patagonia	Stella McCartney (Kering Group)
1	Fashion Transparency Index (Fashion Revolution)	0–100 per cent	20 <b>Worst</b>	68 <b>Best</b>	36	21	55	34	Not available	56	Not available
2	Ethical Consumer Magazine	0–20	3 <b>Worst</b>	7	5.5	Not available	5	4.5	6	10.5	13.5 <b>Best</b>
3	Index Impakter	F Fail D Insufficient C Mediocre B Good A Great	Not available	C Mediocre = <b>Best</b>	D Insufficient <b>Worst</b>	Not available	C Mediocre = <b>Best</b>	Not available	C Mediocre = <b>Best</b>	Not available	Not available
4	Know the Chain (2021)	0–100	Not available	69 <b>Best</b>	55 (Inditex)	Not available	49	53	41 (Kering) <b>Worst</b>	Not available	41 (Kering)
6	Fashion Checker (Clean Clothes Campaign) (Transparency only).	1-5 stars	3*	5* = <b>Best</b>	1* = <b>Worst</b>	4*	5* = <b>Best</b>	1* = <b>Worst</b>	5* = <b>Best</b>	5* = <b>Best</b>	Not available

7	Remake	0–150	13 Worst	39 Best	24 (Inditex)	Not available	25	38	35	27	17
8	Rank a Brand (Good on You)	We avoid Not good enough It's a start Good Great	We Avoid Worst	It's a start	Not Good enough	Not Good enough	It's a start	It's a start	It's a start	Good = Best	Good = Best
9	Total number of Rankings.	7	5	7	7	3	7	6	6	5	4
9	Total number of bests	9	0	5	0	0	2	0	2	2	2
9	Total number of worsts	9	4	0	2	0	0	1	1	0	0

Table 3: Elaine Ritch, Catherine Canning, and Julie McColl, *Pioneering New Perspectives in the Fashion Industry: Disruption, Diversity and Sustainable Innovation*, 2023, <https://www.perlego.com/book/3792852/pioneering-new-perspectives-in-the-fashion-industry-disruption-diversity-and-sustainable-innovation>

The tables above show some sustainable ratings for fashion brands, organized by market level from low to high. These ratings are provided by various platforms that focus on sustainability, ethics, and transparency in the fashion industry; these platforms include: Fashion Transparency Index (2021), Ethical Consumer Magazine (2022), Index Impakter (2022), Know the Chain (2021), Clean Clothes Campaign (2022b), Remake (2021), Good on You (2022).

Each organization evaluates different aspects related to the environment, society, and ethics. The Fashion Transparency Index addresses the environment as a whole, with a focus on people's values over growth and profit. The Ethical Consumer Magazine assesses firm policies and actions regarding human and workers' rights, the environment, sustainability, and politics. The Index Impakter controls company certifications and data to evaluate how businesses are tackling the UN's 17 Sustainable Development Goals (SDGs). The Know the Chain seeks to avoid forced labor risks within the global supply chain. The Clean Clothes Campaign observes the supply chain and ranks fashion brands considering their transparency and public commitment. Remake works to improve both the planet's environmental health and people's lives through education, advocacy, and transparency. Finally, Good on You provides ratings of fashion organizations according to their commitment to the planet, people, and animals in order to affect consumers and push them to buy sustainable clothes.

By examining the values in the tables, H&M emerged for the score received from the Fashion Transparency Index, in fact, it achieved a rating of 68/100 indicating that the company prioritized people above profits. The Index Impakter rating evaluated H&M as the best of the analyzed companies; particularly, the brand obtained a mediocre rating by demonstrating that H&M is acting well on average and following the UN's 17 SDGs according to certifications, data, and public information.

This firm is the best also for the Know the Chain rating, achieving a score of 69/100, which underlines the company's efforts to reduce the risk of forced labor. The Clean Clothes Campaign gave 5/5 stars to the brand, emphasizing H&M's transparency and commitment to its customers. Although Remake assigned H&M a relatively low score of 39/150, it recognized the firm as the best in its category.

According to this table, H&M and Boohoo, a fast fashion brand, operate at a similar market level, but H&M achieves the best evaluation from five of seven organizations, obtaining the best overall scores of all nine brands. In addition, H&M and Zara, another fast fashion company, are also located in a similar market, but H&M is considered the best of five out of seven platforms and worst in none, on the other hand, only one of the platforms considered Zara as the best and two of them believed that Zara is the worst.

This table also analyzes the performance of Patagonia which obtained a good result across various sustainable ratings. Specifically, the Fashion Transparency Index awarded the firm a score of 56/100, giving it the second-highest score after H&M. The Ethical Consumer Magazine gave Patagonia a rating of 10.5/20, placing it in the second position. Finally, Patagonia achieved the highest ratings from both Clean Clothes Campaign and Good on You. This demonstrates that the brand is particularly focused on human and workers' rights, people's values, product sustainability, and animals.

Patagonia and Stella McCartney perform relatively well, each receiving two top scores and no low scores.

To sum up, these ratings prove that luxury businesses do not fully exploit their potential to help the environment and people living there. In fact, a fast fashion brand (H&M) performed better than luxury brands such as Stella McCartney, Gucci, and Burberry.

#### **5.4 Comparison between luxury and Fast Fashion Firms**

Luxury and fast fashion brands face significant challenges regarding the implementation of sustainability and ethical practices into their business models. While there are some differences in the strategies adopted by luxury firms and fast fashion firms, there are also some common features about their approaches to current issues.

Luxury products have a positive influence on the circular economy. In fact, they are characterized by high quality and durability and, for this reason, can be repaired and reused as second-hand clothes or accessories. Moreover, luxury brands often can invest in innovation and new sustainable materials thanks to their financial and market positioning, their high-profit margins allow them to implement advanced technologies and research to discover new solutions.



Businesses aim to achieve a competitive advantage in order to differentiate themselves from their competitors and gain a favorable market position. Competitive advantage is linked to two different strategies: cost leadership, when a company intends to become an industry leader by trying to sell the same products at a lower price than competitors (as seen in fast fashion); and differentiation, when a company aims to be unique within an industry through the sale of exclusive and desired items (as seen luxury).

As regards luxury, exclusivity is a competitive advantage exploited by the industry to create a sense of desirability which strengthens the brand's attractiveness through unique designs, personalized customer service, and emotional experiences. Exclusivity is also linked to consumer loyalty. In fact, luxury clients are attracted not only by the quality of products but also by their iconic design and the idea of being able to purchase an item that everyone desires.

A business that sells exclusive products can increase its competitiveness and become more attractive compared to firms that constantly realize and sell similar clothing or accessories. By focusing on originality and variety, these companies can capture consumer interest and differentiate themselves in a crowded market.

Despite this, luxury brands are seeking to embed workers with different talents, origins, and backgrounds to respond to the growing demand of consumers who want to compare ethical brands. This led to the beginning of the period of massification and democratization of luxury, during which companies introduced more accessible products to extend the customer base and communicate to non-luxury consumer segments.

This shift in the concept of luxury prompted criticism, with many arguing that by acting in this new way, luxury businesses were risking losing their essence. At the same time, many people contend that the value of luxury brands is not solely determined by financial factors and prices, but also by the organization's identity, heritage, quality, and craftsmanship. They emphasize that exclusivity is not always tied to financial considerations but also to social and ethical accessibility. In fact, today's consumers engage with a brand not only through the purchase of its products but also by aligning with its values, such as environmental sustainability, human rights, social responsibility, body positivity, and more.

As regards fast fashion companies, they need quick-response production systems to change inventory according to new trends and introduce new styles; as a consequence of this, a rapid production model is needed as a reaction to consumer demand changes. That is why fast fashion companies usually design and create low-quality products and overproduce them, creating huge amounts of waste. Trends have negative consequences on the environment since many consumers prefer to buy trendy clothes instead of high-quality ones, which are produced and designed in a sustainable way. This behavior is especially prevalent

among younger consumers, who are affected by what they see on social media, for example, Tik Tok fashion haul videos have become really popular.

Fast fashion companies produce low-quality garments using synthetic materials, such as polyester and acrylic, which are non-biodegradable and contain harmful pollutants. As a result, these clothes degrade quickly, prompting consumers to purchase new items frequently, which contributes to overconsumption and waste.

Furthermore, fast fashion businesses seek to find a solution to these problems through various scalable solutions, such as using recycled materials, reducing plastic packaging, and educating consumers.

Moreover, these firms are prioritizing the integration of diversity and inclusion into their business models by accentuating size inclusivity and racial diversity in their collections and advertising campaigns; they also implement proactive policies to promote inclusive hiring processes and give value to employees' opinions.

The fashion industry is characterized by an extremely high level of competition since there are low barriers to market entry, a medium threat of substitute and buyer power, and a low supplier power to affect prices and goods and services availability.<sup>74</sup>

Fashion companies try to “gain” this competition by following the same strategies: price, style innovation, or exclusivity. As a consequence of this, the fashion sector has become full of companies that are trying to differentiate themselves but following all the same strategies, resulting in a market where all the brands conform to the same trends and sell the same type of goods.

## **5.5 Summary of Findings**

The findings of this study are consistent with trends and ideas about sustainability, inclusion, and diversity analyzed by the existing literature review.

Firstly, the Bulgari case study demonstrates that luxury brands are deeply committed to incorporating these aspects into their strategies thanks to the production of high-quality products, craftsmanship, and attention to employees' welfare. However, there is still potential for further progress in addressing these issues. For instance, by looking at the sustainability rating provided by the eight platforms specializing in sustainability, ethics, and transparency in the fashion industry, H&M has emerged as the firm with the

---

<sup>74</sup> As explained by Porter's Five Forces Model, a medium threat of substitutes indicates that customers have a moderate tendency to switch to alternative products or services; a medium buyer power suggests that customers can demand lower prices, but only occasionally; a low supplier power demonstrates that suppliers have limited ability to influence the price.

best performance among the eight analyzed; in fact, H&M was evaluated as the best by five out of eight platforms.

This outcome suggests that luxury brands do not fully exploit their potential to include sustainability and ethical practices in their strategies and operations. However, this result may be tied to the fact that fast-fashion brands, starting from a more negative position in terms of environmental impact and corporate welfare, need to implement more measures in this regard, thus appearing more proactive in terms of corporate responsibility. Additionally, fast fashion companies are characterized by mass consumption and production, linked to greater pressure from consumers, who are younger and more attentive to Corporate Social Responsibility (CSR) issues.

Furthermore, this study confirms the commitment of luxury brands to transparency. For example, Bulgari's collaboration with the Responsible Jewelry Council is coherent with the studies that highlight how luxury firms can play a crucial role in promoting the importance of sustainability, inclusion, and diversity through transparency and compliance with environmental and moral standards related to the production of jewels. The Council has certified that all Bulgari jewels are made using recycled materials and unsold items, without sacrificing quality. Furthermore, Bulgari's gold is produced under ethical standards, ensuring fair working conditions throughout the entire supply chain.

The existing literature highlights the disastrous environmental impact of fast fashion. While it is true that their effects on the environment are more significant than those of luxury brands, they are making efforts to address this issue through different initiatives, such as the Conscious Collection, which intends to reduce the carbon footprint thanks to the use of materials of sustainable origin. However, these results are still limited when compared to global environmental needs, indicating that converting fast fashion into a fully sustainable model will be a significant challenge.

### **5.5.1 Sustainable actions**

The fashion industry is the second most polluting industry in the world, producing 10% of global carbon emissions. In particular, it causes 144M tonnes of textile waste each year and it uses 2,700 liters of water to make one shirt, the quantity of water that a person drinks in 900 days.<sup>75</sup> Fashion is also one of the most underdeveloped markets in terms of social responsibility and welfare.

The apparel and textile industries are increasingly adopting strategies to reduce their environmental impact and carbon footprint. Among the measures they are implementing are replacing synthetic materials with recycled alternatives, using renewable energy to power their operations, and improving the

---

<sup>75</sup> The European Parliament, The impact of textile production and waste on the environment, 29 December 2020, <https://www.europarl.europa.eu/topics/en/article/20201208STO93327/the-impact-of-textile-production-and-waste-on-the-environment-infographics>

quality of garments to prompt resale and achieve circular economy goals. This approach not only extends the lifecycle of products but also decreases the demand for new raw materials and reduces textile waste.

Fashion firms seek to enhance sustainability through regulations and transparency.

Governments and international organizations set guidelines that companies have to follow to reduce their environmental impact and reinforce their commitment to society and ethics. These regulations cover distinct topics, including carbon emissions, waste management, circular economy, workers' conditions, and ethics. This means that companies that decide to adhere to regulations are required to monitor and report their operations and achievements in order to check the results and consequences of sustainable actions and hold themselves accountable to their objectives. This information can be accessible to both shareholders and customers so they can handle and evaluate firms' future actions and make conscious purchasing decisions. For instance, Bulgari has established the AURA blockchain network to allow consumers access to a digital passport with information regarding the origin and authenticity of fashion products. This consortium has recently reached more than 50 million registrations, underlining the increasing use of technologies through which luxury brands seek to improve their authenticity and traceability.

Regulations also cover the health and safety of workers, by setting internal labor standards regarding fair wages, working hours, and forced labor.

Despite the numerous solutions that the fashion industry is seeking to adopt to enhance the sustainability level, challenges remain; in fact, businesses find difficulties in spreading these initiatives globally and addressing the costs associated with a suitable shift.

### **5.5.2 Inclusive and Diverse Practices**

A high level of inclusion does not characterize the fashion industry due to the different challenges that it used to face, such as the costs linked to inclusion initiatives and bias among employees and leadership. In particular, some workers may have difficulties accepting changes due to a lack of awareness of the importance of an inclusive environment, fear of interrupting standard routines, or personal biases regarding other races, religions, and cultures. This can result in passive resistance or, worse, active pushback against diversity and inclusion efforts.

Employees may be concerned that a radical change in the desire to increase inclusiveness could alienate their current customers or reduce their brand identity. Balancing increased inclusivity with a cohesive brand image can be a difficult process, especially for small and medium-sized businesses.

For these reasons, the gender composition of senior management has not varied a lot during recent years; women and minority ethnic groups continue to struggle to be hired as seniors due to the absence of

effective diversity management systems, uncertainty about how to translate diversity principles into practical business strategies that go beyond mere legal compliance, and difficulties in balancing recognition of individual differences with ensuring equal treatment for all employees.

The role of leaders is essential to implement inclusion and diversity practices into the corporate culture since they act as role models, demonstrating the value of inclusiveness in their everyday decisions and interactions with the aim of creating a work environment where each employee can feel valued, heard, and respected. Through clear and consistent communication, leaders should diffuse awareness regarding diversity and inclusion issues, by encouraging belongingness and uniqueness in the working teams. In addition, leaders should organize and implement training initiatives on these topics in order to make workers aware of the relevance of these practices. When leaders ensure that their employees feel respected and free to express their opinions on workplace matters, they become more productive, and workplace performance increases.

Moreover, the firm should actively help workers who are facing difficult personal and professional situations in order to foster a sense of belonging among the staff and create a more warm and inclusive workplace, which benefits both employees and the organization.

Fashion firms are also making efforts to include groups of people who have traditionally been excluded, such as foreigners, women, or members of the LGBTQ+ community. These initiatives include the introduction of a calendar in the stores which takes into account key annual events tied to different cultures, such as Black History Month, and religious festivals such as Diwali, the Hindu festival of lights.

Furthermore, the fashion industry tries to prioritize inclusion and diversity in clothing design by prompting body positivity and size inclusivity which are current issues that are changing society, norms, media representation, and companies' management. Specifically, firms are seeking to modify the standard perception of the human body and amplify the concept of human beauty in society which is still tied to the same beauty standard characterized by white skin, thinness, and height and many people continue to be discriminated against due to their physical appearance. Many brands are trying to overcome traditional beauty standards by increasing the number of sizes available in the stores and the garments' fit and moving the focus of communication through the website or advertising. Advertising is evolving to become more inclusive, with an increasing presence of people of color in marketing campaigns. However, the representation sometimes is not characterized by depth and authenticity, reducing individuals to stereotypes or representing them as characters who try to meet diversity standards superficially, alienating multicultural consumers.

### **5.5.3 The impact of globalization and new technologies**

Today, globalization and new technologies have changed the fashion industry which has become faster and less expensive.

The internet positively impacts both the environment and inclusivity within the fashion industry. In fact, firms can exploit new technologies to analyze data regarding the fashion industry and use these insights to plan future production, reduce waste, and avoid overproduction.

In addition, companies and consumers can leverage online platforms to sell second-hand and vintage clothes and accessories, promoting the reuse of underutilized products and fostering the circular economy.

Brands can also take advantage of the internet and social media to diffuse a positive message about body positivity and underrepresented cultures and ethnicities. Social media is a relevant tool to raise awareness and knowledge regarding sustainability, diversity, and inclusion. In fact, brands can engage their audiences through impressive campaigns regarding change and innovation.

Many firms are exploiting innovative technologies also to safeguard the environment and reduce the ecological footprint of the different steps of the production process. For instance, some organizations use water-free dying techniques and biodegradable materials to achieve these goals.

All three companies covered by this study are working to exploit innovative techniques and tools to implement sustainable and ethical practices into their business models.

One of Bulgari's values is being creative and innovative. It renews products and implements bold ideas while remaining true to heritage and traditions. Innovation and creativity give free expression to the infinite possibilities created by new technologies, one of the Group's key areas of development.

H&M is trying to lead the change by investing in new materials, technologies, and business models in order to differentiate business growth from resource use and communicate openly and sincerely with stakeholders, customers, and investors about business operations.

At Patagonia, the product impact and innovation team leverages various tools, such as joint development agreements, and contractual agreements between two or more parties to cooperate on developing a new product, technology, or solution. Each party typically contributes by providing resources, expertise, or technology to jointly develop new and innovative solutions, and commercial purchase agreements, to encourage new material transformation and product integration.

Technology has accelerated and amplified globalization reducing distances and making communication and displacement of people easier.

Companies can leverage globalization to reduce their environmental impact, promote ethical behavior, and foster inclusion.

Firstly, after the advent of globalization, companies gained the possibility to collaborate with international institutions to share insights and information with them and drive innovation and the implementation of new methods of production. Moreover, firms obtain the opportunity to choose suppliers with environmental certifications and implement better production systems with a lower environmental impact.

Globalization allows companies to take part in global sustainability initiatives and address environmental and social challenges on a larger scale. This results in a positive social impact and the improvement of the reputation of companies thanks to the achievement of sustainable goals.

Additionally, firms and consumers can exploit the internet to analyze and monitor corporate practices and initiatives and decide whether to maintain or not link with companies' values.

Finally, having offices in more countries allows companies to hire talents from different cultural, ethnic, and social backgrounds, encouraging a global and inclusive workforce, and also leading to greater creativity and innovation.

#### **5.5.4 The impact of sustainability, inclusion, and diversity on business performance and customers' role**

Sustainability, inclusion, and diversity positively affect the financial condition, and reputation of fashion companies, enhancing their performances and customer loyalty.

This means that, in general, there is a positive relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP). However, the impact of business model innovation and corporate sustainability on financial performance remains unsure and complex to understand.

As explained by the following images, Including Diversity, Equity, and inclusion (DEI) into the company's practices positively affects its Net Profit Margin (NPM) but only moderately. At the same time, firms that implement sustainability, inclusion, and diversity obtained sales growth. This is an extremely important finding because sales growth is one of the most powerful metrics a firm can use to evaluate its financial situation since it is strictly linked to a business's revenue and profitability. As regards the Earning Per Share (EPS), a widely used metric for estimating corporate value, most businesses that consider their impact on the environment and organize ethical initiatives encounter growth.



Figure 4: Hannah Dreska, *The Impact of Diversity, Equity, and Inclusion in the Fashion Industry*, Bryant University, 2023, [https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors\\_finance](https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors_finance)

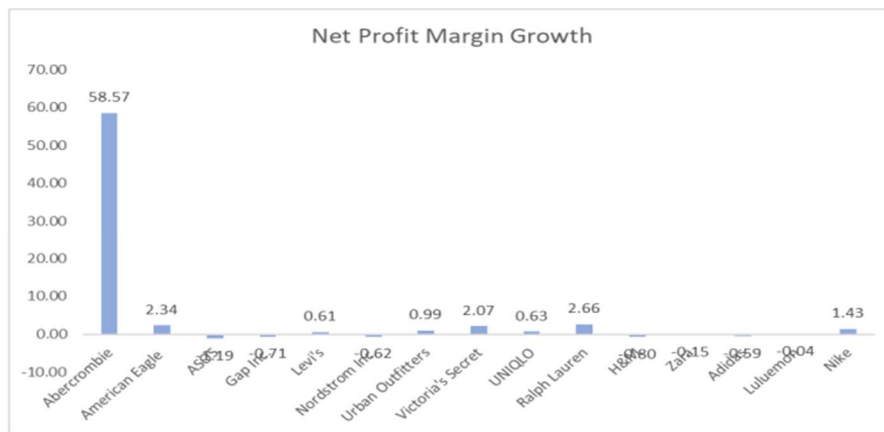


Figure 5: Hannah Dreska, *The Impact of Diversity, Equity, and Inclusion in the Fashion Industry*, Bryant University, 2023, [https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors\\_finance](https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors_finance)



Figure 6: Hannah Dreska, *The Impact of Diversity, Equity, and Inclusion in the Fashion Industry*, Bryant University, 2023, [https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors\\_finance](https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors_finance)



This explains that adopting practices focused on Diversity, Inclusion, and Sustainability not only leads to moderate improvements in financial indicators, such as Net Profit Margin and Earnings Per Share but also enhances a company's reputation and overall value.

The figure below highlights the interconnectedness of business model innovation (new strategies for value creation), corporate sustainability (efforts to operate in a sustainable manner), and financial performance (economic and financial outcomes) and demonstrates how an innovative business model can influence both a firm's environmental impact and its economic situation. Additionally, it shows that a company that prioritizes sustainability will positively affect its financial results, for example, by enhancing its reputation.

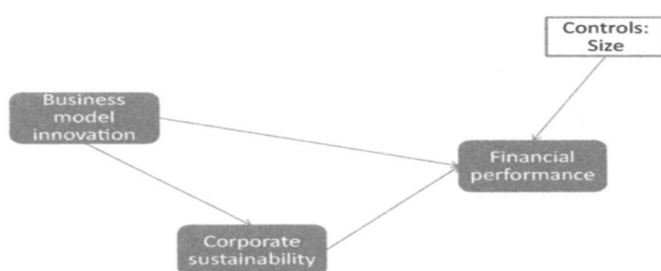


Figure 7: Esben Rahbek, Gjerdrum Pedersen, Wencke Gwozdz, and Kerli Kant Hvass, “Exploring the Relationship Between Business Model Innovation, Corporate Sustainability, and Organisational Values within the Fashion Industry”, Journal of Business Ethics Vol. 149, No. 2 (May 2018), [https://www.jstor.org/stable/pdf/45022489.pdf?refreqid=fastly-default%3A15bdcf752913135418a915051fd16ab2&ab\\_segments=&initiator=&acceptTC=1](https://www.jstor.org/stable/pdf/45022489.pdf?refreqid=fastly-default%3A15bdcf752913135418a915051fd16ab2&ab_segments=&initiator=&acceptTC=1)

Customers play a crucial role in affecting brands' demand and shaping future trends. For this reason, businesses seek to build a strong connection with their clients through different strategies. The first one is the creation of clear websites that provide exhaustive information regarding the company's sustainable initiatives and inclusive practices. Moreover, firms need to foster an open dialogue, sharing messages about the future goals of the company and encouraging customers to follow a commitment to the environment and society. In fact, during this process, every opinion matters to help firms in shaping their path forward on these urgent arguments.

In recent years, generation needs have evolved and redefined their priorities regarding fashion and consumption. The older generation had a strong interest in clothes' design and style. On the other hand, generation Z youth are increasingly interested in the composition of clothes they purchase since they desire to avoid the consumption of unethical products (such as exploitative labor or environmentally

harmful manufacturing processes) in order to prioritize sustainability instead of the traditional factors like brand reputation, design, or style.

Sustainability and inclusion practices also affect consumers' career choices. In fact, 80% of young people express interest in reviewing a company's sustainability report before considering employment there. This underlines that ethical practices and environmental management are prerequisites for attracting young talents, shaping both their purchasing preferences and career decisions.

### **5.5.5 Challenges and Future Goals**

Companies face significant challenges when integrating sustainability, inclusion, and diversity into their business models since they may struggle to align financial needs with environmental and social goals.

Some environmental issues, such as micro-fleece shedding and the persistent use of durable water repellents, remain unresolved. Despite companies' substantial efforts to protect the environment, these challenges are likely to continue, underscoring the complexity of achieving full sustainability.

As regards inclusion and diversity, firms face obstacles linked to bias, encompassing lack of awareness, fear of interrupting standard routines, and personal bias. Loyal customers could provoke the alienation of existing customers who could feel lost because of the change in the establishment of new rules and policies. Balancing the search for inclusivity with the need to maintain the existing customer base can be a delicate and challenging effort.

## **Conclusion**

This thesis examines the impact of integrating sustainable and inclusive practices into business models, focusing on the efforts required by firms to embrace these principles while maintaining brand identity and customer loyalty. The research provides a comparative analysis of the luxury and fast fashion sectors within the fashion industry, using the case studies of Bulgari, H&M, and Patagonia to explore how companies navigate the challenges posed by sustainability, inclusion, and diversity in a globalized and technologically driven world.

The findings reveal that while both sectors aim to adopt eco-friendly and ethical practices, their approaches, motivations, and outcomes differ significantly.

Luxury brands, such as Bulgari, emphasize craftsmanship, heritage, and exclusivity. These qualities support sustainable practices by promoting durable products that discourage overconsumption and encourage the resale of vintage and second-hand items. Despite these advantages, luxury brands face challenges, including the high costs of sustainable innovation and the difficulty of balancing exclusivity with inclusivity.

In contrast, fast fashion companies like H&M prioritize producing affordable and trendy clothing while striving to minimize environmental impact. Their strategies include using recycled materials and eco-friendly packaging. However, the fast fashion sector grapples with persistent challenges, such as overproduction, waste, and low product quality, which conflict with the principles of a circular economy.

Patagonia, on the other hand, stands out with its mission to prioritize environmental goals over financial performance. The company integrates sustainability, inclusion, and diversity into its core business model, aiming to inspire both individuals and other firms to adopt similar practices.

The transition toward more sustainable and inclusive business models is complex but essential. This thesis sheds light on how different sectors within the fashion industry address these challenges and highlights the opportunities that arise from embracing sustainable and inclusive practices.

This thesis holds significant implications for the future. Specifically, it provides valuable insights to companies on the implementation of inclusive and sustainable practices through the exploitation of innovation and economic growth. Specifically, realizing eco-friendly products attract new and young customers, and creating an inclusive workplace can attract diverse talent, foster innovation, and improve the reputation thanks to a better climate within the firm.

Moreover, this thesis emphasizes the importance of collaboration in inspiring others to adopt similar sustainable practices. Firms are also encouraged to extend this collaborative approach to other sectors that go beyond the fashion industry, tackling common challenges together.

Consumers also benefit from a more inclusive and sustainable work environment. In fact, they are more likely to purchase products that adhere to sustainable and ethical standards and offer greater value. These products are also high-quality and durable, consistent with consumers' preference for goods with a long life cycle.

This study has some limitations. The first one is the limited sample that it considers; in fact, it analyzes only three companies that are representative of three different sectors: luxury (Bulgari), fast-fashion (H&M), and sustainable sportswear (Patagonia). While these examples provide valuable insights and details, they cannot fully represent the entire fashion industry. Furthermore, much of the information is derived from corporate reports and interviews and, consequently, could be characterized by bias.

In light of these limits, future research should focus on a broader range of companies, including start-ups and emerging firms to offer a more comprehensive perspective, including the point of view of external stakeholders through surveys that could help capture different opinions and increase the validity of the case.

## **Appendix**

### **Transcription of interviews**

#### **Interview with Jean-Christophe Babin, CEO of Bulgari (2023)**

##### **What are the new developments initiated by Bulgari that relate to the seventeen United Nations Sustainable Development Goals (SDGs)?**

Bulgari has just initiated a comprehensive program to study its carbon footprint worldwide. An assessment of all our units in Italy and Switzerland has been launched with Quantis (editor's note, the Swiss company specialized in sustainable development, recently acquired by the Boston Consulting Group), to obtain a very precise mapping of our CO2 emissions. Of course, we are monitoring our existing facilities, which are being restructured in Switzerland, in Saignelégier and Le Sentier. We will be carrying out there, initially undertaken to expand, but will take advantage of this pre-work assessment to determine exactly what improvements are possible. These projects are fully aligned with LVMH's LIFE 360 program on carbon emission reductions by 2030 for production and commercial units.

##### **What can you already tell us about this assessment?**

The nature of our business puts us in a relatively modest energy consumption segment since our activities include a lot of manually added value. But of course, improvements can be made in our industrial units. In this context, the program consists above all of switching from old-generation machining equipment dating back ten years or so, particularly in Saignelégier, to new-generation machines that are much more efficient. This is a major investment since each machine costs between 500,000 and 800,000 francs. Their productivity is three times higher, with 40% less energy consumption and much less space required.

##### **You have also launched a major plant construction project in Italy. What about its carbon footprint?**

Yes, we have started work at the end of 2022 on the Valenza site, where we will more than double the factory's capacity, which will be 19,000 m2 added to the existing 14,000 m2. It will be the largest jewelry factory in the world. Bulgari is the major jeweler in the region since 20% of the workforce in the basin is employed directly by Bulgari and another 20% indirectly. The goal of the project, which will be completed by mid-2025, is to be "zero footprint," where 100% of the energy used will come from green energy. We will produce 50% onsite, thanks to geothermal installations - more than 120 extraction points

at a depth of 80 meters - on the hectares of land acquired and adjacent to the manufacturing site and photovoltaic installations on all the roofs of the parking lots. And the other half of the energy will be purchased nearby and from green sources. It is the first in the watch and jewelry industry to have an establishment of over 23,000 m<sup>2</sup> powered solely by renewable energy.

### **What efforts are implemented on Bulgari's commercial surfaces worldwide?**

We have been able to reduce the energy consumption of our 320 stores worldwide by over 75%, among other things by changing the lighting system. But we are going one step further by building a pilot store on Rodeo Drive in Los Angeles in early 2024 that will try to be 100% powered by renewable energy, just like our factory in Valenza. This store will be the pilot for our future stores.

### **What about transparency regarding the provenance of raw materials?**

We work with the Responsible Jewelry Council (RJC) to certify gemstones, particularly colored stones. We recently conducted an audit in Mozambique and Botswana, with LVMH, lasting several months, on several mines whose ethical approach we wanted to ensure. Our gold is 100% recycled, for our watches, as well as for our jewelry, of very good quality. It is also sometimes composed of some of our unsold goods, which we prefer to melt down rather than sell-off. This is the circular economy, which I find even more responsible.

### **Are you also interested in innovative materials, whether it's leather-like fabrics or even lab-generated diamonds?**

In the Accessories division, we are looking closely at some new materials that might be interesting to work with, both for their aesthetics, sustainability, and quality. But they are not intended to completely replace our leathers, which are mainly produced from cattle (calves, for the most part) dedicated to the production of meat and exotic species raised in very controlled farms. Alternative materials can be interesting for some of our retailers, such as Selfridges in London, who militate to have in its assortment a significant part of products composed of non-animal origin materials. I would also like to point out that Bulgari embraces issues of inclusion in its ethical policies, mainly diversity and gender equality, since 62% of the directors, senior managers, and members of the management committee are women worldwide, which represents 800 people out of 8,000 employees.

## **What would you like to say to all the students who are going to participate in the Swiss Genius Award?**

If they are interested in luxury, Bulgari is one of the most advanced brands in all aspects of social and environmental responsibility, a policy that is at the heart of its strategy, with significant investments, and which represents a whole range of active professions within the CSR department. But it also involves investments in common goods and culture, such as the financing of architectural and artistic restorations. I am thinking here of the Aria Sacra di Largo Argentina, the oldest Republican site in the heart of Rome, also known as the site where Julius Caesar was assassinated. Discovered in the 1930s, but never opened to the public, it will be in a few months. In the same way, we are financing the restoration of a selection of 120 marbles, part of Torlonia's largest imperial collection, which represents all the emperors from Augustus to Constantine, and which will be exhibited in 2024 in the Louvre.

## **Interview with Eleonora Rizzuto, Director of Sustainable Development for LVMH Italia and Bulgari (2023)**

**Abbiamo raggiunto Eleonora Rizzuto, direttore dello sviluppo sostenibile per LVMH Italia e Bulgari. Grazie mille per essere qui con noi.**

Buongiorno, grazie a voi per l'invito.

### **Allora Eleonora, di che cosa si occupa un direttore dello sviluppo sostenibile?**

Allora direi che questo ruolo è un po' cambiato negli anni, io ho iniziato 20 anni fa. Oggi, se dovessi sintetizzare quali sono i compiti principali di un direttore dello sviluppo sostenibile direi che in primis troviamo quello di facilitare e di essere all'ascolto delle varie figure professionali dell'azienda, dall'amministratore delegato a tutto il suo entourage fino all'ultimo dei colleghi appena assunti, per metter in pratica, promuovere e realizzare progetti concreti sulla sostenibilità.

### **Per quanto riguarda la sostenibilità applicata al mondo dei gioielli, che cosa si intende in questo caso?**

Il mondo dei gioielli è un mondo particolare perché ha dentro di sé, oltre i canoni principali della sostenibilità, anche una problematica da affrontare e risolvere immediatamente che Bulgari ha affrontato e sviluppato con successo in questi anni, ed è quello della tracciabilità delle materie prime. Ad esempio,

se parliamo dell'oro, quello che sicuramente è stato raggiunto sul versante delle miniere possiamo dire che il fatto che il 100% di tutto l'oro lavorato in Bulgari è etico, quindi non proviene da condizioni dove, ad esempio, lavorano i minori o dove, dal punto di vista ambientale, vengono recati dei danni sui territori ed il 99% dell'oro utilizzato dalla nostra azienda è riciclato.

**Un tema interessante legato alla sostenibilità è il legame tra l'etica con la sostenibilità e, in questo caso, anche con i temi di diversità e inclusione?**

Ci sono due ambiti di risposta. La prima è quella proprio di compliance, cioè l'etica che deriva dall'imposizione di norme che interessano il produttore, si tratta della responsabilità estesa del produttore. Significa che, se un operatore dell'industria orafa, colui che compra l'oro, fa qualcosa che non segue l'etica ne risponde l'amministratore delegato ma anche l'intera azienda. Poi esiste un altro versante, quella che è la visione di una realtà imprenditoriale, l'etica che viene sviluppata dal punto di vista del comportamento che ha a che fare con la reputazione e con l'impatto che una qualsiasi produzione deve e vuole rilasciare sul territorio.

**Quali sono gli obiettivi di sostenibilità del gruppo? E come controllate che vengano applicati anche a tutti i brand che ne fanno parte?**

Il gruppo si è dotato nel 2020, quindi subito dopo il covid, di un programma molto ambizioso, si chiama 360 ed è costituito da 4 macroaree, con dei target quantitativi ben precisi e molto sfidanti che Bulgari, e tutti gli altri brand membri di LVMH, deve raggiungere tra il 2023 ed il 2030 sul clima, la diversità, l'economia circolare e la tracciabilità. Quindi, le aziende parte del gruppo, sempre nell'ambito di una grande autonomia, applicano e rispettano le norme sull'ambiente, ognuno dando risalto a ciò che è più urgente per il proprio business. Abbiamo pensato di declinare questo 360 proponendo un progetto rivoluzionario per far sì che il paradigma economico cambi e che insieme ai fattori di produzione, che sono il capitale, il lavoro e la terra, si inizi a tenere in considerazione anche la materia prima, che è diventata scarsa, ma che continua ad essere una risorsa fondamentale. Abbiamo bisogno di limitare l'estrazione e produzione di materie prime quando già ne abbiamo a sufficienza.

**Tornando a parlare di moda dal punto di vista creativo, quanto pesa la sostenibilità all'interno di un team di design? è un limite, un'opportunità, una sfida?**

È oggi considerata una sfida e un'opportunità, divenuta un componente della stessa creatività. La sostenibilità è divenuta parte integrante delle strategie e obiettivi dei brand del gruppo.

**Quali sono gli obiettivi più importanti da raggiungere da qui al 2030 e perché questa data, che fa parte anche del vostro timing, per raggiungere il progetto 360?**

Dunque, il 360 ha dei target molto sfidanti che sono più di 100 e sono ben dettagliati. Posso ricordare i più importanti: la tracciabilità, con l'obiettivo di raggiungere il 100% dell'origine delle materie prime, ovvero riuscire a trattare l'origine di tutte le materie di produzione utilizzate e questo entro il 2024, quindi fra due anni. Un altro target importante è l'acqua, con l'obiettivo di una riduzione del 60% dell'uso d'acqua sui siti produttivi. Ma perché il 2030? Spieghiamo. Perché ci ricorda l'agenda 2030, che è stato un fatto epocale perché per la 1 volta, nel 2015, i Capi di Stato hanno stabilito un'agenda sfidante che si compone di 17 goals con diversi sotto target da raggiungere entro il 2030, che riguardano tutto ciò di cui abbiamo parlato fino ad ora.

**Esatto, le nazioni unite hanno dato questi obiettivi in quanto gli studi confermano che stiamo per finire le nostre risorse naturali; quindi, è in atto un'accelerazione di cui speriamo la moda sia ufficialmente parte.**

Ce lo auguriamo!

**Grazie mille per essere stati con noi e per questa bellissima chiacchierata.**

Grazie a voi.

**Interview to Eleonora Rizzuto (2020)**

**Partiamo dalle basi, cos'è l'economia circolare?**

È la nuova frontiera dello sviluppo sostenibile, è un approccio che mette al centro dell'ambiente sociale l'uomo e le sue esigenze.

**Un'azienda come può metterla in pratica?**

Allontanandosi dai modelli economici del passato, mettendosi in collegamento con industrie dialoganti, con l'obiettivo di minimizzare il consumo di materie prime e la produzione di scarti.



## **Perché se ne parla proprio adesso?**

Le generazioni del passato prossimo non si sono mai preoccupate di contenere i rischi di un sistema carente in fatto di materie prime come lo è l'Italia. Oggi ci siamo resi conto che questa visione dell'economia non si può più sostenere, da qui nasce il bisogno di trovare soluzioni innovative. La prima fra tutte è il processo di dematerializzazione, cioè il minor utilizzo possibile di materie prime con il massimo del risultato.

## **Okay, economia circolare applicata all'industria del lusso, come il sogno diventa realtà?**

Parliamo di recupero, di rifabbricazione, di riciclo, ma non solo. C'è anche una componente che altri settori non hanno, né la grande distribuzione, né il food e nemmeno l'automotive, l'industria del lusso ha la capacità di creare prodotti la cui vita può essere estesa al massimo.

## **In che modo?**

Se io acquirente investo su una borsa di un certo valore, devo e voglio avere la certezza che se si rompe, sarà lo stesso produttore a ripararla. L'industria del lusso se ne occupa già da anni, ma negli ultimi tempi è un concetto che si sta, per fortuna, esasperando. Un orologio Bulgari che si rompe, ad esempio, viene rimandato in azienda e riparato, può superare qualsiasi generazione. A tal proposito, il 2020 è stato un anno molto importante, l'11 marzo è stata promulgata una direttiva dall'Unione Europea in cui si ribadisce la responsabilità del produttore estesa, deve cioè essere non solo capace di fare un prodotto qualitativamente accettabile ma che sia riparabile N volte.

## **Quali altre strategie di sostenibilità implementa in modo concreto un player gigante dell'industria del lusso come Bulgari?**

Stiamo investendo sulla possibilità di confezionare accessori e pelletteria facilmente disassemblabili, per esempio la metallurgia dalle parti in pelle, per poter garantire una riparabilità e, quindi, durabilità maggiore. Poi, ci stiamo occupando di organizzare sfilate, appuntamenti promo, conferenze, corner e pop-up store utilizzando materiali sempre più plastic free e, una volta concluso l'evento, donandoli ad associazioni che ne garantiscano il riutilizzo, senza passare dall'inceneritore.

## **Come si comunicano al pubblico impegni e promesse di sostenibilità evitando i cliché?**

Perseguendo sempre quella umiltà e sobrietà che contraddistingue il nostro gruppo. Ad esempio, eravamo pronti da tanto tempo per parlare di sostenibilità e tracciabilità, ci lavoriamo su da anni, ma abbiamo scelto di attendere il momento in cui potevamo fornire dati quantitativi, consistenti, certi, evitando il greenwashing o l'effetto "notizia solo per darla".

## **Continuando con il lessico finanziario, la domanda delle nuove generazioni come cresce e come si è modificata rispetto a quella dei loro genitori, nonni, bisnonni...**

Per me è un processo simile a quello della digitalizzazione. Ci sono delle cose che i nostri figli considerano come connaturate al loro modus vivendi, che sia la vita simbiotica con lo smartphone o la raccolta differenziata, li danno per scontati nella loro esistenza. È per questo che i giovanissimi non sono pronti a negoziare un altro tipo di mondo, non vogliono barattare il presente con il passato. Lo stesso passato di cui, noi "anziani", abbiamo la responsabilità, in cui abbiamo commesso errori che oggi sono difficili - ma non impossibili - da sanare. È molto probabile che se il tuo prodotto non è sostenibile, un giovane che crede in questi valori non lo comprerà. P.S. L'80% dei giovani a cui ho fatto colloqui pre-assunzione negli ultimi 6 anni, mi ha chiesto come prima domanda "mi fa vedere il bilancio di sostenibilità dell'azienda?".

## **Quali sfide dovrà accettare l'industria del lusso per confezionare i gioielli del futuro?**

"Facendo agire mani intelligenti" diciamo noi in Bulgari, ovvero cercando di puntare sulla bellezza del prodotto, senza snaturarlo, sull'artigianalità, la capacità e l'intelligenza. Percorrendo sempre la traiettoria della sostenibilità, per ottenere un mondo sociale e ambientale migliore. Sapendo che le sfide sono urgenti e che per affrontarle c'è bisogno di coraggio, progettualità condivisa, costanti investimenti sulla ricerca e le nuove tecnologie. Non oscurando mai l'umiltà di azione e di pensiero.

## **Interview with Anais de Bergeyck H&M, Sustainability Data and Reporting Analyst at H&M Group (2024)**

**Good morning and thank you for accepting my invitation. Before starting the interview, I would like to explain my project better. I'm conducting a project on sustainability, inclusion, and diversity within the fashion industry by focusing on a comparison between fast fashion and luxury brands,**

**and I have decided to take into account H&M as a case study to analyze fast fashion positioning regarding these topics. So, if you don't have questions, we can start.**

Thank you for the invitation, I'm happy to help you in the realization of your thesis. Let's begin!

**H&M is a leader in the fast fashion sector which is generally characterized by a rapid production model that can have negative environmental effects. Could you clarify how this model aligns with sustainability goals and how you find a balance between fast fashion's main characteristics and environmental responsibility?**

First of all, we are increasing the quality of our products to increase their durability and reduce waste and pollution. In addition, H&M adheres to strict regulations that aim to reduce the company's environmental impact.

**Could you tell me a bit more about these regulations?**

Sure! For instance, we follow the Global Organic Textile Standard (GOTS) for organic materials; this regulation aims to ensure that textiles are produced by using sustainable and biological fibers. Moreover, H&M adheres to the Better Cotton Initiative (BCI) to produce cotton sustainably, reduce the use of pesticides, and improve working conditions for farmers.

**How does H&M balance the need to offer affordable clothing with the investment required to achieve sustainability goals?**

It should be noted that all prices have increased, but we regularly reexamine and optimize our supply chain to remain committed to sustainability and integrate more sustainable practices while still offering affordable fashion.

**Can you tell me more about H&M's "Conscious" collection and how it contributes to reducing environmental impact?**

The Conscious Collection has been one of the main initiatives that we launched to combine fashion trends and sustainable actions. This collection is composed of clothes made with certified sustainable materials, such as organic cotton or recycled materials. Another important collection that H&M launched was the Adorable Collection, composed of high-quality garments and accessories made to last.

**Moving on to another topic, how does H&M address the issue of diversity and inclusion within the company?**

Diversity and inclusion are essential aspects of our company which are diffused not only through our products but also by our stores where you can find workers with different origins and backgrounds. Additionally, we have a dedicated diversity and inclusion team to ensure fair and equitable treatment for all workers as much in our offices as in our relationship with our external partners.

**Are you working to integrate diversity and inclusion themes into your advertising campaigns, particularly regarding clothing sizes and body positivity?**

Yes, the models that we chose for our TV or social media advertising campaigns have different body shapes and skin types to reflect all kinds of customers. In fact, our clothing sizes reach XXXL and do not follow traditional fashion standards, the ones of skinny and tall models.

**Fast fashion has been accused of contributing to overconsumption. How is your company trying to solve this problem?**

Yes, it's true, fast fashion clothes are mass-produced due to the fact that these types of clothes and accessories are affordable, so the demand is very high. But it's also true that there are not many items in our collection since we follow the idea of "buy now or never" to avoid excess stock.

**That was my last question, thank you for all the valuable information that you shared with me! Is there anything else that you would like to add?**

Thank you for choosing us for this interview! I think we comprehensively explored sustainability, inclusion, and diversity.

**Thank you again for your time, I wish you all the best.**

**Interview Anna Gedda, Head of Sustainability at H&M (2019)**

**The fashion industry is going through a major transformation. How is H&M Group positioning itself to be a part of this journey?**

As a major player in the industry, we are well-positioned to not only be part of but to also lead the change on this journey. One area that we have been focusing on for a while is the shift from a linear to a circular business model, where we have the ambition to become fully circular. We are also constantly innovating and developing our sustainability work in line with other developments in the industry. For example, we have accelerated our investments in AI and algorithm-driven retail and see them as important tools to not only grow our business sustainably but also reach our sustainability goals.

**How do you see the customer becoming a part of H&M Group's sustainability journey?**

Today we see a positive trend in customer behavior, where more and more customers want to know where and how the garments are made, and how they can contribute to a sustainable fashion future. This year, we have developed a customer-facing transparency layer where our online customers can see sustainability information such as materials used, or in which factory the product has been made. We have also expanded our Take Care concept across more markets, which we see as an important step in helping our customers care for their favorite pieces longer and in that way prolong the lifespan of the product.

**Looking back over the years, what has been the greatest achievement?**

There are many things I'm proud to have been a part of, but one that stands out this year is our results from the five-year Fair Living Wage Strategy. We have not only achieved but exceeded all our goals, affecting the lives of almost one million garment workers. This has been the result of many of my colleagues' tremendous efforts to make an impact and drive change in a very challenging area. There is still a lot to be done and I can't stress enough the need for alignment between different actors throughout the whole industry. Another achievement is our new packaging strategy, which is an important milestone towards our circular ambition. With our goal to only use recycled or sustainably sourced packaging materials by 2030, we will be able to have a big environmental impact, create a better shopping experience for our customers, and a better work environment for our colleagues.

**... and what are the biggest lessons learned?**

That big change takes a long time. For example, even though I am very proud of the results of our Fair Living Wage Strategy, I also wish that we could have come even further. But the issue of wages goes far

beyond our own suppliers and their factories and we alone cannot change the industry. This also goes for many other sustainability challenges, such as scaling technologies for garment recycling, developing solutions for microfibre shedding, and driving transparency on sustainability performance across the industry. Another important lesson from this year is the need to constantly keep sustainability integrated into the business, which can be a challenge given the rapid change and transformation that the retail industry is undergoing. Considering the hoodie incident, we have learned that we need to do even more to integrate inclusion and diversity across our operations and beyond.

**Back to H&M Group leading the change in the fashion industry transformation. Where do you see us in five years?**

I hope that we will continue to lead the change towards a sustainable fashion industry. With all the technological advancements and ever-changing expectations from customers, it's hard to have a clear picture of what exactly will be happening five years from now. But I am positive, that by then we will see wide use of both circular technologies and renewable energy that will move the fashion industry within the planetary boundaries. I hope that we will continue to stay true to our long-term direction and at the same time keep our agility. And of course, we continue to dare, push boundaries, test, and never be afraid to fail.

**Interview Annie Wu, Global Head of People, Identity & Purpose at H&M Group (2018)**

**Hi Annie, please tell us about your new role.**

I'm taking on the role of Global Leader for Diversity and Inclusiveness. My responsibility will be to bring both awareness of the topic of inclusiveness and diversity and to help disrupt ourselves in this area. To make sure we make the changes internally in order to be at the forefront of the conversation. It involves looking at all processes and policies we have in place in the area and upgrading those where necessary.

But more importantly, it is also about culture and people. We have a very diverse workforce, and we have always thought about ourselves as being a leader in this area. I think all of us here at H&M feel like we work in a diverse and inclusive company. But now and then it's good to stop and review everything and this is what we're doing. We want to challenge ourselves to be the very best – so my role is to act as the catalyst and facilitator for whatever it takes to get there.

### **Is this just a reaction to the criticism we received?**

Well, it is in part, because the group CEO made an immediate commitment to set this entire process rolling after the terrible mistake we made with the children's sweater. But I think this would have happened anyway, it's just that recent events have accelerated our thinking.

### **What have you done and learned so far?**

We have put together a team at our Head Office with people from different departments with the focus to reinforce our way of ensuring diversity and inclusiveness in our workplaces and processes additionally, hiring an outside consultant that we had already been working with who is an expert in this field.

We have also started to conduct workshops with selected relevant groups to start chiseling out the framework for how we continue raising awareness of diversity and inclusiveness among our teams, and how we can better identify opportunities in our processes and find solutions to these.

Additionally, we have put together an internal reference group with people from all over the world that will help us with valuable feedback on our plans and actions going forward, this will ensure that we address the right issues that will help us all to think and act with inclusiveness and diversity in mind.

And we've gotten some initial internal momentum.

The biggest learning for me though is just how committed everyone inside H&M is to this mindset. There is a genuine belief internally that H&M is a diverse, fair, and equal company. And everyone is determined to make sure that this is also what the outside world sees and believes – not through communications but just because it's true. People really do care about H&M and took it very personally that we had received such negative criticism. I've been completely wowed by all the commitment and passion in this area.

### **How did the mistake with the sweater ever happen?**

The impact and repercussions of this mistake were big and serious and as we said at the time, we were truly sorry. I do think though that we can all see that it was actually a genuine mistake and, if we're really honest, we can see that it was probably just down to a series of mistakes or 'misses' that led to this slipping through. If we're honest, we must admit that there is some truth in the fact that we have maybe been too centralized and that we need to challenge ourselves openly and constructively to get everyone, everywhere to be more culturally sensitive, racially aware, and more critical of how the outside world might see what we do.

### **And what comes next? What can we expect to see and hear from you?**

We've got our internal team ready to go and so the next big task is to go and listen and talk to external stakeholders, experts, customers, pretty much anyone with an opinion who can help us shape our thinking and our way forward on this subject. I'm spending time all over the place but more specifically in South Africa and the United States, to meet with people and literally just listen and learn. Some of the people I'm meeting with were critical of us and some are more supportive. So, my focus will be on working out how we better connect to these people and how we keep an open dialogue. Plus, of course, we'll be working out how to process and act on what we learn.

### **Is making this appointment enough then?**

The appointment is just one small piece of our commitment. My role is almost to start a movement for H&M on this subject rather than 'police' the subject. The overall impact will be through all our amazing colleagues and their commitment, not just me, teamwork is one of our strongest values. But I hope I can help us work out what this movement should look like, feel like, and where it should take us. Our culture and the passion I have seen from our employees tell me that we will be able to make a difference internally and be able to show the world who we really are.

### **In the longer term, what do you think the ambition is?**

Well, it's important to say that we know this is not just about awareness raising and that just delivering a 'program' is not enough. Diversity and inclusiveness are complex, ever-changing issues and they mean different things to different people around the world. What we want to build over time is a culture where diversity and inclusiveness are 'always on' – always at the forefront of our thinking and behaviors and always present in every act and every choice we make.

Our aim is to be and see to be as a leader in role modeling diversity and inclusiveness in all its meanings and manifestations, everywhere we operate. This will not mean we are perfect in every way, because this is never fully attainable. But no one should be able to doubt that we are trying our very best to be the best.

### **Interview with Yvon Chouinard, the founder of Patagonia (2023)**

**You described yourself as a reluctant businessman, but it's undeniable that you've also been a very successful one. Looking back, what are the one or two moments you're most proud of?**



Patagonia has time and again broken the rules of traditional business and proven we still can be successful. The average lifespan of a corporation currently is a little over 20 years, but we're still here after five decades of doing things on our own terms. I'm proud of our employees for getting us to this point. Our success is based on quality in whatever we do, and we're taking that into the future.

**How has Patagonia navigated the tensions of being a responsible company while managing growth and profit in a consumerist context?**

We have to be cautious about growing too big. A company doesn't last 100 years by chasing endless growth. There's an ideal size for every business and, when companies outgrow that, they die. We know we have to be intentional in our growth to be around for another 50 years, so we're focused on longevity, not expansion.

**What are the core attributes of the culture at Patagonia, and how were these principles instilled in the employees and your suppliers?**

Building the best product while causing the least harm is at the heart of what we do. A Patagonia employee is someone who can treat work as play, finds fulfillment in independence, and is obsessed with quality, whether that's in a shirt or a store display. We spend a lot of time hiring the right person for a job or sourcing partners in business—so it isn't so much about trying to “instill” our philosophy into a person as it is about finding those who already share our values.

**Patagonia has embarked on a long sustainability journey, organic cotton, a self-imposed earth tax, 1% for the Planet (to which members contribute at least 1 percent of their annual revenue to environmental causes), and ultimately the donation of your company.<sup>1</sup> What is your conclusion as to when a company actually becomes sustainable or “nature positive”?**

We can't delude ourselves into thinking that anything we or any other business does is “sustainable”. The best we can do is minimize the harm we do to the planet. We'll do what we can to clean up our own house and convince other businesses and suppliers to use cleaner energy and more responsible materials, but it's a never-ending summit. The work is never done.

## **How can we engage corporations to accelerate the conservation and restoration of nature?**

One of the best tools we have is to show that doing the right thing for the planet can be profitable. We've proven it for decades now. Customers are putting pressure on companies to take action, and that's a good thing. Young people are voting with their purchases, and companies should recognize that customers are changing. They can see through the greenwashing. The climate crisis is an existential issue, so we'll use our influence to join our communities in calling on the business sector to act.

## **What was the evolution of making Earth Patagonia's sole shareholder, and how do you hope this will influence corporate awareness and action?**

We needed to find a way to put more money into fighting the environmental crisis while maintaining Patagonia's values. There weren't any good options available, so we had to create our own. The new ownership structure ensures the company stays true for another 50 years or more and uses the wealth the company generates to protect our home. After everything we've been through, I hope Patagonia can serve as a model for other businesses as they evaluate their environmental policies, and that this company's success is proof you can make a profit doing the right thing.

## **What would you advise every business leader to ask themselves every day?**

Ask yourself why you went into business in the first place. What are you there for? When you establish values as a business and your employees care about your mission, everyone works harder.

## **Interview with Vincent Stanley, one of the first employees of the firm (2022).**

### **Tell me how you got started at Patagonia and what exactly do you do as a "director of philosophy?"**

I intended to work at the company for six months, save my money, and go traveling. And 48 years later, I'm still here. I was the original sales manager, I didn't know what that meant at the time, but they said, you'll figure it out. I did that for about 20 years, but vocationally, I'm a writer, so when I turned 40, I thought, I can't do this big job and teach myself how to write. So I left for 13 years and supported myself mainly by writing copy for Patagonia, then came in the back door to run the editorial and marketing department.

I wrote a book with Yvon Chouinard called *The Responsible Company*, and I was really trying to get out of operational responsibilities. Yvon had taught these philosophy classes in the '90s when Patagonia came out of a crisis during the recession. We'd been growing like mad, and all of a sudden, the growth

stopped. So, at a certain point, Yvon started taking 30 people at a time to places like Yosemite or the Marin Headlands, and we'd sit in a circle, gathered according to our functions, such as HR, design, production, sales, and finance. And we hashed out how we wanted to conduct business. That became the heart of Chouinard's book, *Let My People Go Surfing*.

When I came back, I wanted to reinstate those philosophy classes, but with all of our employees up and down the ladder. So that's what I've been doing for about eight years. About a third of the time is working internally, a third as an evangelist for B Corps, and a third working with graduate students.

When I consider how I stayed engaged with the company, it's been progressive. I was originally intrigued by the culture, it was all the climbers and surfers, and I liked that the company had this anti-authoritarian, informal atmosphere. The culture interested me first, and then gradually, the environmental work became more and more important.

### **How does environmentalism intersect with Patagonia's philosophies? What does it look like throughout all of the departments?**

What we really focus on is quality: What constitutes quality at Patagonia? How do we have a shared definition? Because that's important. And the second is environmentalism: How is it important to people in the different roles in the company? Twenty years ago, there were different subcultures in the company: the tree-huggers working with the environmental groups to save patches of land and stretches of water, the product people trying to make the best collection and stay ahead of the competition. Then you had the bean counters [in finance] trying to make sure some of the money stayed in the bank. There was a lot of opposition and tension among those groups, but nobody ever won.

In the past 10 years, the business model has become much more dependent on environmentalism and activism. These constraints we've put on ourselves have actually resulted in innovations, and they've changed the way customers view us. If I were on the finance team 15 years ago, I'd just be looking at the numbers, you know, let's increase the margin on fleece. Now, when we needed a new warehouse, the finance department was looking in Tennessee and Pennsylvania, and they realized the environmental implications of putting a 300,000-square-foot warehouse on raw farmland. So they built it on a reclaimed coal mine. It wasn't the environs who came up with this, but it was the finance team viewing it as their responsibility. It takes more work and more thinking, but in the long run, when you go through that process, you end up creating innovations that other people wouldn't.

**How can other apparel companies adopt those kinds of restraints, linking the financial and environmental sides? What lessons should they take from Patagonia?**

One of the discoveries we made when we first switched to organic cotton was that even when we push the envelope, we're basically an extractive company. We're taking more from the planet than we're repaying, but now we see the opportunity with regenerative organics in food and clothing. It's not just about not using chemicals, you're also doing minimal tillage, rotating crops, and companion planting. You can grow more nutritious, better-tasting food using less water, and fewer organic inputs, and have the potential to sequester carbon. All of a sudden we had a new north star, which is to do things that will actually give back to the planet.

I also think something about clothing that we've lost in the past 50 years and I've been in the business that long, is that clothes are much cheaper now than they were in 1970. The attitude now is very different. In fast fashion, people buy something, wear it seven times, and then toss it in the garbage. Everybody in the fashion industry can participate in reorienting our minds around consumption and around what we buy, so the relationship we form with our things is based on how long we've had them and where we wear them. It's almost a return to what fashion was in the '40s and '50s when women had really nice clothes, but not a lot of them. That seems like a much saner direction for our industry to go.

**I know Patagonia is big on repairing and upcycling clothes, too. There's your Worn Wear program for secondhand and repaired items, and you work with studios like Suay to reimagine old pieces.**

Yeah, and I think younger designers are into that too. Our emphasis this Christmas is going to be on Worn Wear and DIY [repairs]. You know, we create a lot of new clothes, but we think the message we want to emphasize, particularly at a time of year when people tend to feel burdened by the amount of stuff they have to buy, is that there's an alternative. You can do it this way, with secondhand and reworked clothing.

**With the pace of collections, campaigns, social media, and technology, is the "fewer, better" approach really possible at this point? How do you see fashion actually getting there?**

You even see it in museums they have this pressure to produce a blockbuster every year, which they never had to do before. I think one of the lessons of COVID is that the amount of speed that we've generated in all of these activities has also been wearing us down. We discovered the joys of more time with family and friends and just a time out from that pace. I think we also have some historical forces working against that continued speeding-up of consumption and disposable goods. These pressures we're

feeling with climate change and even social issues, they're two sides of the same coin. We can solve the problems of inequality and the environment with some of the same measures.

**Patagonia has achieved so much, what goals are you still working towards?**

As the environmental crisis got worse and we understood the potential to do good [through regenerative agriculture], we wrote a new mission statement. The old one was to build the best product, cause no unnecessary harm, and use business to inspire solutions to the environmental crisis. Now, we're in business to save our home planet. That takes my breath away, because my God, that is so aspirational. But what I started noticing right away is that employees really started asking themselves, 'What does that mean for my collection? What does that mean for our team? How do we make that change?

**It's aspirational, for sure. What are the challenges that could stand in the way?**

Almost 95% of our environmental impact is in our products and around 85% is our materials. So we want to get out of using any kind of virgin oil in polyester and nylon, and we want to switch to regenerative organic for all cotton. That will have a major effect. Some environmental problems are persistent, like micro-fleece shedding and the issue of durable water repellents, like PFOAS. Those are challenges, but I think 10 years from now, we want to be net-positive on carbon; we would like to be even more engaged with our customers on activism and NGOs that are restoring all of the marginal areas of the planet that contribute so much to clean air and water, you know, wetlands, coastal lands, coral reefs.

The twin goals would be to reduce our impact really quite a bit, and in line with the Science Based Targets. The second would be to amplify our activism on behalf of saving the planet.

**What do you say to people who don't believe a brand or business should be so aspirational—that it should just focus on its role as a capitalist entity?**

Well, 50 years ago, a clothing company might say, I'm in business to make clothes. But they would also acknowledge that they had to pay their bills on time, meet their payroll, and meet legal standards. What I'm thinking now, and the way Patagonia operates, is that our responsibilities have increased because of the severity of the social and environmental crises. What used to be something you could let everyone else worry about you can't do that anymore. Ultimately, nobody buys a raincoat from us to save the planet, they buy a raincoat to keep themselves dry. So it's our responsibility to make that raincoat responsibly.

I just think this is a new time, and these are new responsibilities for businesses. But I don't think they're particularly onerous, they require us to work harder, but they're also much more engaging for the employees, and much more interesting for customers than just trying to come out with another wild idea every six months.

**Is it realistic to think every business will take on those new responsibilities on their own volition? Or do we need regulations that would force companies to change? I'm hearing more and more brands insist that we need government intervention.**

I think you need help from governments, but you also need to help the consumer, because they don't have any information right now. You can't tell the difference between an organic cotton shirt and a non-organic cotton shirt by rubbing your fingers against the fabric. We helped start the Sustainable Apparel Coalition, and one part of their mandate was to create a consumer-facing index so you can take your phone right up to a pair of jeans and get a rating from Levi's, Lees, or Patagonia. That way it isn't a question of one company fighting with the other to greenwash their products. The index was delayed during COVID-19, but I'm really hoping that it gets introduced. I think that it's almost always better to have change driven by consumers from the bottom up, rather than the top down. Companies are very used to adapting to changes in consumer tastes, and they comply reluctantly with government regulations. So, I'd rather see a change of heart, and if not, then I think we will need restrictions on what we do.

**You sound optimistic that a shift in consumer behavior is on the rise.**

Well, I'm always cautious about using the word optimism, or even hope, and it's something I've learned from Yvon. He's one of the most pessimistic people I know, and I understand why. He used to spend 250 nights a year sleeping outside, and in the course of his lifetime, he's seen what's happened to the natural world. But he never gives up, the more threat he sees, the more he doubles down on action. And I think that's what we all should think about.

There's a quote we used in The Responsible Company that comes from leaders of the Haida, a First Nations tribe in Western Canada. They said, 'The most important right we have is the right to be responsible.' If you think about that, it's really the source of our sense of agency and our sense of self that if we realize something, we can act on it. So whether I'm optimistic or pessimistic, it doesn't matter; I don't know what's going to happen, but the focus of my actions should be to move in this direction and believe that we'll be better off.

**You called yourself an “evangelist for B Corps.” We’re seeing more and more fashion companies get certified. What does the B Corp certification mean for Patagonia, and why do you believe so strongly in it?**

With all of these new B Corps coming in, there’s a sense of a movement building, and I’m really happy about that. It was really a movement of small companies for a very long time, we were one of the biggest, and now you have Chloé and Eileen Fisher and Natura, a cosmetics company in Brazil that’s become the largest B Corp. I think it’s good guidance for the apparel industry, because not only do you get some companions on the journey, but you also understand specifically the ways you can improve as an operator.

**Okay, let’s talk fashion: Patagonia is really having a moment lately. It’s influencing runway trends, everyone’s wearing the fleeces, and, of course, the CFDA is recognizing it as a sustainability pioneer at the 2021 CFDA Fashion Awards. Does any of it surprise you?**

I do like that the fashion world is paying attention to Patagonia. We never viewed ourselves as a fashion brand, we were kind of anti-fashion because part of making things that last a long time is to make them fairly conservative in appearance. So, I think it’s kind of nice, and it gives us more company [in the industry]. We’re very grateful for this award, it’s a really nice recognition, and I’m glad that the CFDA created it.

**So many young designers mention Patagonia as a company they aspire to—they want to get into regenerative agriculture, create their own take-back and repair programs, and take a stand for the planet and people. It’s always a surprise to hear them mention Patagonia before other “fashion brands.”**

Well, that’s wonderful to hear. I’m grateful that younger designers are looking to Patagonia, but they shouldn’t just be looking at us. I mean, I think it’s going to be a very different world for creating apparel in 15 or 20 years. We’re going to need more radical new ideas from young people.

**Last question: I’m guessing you’ve collected some very special Patagonia pieces through the decades, what is your most cherished piece?**

I actually had a prototype of the original fleece jacket, the very first one we sewed. The woman who sewed it runs Patagonia’s archives now. I had that piece for, I don’t know, 30 years. And it was really

tattered. Those early pieces used to pill a lot. When it wasn't wearable anymore, I wanted to give it back to the company, because it had some historic value, but at the time there wasn't any place to put it. So for 10 years, it sat in the trunk of my car, and then we finally opened up the archives and I donated it. That piece went with me on my first cross-country skiing trip, my first big river trip... It would have been sewn in the fall of 1975, so yeah, now it's 46 years old.



## Codes

### Open Coding

#### Bulgari

Topics	Codes	Codes Description	Citations
Sustainability	Monitoring the current sustainability situation	Actions realized to control the environmental impact.	“Initiate a comprehensive program to study its carbon footprint”
	Monitoring the current sustainability situation	Actions realized to control the environmental impact.	“Monitoring our facilities”
	Striving for excellence	Strategies followed to enhance the sustainability level.	“Carrying out our redevelopment work”
	Striving for excellence	Strategies followed to enhance the sustainability level.	“Pre-work assessment to find out exactly what improvements are possible”
	Changes and investments linked to sustainability	Ways to reduce the company’s environmental impact.	“Switching from old generation machining equipment to new generation machines that are much more efficient”
	Changes and investments linked to sustainability	Ways to reduce the company’s environmental impact.	“It is a major investment”

	Objectives reached regarding sustainability	Ways to reduce the company's environmental impact.	"40% less energy consumption"
	Valenza site project	The new headquarter opened in 2022.	"A major plant construction project in Italy"
	Valenza site project	The new headquarter opened in 2022.	"Started work on the Valenza site, where we will more than double the factory's capacity"
	Valenza site project	The new headquarter opened in 2022.	"The goal of the project, which will be completed by mid-2025, is to be "zero footprint"
	Valenza site project	The new headquarter opened in 2022.	"100% of the energy used will come from green energy thanks to geothermal installations and photovoltaic installations"
	Objectives reached regarding sustainability	Ways to reduce the company's environmental impact.	"It is a first in the watch and jewelry industry to have an establishment of over 23,000 m2 powered solely by renewable energy"
	Objectives reached regarding sustainability	Ways to reduce the company's environmental impact.	"Reduce the energy consumption of our 320 stores worldwide by over 75%"
	Changes and investments linked to sustainability	Ways to reduce the company's environmental impact.	"Building a pilot store on Rodeo Drive in Los Angeles in early 2024 that will try to be 100% powered by renewable energy"

	Transparency in jewellery production	Ensuring that the brand shares all the information regarding the jewels' creation.	"We work with the Responsible Jewelry Council (RJC) to certify gemstones"
	Transparency in jewellery production	Ensuring that the brand shares all the information regarding the jewels' creation.	"Conducted an audit in Mozambique and Botswana"
	Objectives reached regarding sustainability	Ways to reduce the company's environmental impact.	"Our gold is 100% recycled"
	Reuse of unsold products	Ensuring that companies diffuse strategies like recycling, repairing, and reusing.	"Composed of some of our unsold goods, which we prefer to melt down rather than sell off"
	Innovative materials	Using sustainable and high-quality material.	"We are looking closely at some new materials that might be interesting to work with, both for their aesthetics, sustainability, and quality"
	Areas for improvement	Aspects that need a greater effort to be improved.	"Not intended to completely replace our leathers, which are mainly produced from cattle"
	Transparency regarding raw materials extraction	Ensuring that the brand shares all the information regarding the extraction of raw materials.	"Una problematica da affrontare e risolvere immediatamente è quello della tracciabilità delle materie prime"

	Achievements regarding sustainable jewels	Goals reached regarding sustainability applied to jewellery.	“Il 99% dell’oro utilizzato dalla nostra azienda è riciclato”
	LVMH sustainable future goals	Future objectives of LVMH Group, of which Bulgari is a member.	“Il gruppo si è dotato nel 2020, quindi subito dopo il covid, di un programma molto ambizioso, si chiama 360”
	LVMH's sustainable future goals	Future objectives of LVMH Group, of which Bulgari is a member.	“Si inizi a tenere in considerazione anche la materia prima”
	LVMH's sustainable future goals	Future objectives of LVMH Group, of which Bulgari is a member.	“Limitare l’estrazione e produzione di materie prime”
	Life 360	A program characterized by quantitative goals regarding the environment and society.	“Da 4 macroaree con dei target quantitativi ben precisi e molto sfidanti”
	Life 360	A program characterized by quantitative goals regarding the environment and society.	“Target raggiungere tra il 2023 ed il 2030 sul clima, la diversità, l’economia circolare e la tracciabilità”
	LVMH's sustainable future goals	Future objectives of LVMH Group, of which Bulgari is a member.	“Raggiungere il 100% dell’origine delle materie prime, ovvero riuscire a trattare l’origine di tutte le materie di produzione utilizzate e questo entro il 2024”

	LVMH's sustainable future goals	Future objectives of LVMH Group, of which Bulgari is a member.	“Riduzione del 60% dell’uso d’acqua sui siti produttivi”
	Reuse of unsold products	Ensuring that companies diffuse strategies like recycling, repairing, and reusing.	“Recupero, rifabbricazione, riciclo”
	Extending the life of luxury products	Ensuring that companies diffuse strategies like recycling, repairing, and reusing.	“L’industria del lusso ha la capacità di creare prodotti la cui vita può essere estesa al massimo”
	Extending the life of luxury products	Ensuring that companies diffuse strategies like recycling, repairing, and reusing.	“Una borsa di un certo valore, devo e voglio avere la certezza che se si rompe, sarà lo stesso produttore a ripararla”
	Regulations linked to circular economy	Companies must comply with environmental laws.	“Una direttiva dell'Unione Europea in cui si ribadisce la responsabilità del produttore estesa”
	Sustainable strategies	Actions to eliminate environmental, social, and economic difficulties.	“Investendo sulla possibilità di confezionare accessori e pelletteria facilmente disassemblabili”
	Sustainable strategies	Actions to eliminate environmental, social, and economic difficulties.	“Utilizzando materiali sempre più plastic free”

	Sustainable strategies	Actions to eliminate environmental, social, and economic difficulties.	“Ne garantiscano il riutilizzo”
	Communicating about sustainability	Interacting with customers in order to diffuse messages regarding CSR.	“Attendere il momento in cui potevamo fornire dati quantitativi, consistenti, certi, evitando il greenwashing o l’effetto “notizia solo per darla”
	New generations’ needs	Essential aspects in the lives of young people.	“Che sia la vita simbiotica con lo smartphone o la raccolta differenziata, li danno per scontati nella loro esistenza”
	New generations’ needs	Essential aspects in the lives of young people.	“Se il tuo prodotto non è sostenibile, un giovane che crede in questi valori non lo comprerà”
	New generations’ needs	Essential aspects in the lives of young people.	“L’80% dei giovani a cui ho fatto colloqui mi ha chiesto come prima domanda “mi fa vedere il bilancio di sostenibilità”
Inclusion and diversity	women’s inclusion	Women and other people who were previously discriminated against started to be in the leadership position.	“62% of the directors, senior managers, and members of the management committee are women”
	Ensuring ethics in fashion businesses	Principles that guide workers’ behavior.	“Di compliance, cioè l’etica che deriva dall’imposizione di norme che interessano il produttore”

	Ensuring ethics in fashion businesses	Principles that guide workers' behavior.	“L'etica che viene sviluppata dal punto di vista del comportamento che ha a che fare con la reputazione”
	Achievements regarding sustainable jewels	Goals reached regarding sustainability applied to jewelry.	“Il 100% di tutto l'oro lavorato in Bulgari è etico”

## H&M

Topics	Codes	Codes description	Citations
Sustainability	Relationship between fast fashion and sustainability	Balance between fast fashion and sustainability.	“Increasing the quality of our products to increase their durability”
	Relationship between fast fashion and sustainability	Balance between fast fashion and sustainability.	“Adheres to strict regulations”
	Regulations regarding the environment	Companies must comply with environmental laws.	“We follow the Global Organic Textile Standard (GOTS) for organic materials”
	Regulations regarding the environment	Companies must comply with environmental laws.	“Aims to ensure that textiles are produced by using sustainable and biological fibers”
	Regulations regarding the environment	Companies must comply with environmental laws.	“Adheres to the Better Cotton Initiative (BCI) to produce cotton sustainably”

	Conscious collection		“Clothes made with certified sustainable materials”
	Adorable Collection		“High-quality garments and accessories made to last”
	The issue of overconsumption	Overconsumption is seen as a major contributor to environmental damage.	“Fast-fashion clothes and accessories are affordable, so the demand is very high”
	The issue of overconsumption	Overconsumption is seen as a major contributor to environmental damage.	“Not many items in our collection”
	The issue of overconsumption	Overconsumption is seen as a major contributor to environmental damage.	“Buy now or never”
	Future Goals regarding fast fashion	H&M’s objectives for the future.	“Ambition to become fully circular”
	Sustainable investments	Financing the enhancement of the firm’s sustainable initiatives.	“Investments in AI and algorithm-driven retail”
	Customers’ influence	Customers have an essential role since they affect brands’ demand and trends.	“Know where and how the garments are made”
	Customers’ influence	Customers have an essential role due to the fact that they affect brands’ demand and trends.	“How they can contribute”



	Interacting with customers	Establishing contact between the brand and its clients.	“Developed a customer-facing transparency layer”
	Interacting with customers	Establishing contact between the brand and its clients.	“Online customers can see sustainability information such as materials used, or in which factory”
	Sustainability achievements	Goals that the firm reached regarding the reduction of its environmental impact.	“New packaging strategy”
	Future Goals regarding fast fashion	H&M’s objectives for the future.	“Only use recycled or sustainably sourced packaging materials by 2030”
	Challenges linked to sustainability	Future objectives	“Scaling technologies for garment recycling”
	Challenges linked to sustainability	Future objectives	“Developing solutions for microfibre shedding”
	Challenges linked to sustainability	Future objectives	“Driving transparency on sustainability performance”
Inclusion and diversity	Strategies to address diversity and inclusion	Actions to increase diversification and equity of the company and its employees.	“Through our products but also in our stores”
	Strategies to address diversity and inclusion	Actions to increase diversification and equity of the company and its employees.	“Workers with different origins and backgrounds”

	Strategies to address diversity and inclusion	Strategies to increase diversification and equity of the company and its employees.	“A dedicated diversity and inclusion team”
	Body Positivity	Fighting against body shaming.	“Model with different body shapes and skin types”
	Body Positivity	Fighting against body shaming.	“Clothing sizes reach XXXL”
	Body Positivity	Fighting against body shaming.	“Clothing does not follow traditional fashion standards”
	Goals reached regarding D&I	Goals reached by H&M in enhancing inclusion and diversity.	“We exceed all our goals that result from the 5-year Fair Living wage Strategy”
	Goals reached regarding D&I	Goals reached by H&M in enhancing inclusion and diversity.	“Affecting the lives of almost one million garment workers”
	Future goals of the fast fashion industry	H&M’s objectives for the future.	“Do even more to integrate inclusion and diversity across our operations and beyond”
	Criticism	H&M was criticized due to a hoodie that was defined as racist.	“Mistake that we made with the children’s sweater”
	Lesson learned	Lessons learned due to the “hoodie mistake”.	“Team from different departments”

	Lesson learned	Lessons learned due to the “hoodie mistake”.	“Hiring an outside consultant”
	Future goals of the fast fashion industry	H&M’s objectives for the future.	“How we continue raising awareness of diversity and inclusiveness among our teams”
	Lessons learned	Lessons learned due to the “hoodie mistake”.	“Put together an internal reference group with people from all over the world”
	Lessons learned	Lessons learned due to the “hoodie mistake”.	“Feedback on our plans and actions”
	D&I as part of H&M’s mindset	Diversity and Inclusion belong to the Brand’s culture.	“How committed everyone inside H&M is to this mindset”
	D&I as part of H&M’s mindset	Diversity and Inclusion belong to the Brand’s culture.	“People really do care about H&M”
	External stakeholder engagement	H&M wants to ensure a strong relationship with customers and stakeholders.	“Anyone with an opinion who can help us shape our thinking and our way forward on this subject”
	External stakeholder engagement	H&M wants to ensure a strong relationship with customers and stakeholders.	“Keep an open dialogue”
	Long-term ambitions	Goals that the company wants to reach in the long run.	“Build a culture where diversity and inclusiveness are always on”

	Long-term ambitions	Goals that the company wants to reach in the long run.	“Be a leader in role modeling diversity and inclusiveness in all its meanings and manifestations”
--	---------------------	--	---

## Patagonia

Topics	Codes	Description	Citations
Sustainability	Unconventional actions of businesses	Many firms started to get away from traditional business methods.	“Broken the rules of traditions business”
	The durability of Patagonia as a brand	Characteristics that make the company successful.	“Our success is based on quality in whatever they do”
	The durability of Patagonia as a brand	Characteristics that make the company successful.	“We are still year after five decades of doing things”
	Balancing the social and environmental responsibility, profits, and growth	Methods to strike a balance between sustainability and growth.	“A company doesn’t last 100 years by chasing endless growth”
	Balancing the social and environmental responsibility, profits, and growth	Methods to strike a balance between sustainability and growth.	“Being a responsible company while managing growth and profit in a consumerist context”
	Balancing the social and environmental	Methods to strike a balance between sustainability and growth.	“There’s an ideal size for every business”

	responsibility, profits, and growth		
	Balancing the social and environmental responsibility, profits, and growth	Methods to strike a balance between sustainability and growth.	“We’re focused on longevity, not expansion”
	Future objectives regarding the environmental impact	Patagonia’s objectives for reducing its environmental impact in the future.	“Building the best product while causing the least harm”
	Hiring strategies	Recruitment strategies that the company follows to achieve all its goals.	“We spend a lot of time hiring the right person for a job or sourcing partners in business”
	Hiring strategies	Recruitment approaches that the company follows to achieve all its goals.	“Finding those who already share values”
	Sustainable actions	How Patagonia is trying to improve the sustainability level of its activities and products.	“Minimize the harm we do to the planet”
	Engaging other firms	Patagonia wants to convince other companies to follow its commitment to the environment and society.	“Convince other businesses and suppliers to use cleaner energy and more responsible materials”
	Influencing other firms	Patagonia aims to share messages about sustainability with other businesses.	“Show that doing the right thing for the planet can be profitable”

	Customers' opinion	Customers have an essential role since they affect brands' demand and trends.	"Customers are putting pressure on companies to take action"
	Customers' opinion	Customers have an essential role since they affect brands' demand and trends.	"Customers are changing"
	Future investments in sustainable initiatives	Patagonia continues to invest heavily in sustainable actions.	"Put more money into fighting the environmental crisis"
	Influencing other firms	Patagonia aims to share messages about sustainability with other businesses.	"Serve as a model for other businesses"
	Strategies to enhance sustainability	Corporate procedures to implement sustainable initiatives.	"Different subcultures in the company. The first one is the huggers working with the environmental groups to save land and water"
	Sustainability as a central theme	The environment is at the heart of the firm's practices.	"In the past 10 years, the business model has become much more dependent on environmentalism and activism"
	Customers' opinions	Customers have an essential role since they affect brands' demand and trends.	"These constraints we've put on ourselves have changed the way customers view us"

	Strategies to reduce the environmental impact	Corporate procedures to cut the environmental impact.	“We see the opportunity with regenerative organics in food and clothing”
	Strategies to reduce the environmental impact	Corporate procedures to cut the environmental impact.	“Not just about not using chemicals, we’re also doing minimal tillage, rotating crops, companion planting”
	Influencing other people	Patagonia aims to share messages about sustainability with other people.	“Reorienting our minds around consumption”
	Reusing and recycling clothes	The firm diffuses strategies like recycling, repairing, and reusing to increase the durability of products.	“You can do it this way, with secondhanded and reworked clothing”
	Future objectives regarding the environment	Patagonia’s goals for reducing its environmental impact in the future.	“We’re in business to save our home planet”
	Challenges linked to future changes to enhance sustainability	The company may face difficulties implementing sustainable practices.	“What does that mean for my collection?”
	Sustainable actions	How Patagonia is trying to improve the sustainability level of its activities and products.	“Get out of using any kind of virgin oil polyester and nylon”
	Constant and ongoing issues	Ongoing Challenges in Achieving Sustainability.	“There are some environmental problems that are persistent”

	Future objectives regarding the environmental impact	Patagonia's goals for reducing its environmental impact in the future.	"10 years from now, we want to be net-positive on carbon"
	Engaging customers	Patagonia wants to convince customers to follow its commitment to the environment and society.	"We would like to be even more engaged with our customers on activism"
	Future objectives regarding the environment	Patagonia wants to increase its involvement in sustainable practices.	"The twin goals would be to reduce our impact and amplify our activism"
	Environmental regulations	Companies must comply with environmental laws.	"You need the help from governments"
	Challenges linked to future changes to enhance sustainability	The company may face difficulties implementing sustainable practices.	"Is a new time and these are new responsibilities for businesses"
	Engaging customers	Patagonia wants to convince customers to follow its commitment to the environment and society.	"Always better to have change driven by consumers from the bottom up, rather than the top down"
	Sustainability over fashion	Patagonia believes that fashion and sustainability can not coexist.	"We never viewed ourselves as a fashion brand"
	Sustainability over fashion	Patagonia believes that fashion and sustainability can not coexist.	"Making things that last a long time is to make them fairly conservative in appearance"



	External opinions regarding Patagonia	Admiration for Patagonia sustainability effort.	“Young designers mention Patagonia as a company they aspire to”
--	---------------------------------------	---	---

### Axial coding

Topics	Categories	Codes linked to categories
Sustainability	Environmental monitoring	<ul style="list-style-type: none"> <li>Monitoring the current sustainability situation.</li> <li>Regulations linked to the circular economy.</li> <li>Regulations regarding the environment.</li> <li>Environmental regulations.</li> </ul>
	Sustainable initiatives and projects	<ul style="list-style-type: none"> <li>Sustainable strategies.</li> <li>Strategies to reduce the environmental impact.</li> <li>Sustainable investments.</li> <li>Future investments in sustainable initiatives.</li> <li>Sustainability as a central theme.</li> <li>Reusing and recycling clothes.</li> <li>Valenza site project.</li> <li>Life 360.</li> </ul>
	Innovative strategies to implement sustainability	<ul style="list-style-type: none"> <li>Changes and investments linked to sustainability.</li> <li>Unconventional actions of businesses.</li> <li>Innovative materials.</li> </ul>
	Achievements	<ul style="list-style-type: none"> <li>Objectives reached regarding sustainability.</li> </ul>

		<ul style="list-style-type: none"> <li>• Achievements regarding sustainable jewels.</li> <li>• Sustainability achievements.</li> </ul>
	Transparency	<ul style="list-style-type: none"> <li>• Transparency in jewellery production.</li> <li>• Transparency regarding raw materials extraction.</li> </ul>
	Circular economy applied to businesses	<ul style="list-style-type: none"> <li>• Reuse of unsold products.</li> <li>• Extending the life of luxury products.</li> </ul>
	The connection between sustainability and income	<ul style="list-style-type: none"> <li>• Balancing the social and environmental responsibility, profits, and growth.</li> </ul>
	Future Goals	<ul style="list-style-type: none"> <li>• Striving for excellence.</li> <li>• Areas for improvement.</li> <li>• LVMH's sustainable future goals.</li> <li>• Future objectives regarding the environmental impact.</li> <li>• Future objectives regarding the environment.</li> <li>• Future Goals regarding fast fashion.</li> </ul>
	Communication strategies	<ul style="list-style-type: none"> <li>• Communicating about sustainability.</li> <li>• Interacting with customers.</li> </ul>
	The role of the customer	<ul style="list-style-type: none"> <li>• New generations' needs.</li> <li>• Customer's influence.</li> <li>• Customers' opinion.</li> <li>• External opinions regarding Patagonia.</li> </ul>

	Fast fashion brands' positioning in the new world	<ul style="list-style-type: none"> <li>• Relationship between fast fashion and sustainability.</li> <li>• Sustainability over fashion.</li> </ul>
	Challenges	<ul style="list-style-type: none"> <li>• The issue of overconsumption.</li> <li>• Challenges linked to sustainability.</li> <li>• Challenges linked to future changes to enhance the sustainability of the firm's practices and products.</li> <li>• Constant and ongoing issues</li> </ul>
	Engaging the others in the sustainable mission	<ul style="list-style-type: none"> <li>• Engaging customers.</li> <li>• Engaging other firms.</li> <li>• Influencing other people.</li> <li>• Influencing other firms.</li> </ul>
Inclusion and diversity	Ethics	<ul style="list-style-type: none"> <li>• Ensuring ethics in fashion businesses.</li> </ul>
	Inclusive corporate culture	<ul style="list-style-type: none"> <li>• Women's inclusion.</li> <li>• Body positivity.</li> <li>• D&amp;I as part of H&amp;M's mindset.</li> <li>• External stakeholder engagement.</li> </ul>
	Promoting fairness and representation	<ul style="list-style-type: none"> <li>• Strategies to address diversity and inclusion.</li> </ul>
	Achievements	<ul style="list-style-type: none"> <li>• Goals reached regarding D&amp;I.</li> </ul>

	Future goals	<ul style="list-style-type: none"> <li>• Future goals of the fast fashion industry.</li> <li>• Long-term ambitions.</li> </ul>
	Challenges	<ul style="list-style-type: none"> <li>• Criticism.</li> <li>• Lessons learned.</li> </ul>

### Selective coding

Core Category	Sub-Themes	Description
Sustainability as a strategic pillar	Monitoring and regulatory compliance	Bulgari and H&M supervise their environmental impact by following regulations.
	Sustainable initiatives	The Brands have realized different investments and projects to enhance their environmental situation, such as LIFE 360 and the Valenza site project.
	Objectives and goals regarding sustainability	Bulgari and H&M have achieved several objectives regarding sustainability, such as implementing sustainable production and transparency in the supply chain.
	Circular economy	Reuse, repair, and recycle material and unsold products to increase their durability.
	Future challenges	H&M and Bulgari have future goals with the main aim of improving their sustainability level.
Diversity and inclusion as core values	Inclusive corporate culture	These companies are committed to promoting inclusion and diversity in all their business strategies.

	Ethics and representation	Promoting ethical practices such as equal pay, diversity in the hiring practices, and worker representation.
	Successes achieved regarding inclusion	H&M and Bulgari accomplish specific goals linked to D&I.
Relationship with customers	Communication strategies	Diversity and inclusion have become core values in the companies' communication strategies.
	Consumers' role in sustainable initiatives	Consumers' ideas and opinions affect Brands' choices.

## Bibliography

Alexander Osterwalder, Yves Pigneur, and Christopher Tucci. "Clarifying Business Models: Origins, Present, and Future of the Concept." *Communications of the Association for Information Systems* 16 (2005). <https://doi.org/10.17705/1CAIS.01601>

Amed, Imran, Achim Berg, Leonie Brantberg, Saskia Hedrich, Johnattan Leon, and Robb Young. *The State of Fashion 2017*. McKinsey&Company, 2017.  
<https://www.mckinsey.com/~media/McKinsey/Industries/Retail/Our%20Insights/The%20state%20of%20fashion/The-state-of-fashion-2017-McK-BoF-report.pdf>

Aura Blockchain Consortium, "A revolution in the luxury industry", Aura Blockchain Consortium,  
<https://auraconsortium.com/>

Berg, Achim, Karl-Hendrik Mangus, Sara Kappelmark, and Anna Granskog. *Fashion on Climate Report*. McKinsey & Company, 2020.  
<https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>.

Bocken, Nancy, Steve Short, Priti Rana, and Steve Evans. "A Value Mapping Tool for Sustainable Business Modelling." *Corporate Governance* 13, no. 5 (2013): 482-497.  
<https://www.emerald.com/insight/content/doi/10.1108/cg-06-2013-0078/full/html>

Boston Consulting Group. *Beyond boundaries: Diversity and AI in fashion* (USA: Boston Consulting Group, 2023), 6-16. <https://web-assets.bcg.com/bc/80/66f14c214b1aa6dd1e5c2bbf7593/diversity-ai-in-fashion-poland.pdf>

Bulgari. "Bulgari Has Initiated a Comprehensive Study of Its Carbon Footprint Worldwide." *Luxury Tribune*. March 2023. <https://www.luxurytribune.com/en/bulgari-has-initiated-a-comprehensive-study-of-its-carbon-footprint-worldwide>

Bulgari. "Bulgari History. Bulgari. <https://www.bulgari.com/en-int/the-maison/about-bvlgari/bvlgari-history.html?srsId=AfmBOorinNEbr7Mfud-g39qSZvzDpkFabdkSkKF84U7Phf6A9cEWqfG2>

Bulgari. "Our identity - Bulgari icons". Bulgari, <https://www.bulgari.com/en-int/bulgari-heritage-icons.html?srsltid=AfmBOooDSUJvGThZT62hQtgFIRkDVIm59xTKDVkssOzebLreJW-pjkNN>

Bulgari. "Our values." Bulgari. <https://www.bulgari.com/en-gb/people-and-careers/our-values?srsltid=AfmBOooEV5ANomv0Zr8wE9ezTwq9yIvHI5jFH2cyB2LsZtjOMvIJ5BaB>

Bulgari. "Our vision". Bulgari. <https://www.bulgari.com/en-co/our-csr-vision/our-csr-vision.html?srsltid=AfmBOoqXriRbJS7H9l-bQAhmCZXZYcZLdfXgQA3rpYxlyms1kr0-77Tq>

Bulgari. *Bulgari Sustainability Report 2022*. 2022.  
<https://www.bulgari.cn/media/wysiwyg/pdf/rse2022.pdf>

"Bulgari Partnership Save the Children." *Lampoon Magazine*. December 17, 2021.  
<https://lampoonmagazine.com/article/2021/12/17/bulgari-csr-health-education/>.

Cassell, Catherine, Kevin Watson, Jackie Ford, and Jennifer Kele. "Understanding Inclusion in the Retail Industry: Incorporating the Majority Perspective." *Personnel Review* 51, no. 1 (2022): 230–50.  
<https://doi.org/10.1108/PR-02-2020-0083>.

"Fashion Industry ." *Encyclopedia of Clothing and Fashion*. . *Encyclopedia.com*. (January 8, 2025). <https://www.encyclopedia.com/fashion/encyclopedias-almanacs-transcripts-and-maps/fashion-industry>

De Ponte, Caterina, Marco Ciro Liscio, and Paolo Sospiro. "State of the Art on the Nexus Between Sustainability, Fashion Industry and Sustainable Business Model." *Sustainable Chemistry and Pharmacy* 32 (2023): 100968.  
<https://www.sciencedirect.com/science/article/pii/S2352554123000025?via%3Dihub#abs0010>

"Diversity and inclusion - We embrace our differences." Lloyds Banking Group.  
<https://www.lloydsbankinggroup.com/who-we-are/responsible-business/inclusion-and-diversity.html>

Dreska, Hannah. "The Impact of Diversity, Equity, and Inclusion in the Fashion Industry." Honor Thesis, Bryant University, 2023.

[https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors\\_finance](https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1058&context=honors_finance)

Earthjustice. "Diversity, Equity, and Inclusion." *Patagonia Action Works*.

<https://earthjustice.org/about/diversity-equity-inclusion/>.

Earthjustice. "Victories. Patagonia Action Works. <https://earthjustice.org/our-work/victories>

Fabrizia Mirabella, "Come saranno i gioielli del futuro." *Marie Claire*, 2 luglio 2020.

<https://www.marieclaire.it/moda/fashion-news/a33078101/bvlgari-eleonora-rizzuto/>

"Fashion Industry ." *Encyclopedia of Clothing and Fashion*. . *Encyclopedia.com*. (January 8, 2025). <https://www.encyclopedia.com/fashion/encyclopedias-almanacs-transcripts-and-maps/fashion-industry>

Fletcher, Kate. *Sustainable Fashion and Textiles: Design Journeys*. London: Earthscan, 2008.

Giorgia Marino. "Moda (in)sostenibile: H&M sotto accusa per greenwashing." *Renewable Matter Magazine*. 2022. <https://www.renewablematter.eu/moda-insostenibile-h-and-m-sotto-accusa-per-greenwashing>

Giorgio Kaldor. "E' nata circular evolution, la nuova associazione per l'economia circolare." *Renewable Matter*. September 30, 2022. <https://www.renewablematter.eu/e-nata-circular-evolution-la-nuova-associazione-per-leconomia-circolare>

"Globalization." *International Monetary Fund*. <https://www.imf.org/external/np/exr/ib/2008/053008.htm>.

H&M Group. "Interview with Anna Gedda on Sustainability." *H&M Group*. April 2019.

<https://hmgroup.com/our-stories/interview-with-anna-gedda/>



H&M Group. "Interview with Annie Wu on Diversity and Inclusion." *H&M Group*. March 2018.

<https://hmgroupp.com/news/interview-with-annie-wu/>

H&M Group. "The Fair Living Wage Strategy: Key Impacts and Learnings."

<https://hmgroupp.com/sustainability/fair-and-equal/wages/key-impacts-and-learnings/>

H&M Group. *Annual and Sustainability Report 2023*. H&M Group, 2023. <https://hmgroupp.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf>.

H&M Group. *H&M Corporate Governance Report 2023*. H&M Group, 2023. <https://hmgroupp.com/wp-content/uploads/2024/03/HM-Corporate-governance-report-2023.pdf>.

H&M Group. *H&M Hennes & Mauritz AB Nine-Month Report 2024*. H&M Group, 2024.

<https://hmgroupp.com/wp-content/uploads/2024/09/H-M-Hennes-Mauritz-AB-Nine-month-report-2024.pdf>.

Henninger, C.E., P.J. Alevizou, and C.J. Oates. "What Is Sustainable Fashion?" *Journal of Fashion Marketing and Management* 20, no. 4 (2016): 400-416.

<https://www.emerald.com/insight/content/doi/10.1108/jfmm-07-2015-0052/full/html>

Hossain Khatun, Marzia. "Sustainability in the Fashion Industry: A Circular Economy Approach."

Master's thesis, September 2, 2022.

[https://www.researchgate.net/publication/363234539\\_Sustainability\\_in\\_the\\_Fashion\\_Industry\\_A\\_Circular\\_Economy\\_Approach](https://www.researchgate.net/publication/363234539_Sustainability_in_the_Fashion_Industry_A_Circular_Economy_Approach)

"Il Prezzo dell'Esclusione." *Osservatore Romano*. July 16, 2024. <https://changes.unipol.it/society-3-0/diamo-il-giusto-peso-allinclusione>

Interbrand. *Retail Brands 2009*. March 2009.

[https://twinklemagazine.nl/2009/03/Geen\\_pure\\_players\\_tussen\\_waardevolste\\_retailmerken/Interbrand\\_retailmerken\\_2009.pdf](https://twinklemagazine.nl/2009/03/Geen_pure_players_tussen_waardevolste_retailmerken/Interbrand_retailmerken_2009.pdf)

Isabella Ceccarini. "Circular Evolution, diffondere e misurare l'economia circolare." *Rinnovabile.it*.

2022. <https://www.rinnovabili.it/economia-circolare/circular-evolution-diffondere-e-misurare-leconomia-circolare/>

Julia Vilaca. "Fashion industry statistics: the 4th gorgeous sector is way more than just about clothing."

Fashinnovation, n.d., <https://fashinnovation.nyc/fashion-industry-statistics/>

Kapferer, Jean-Noël, and Aurélie Michaut-Denizeau. "Is Luxury Compatible with Sustainability? Luxury Consumers' Viewpoint." *Journal of Brand Management* 21, no. 1 (2014): 1–

22. <https://doi.org/10.1057/bm.2013.19>

Laura Persavalli. "Cos'è il razzismo ambientale." *ZeroCO2*.

<https://zeroco2.eco/it/magazine/persone/razzismo-ambientale/>

Lim, Linda, and International Labour Organization. Bureau for Employers' Activities. 2001. *The Globalization Debate: Issues and Challenges*. Geneva: ILO, Bureau for Employers' Activities

Lloyds Banking Group. *Ethnicity in Advertising: Reflecting Modern Britain in 2018?* 2018.

[https://www.lloydsbankinggroup.com/assets/pdfs/who-we-are/responsible-business/inclusion-and-diversity/lloyds\\_banking\\_group-ethnicity\\_in\\_advertising.pdf](https://www.lloydsbankinggroup.com/assets/pdfs/who-we-are/responsible-business/inclusion-and-diversity/lloyds_banking_group-ethnicity_in_advertising.pdf)

Long, Xin, and Javad Nasiry. "Sustainability in the Fast Fashion Industry." *Manufacturing & Service Operations Management* 24, no. 3 (2022): 1276–93. <https://doi.org/10.1287/msom.2021.1054>.

LVMH. "LIFE 360: For the Environment." <https://www.lvmh.com/it/impegno-in-azioni/per-lambiente>

LVMH. "LIFE 360". <https://www.lvmh.com/en/commitment-in-action/for-the-environment/life-360-lvmh>

LVMH. *Committed to Positive Impact 2023*. 2023. [https://lvmh-com.cdn.prismic.io/lvmh-com/ZofmnB5LeNNTw0d9\\_lvmh\\_committed\\_to\\_positive\\_impact\\_2023\\_en.pdf](https://lvmh-com.cdn.prismic.io/lvmh-com/ZofmnB5LeNNTw0d9_lvmh_committed_to_positive_impact_2023_en.pdf)

LVMH. *LVMH 2024 Revenue Report*. 2024. [https://lvmh-com.cdn.prismic.io/lvmh-com/Zw6EcoF3NbkBXeDD\\_LVMHQ32024.pdf](https://lvmh-com.cdn.prismic.io/lvmh-com/Zw6EcoF3NbkBXeDD_LVMHQ32024.pdf)

Majok, Arol. "The challenges of diversity and inclusion in the workplace and the role of human resources in promoting these values." Bachelor's thesis, LAB University of Applied Sciences, 2024. [https://www.theseus.fi/bitstream/handle/10024/873211/Majok\\_Arol.pdf?sequence=2&isAllowed=y](https://www.theseus.fi/bitstream/handle/10024/873211/Majok_Arol.pdf?sequence=2&isAllowed=y)

Major, John S., Valerie Steele. "Fashion Industry." *Encyclopaedia Britannica*. December 18, 2024. <https://www.britannica.com/art/fashion-industry>

"Moda, il settore produce il 10% delle emissioni globali. Per diventare "green" occorrono investimenti da 30 miliardi di euro l'anno fino al 2030". LMF – La Mia Finanza, September 18, 2024. <https://www.lamiafinanza.it/2024/09/moda-il-settore-produce-il-10-delle-emissioni-globali-per-diventare-green-occorrono-investimenti-da-30-miliardi-di-euro-lanno-fino-al-2030/>

Moore, Christopher M., Grete Birtwistle. "The Burberry business model: Creating an international luxury fashion brand." *International Journal of Retail and Distribution Management*. August 1, 2004. <https://www.emerald.com/insight/content/doi/10.1108/09590550410546232/full/html>

Newburry, William, Matevž Rašković, Sinem S. Colakoglu, and María Alejandra Gonzalez-Perez. "Diversity, Equity, and Inclusion in International Business: Dimensions and Challenges." *AIB Insights* 22, no. 3 (2022): 1–6. <https://doi.org/10.46697/001c.36587>

Nicolò Andreula. "Diamo il giusto peso all'inclusione". *Changes – il magazine del Gruppo Unipol*. January 25, 2024. <https://changes.unipol.it/society-3-0/diamo-il-giusto-peso-allinclusione>

Nielsen. *2015 Nielsen Global Sustainability Report*. 2015. <https://engageforgood.com/2015-nielsen-global-sustainability-report/>

Patagonia, Inc. "1% for the planet." *Patagonia, Inc.* <https://eu.patagonia.com/it/it/one-percent-for-the-planet.html?srsId=AfmBOopHeTRaaN8p3a2r23ikDxrJGdLAgaYXK23nlR5zcSpRtpi2j531>

Patagonia, Inc. "La crisi climatica è affar nostro," *Patagonia, Inc.* <https://eu.patagonia.com/it/it/climate-goals/>

Patagonia, Inc. "Who do we found?." *Patagonia, Inc.* <https://eu.patagonia.com/gb/en/actionworks/about/>

Patagonia. "A Gathering for Diversity, Equity, and Inclusion with Teresa Baker." *Patagonia, Inc.* February 2018. <https://www.patagonia.com/stories/diversity-equity-and-inclusion/story-71003.html>

Patagonia. "Earthjustice." *Patagonia Action Works*.  
<https://www.patagonia.com/actionworks/organizations/earthjustice/>

Pedersen, Esben Rahbek Gjerdrum, Wencke Gwozdz, and Kerli Kant Hvass. "Exploring the Relationship Between Business Model Innovation, Corporate Sustainability, and Organisational Values within the Fashion Industry." *Journal of Business Ethics* 149, no. 2 (2018): 267–84.  
<http://www.jstor.org/stable/45022489>.

Rienda, Laura, Lorena Ruiz-Fernández, Laurie D. Carey, and Irene García-Medina. *Firms in the Fashion Industry: Sustainability, Luxury, and Communication in an International Context*. Cham: Palgrave Macmillan, 2021.

Ritch, Elaine L., Clara Canning, and Julie McColl. *Pioneering New Perspectives in the Fashion Industry: Disruption, Diversity, and Sustainable Innovation*. 1<sup>st</sup> ed. Bingley: Emerald Publishing Limited, 2023.

Rizzuto, Eleonora. "Eleonora Rizzuto, Direttore Sviluppo Sostenibile di Bulgari & LVMH Italia." *Marie Claire*. July 2020. <https://www.marieclaire.it/moda/fashion-news/a33078101/bulgari-eleonora-rizzuto/>

Seac. "Vittoria di H&M contro l'accusa di green washing dei suoi articoli di fast-fashion." *All-in Giuridica*. 2022. <https://all-in-giuridica.seac.it/document/327/5010838/0>

Shelby Jordan. "64% of Consumers Consider Making an Immediate Purchase After Seeing Diverse Advertisements, New Data Shows." *Top Design*, November 11, 2020, <https://www.prnewswire.com/news-releases/64-of-consumers-consider-making-an-immediate-purchase-after-seeing-diverse-advertisements-new-data-shows-301170981.html>

Stanley, Vincent. "Patagonia's CFDA Award: Acknowledging Its Climate Change Ambitions." *Vogue*. November 9, 2022. <https://www.vogue.com/article/patagonia-cfda-award-climate-change-ambitions-vincent-stanley>

*Study on the Technical, Regulatory, Economic and Environmental Effectiveness of Textile Fibres Recycling: Final Report*. European Commission, 2021. <https://op.europa.eu/it/publication-detail/-/publication/739a1cca-6145-11ec-9c6c-01aa75ed71a1>

Thorisdottir, Thora S., and Lara Johannsdottir. "Sustainability within Fashion Business Models: A Systematic Literature Review." *Sustainability* 11, no. 8 (2019): 2233. <https://doi.org/10.3390/su11082233>.

Tibisay Zea. "Fast fashion is causing an environmental disaster in Chile's Atacama Desert." *The World*, November 1, 2022. <https://theworld.org/stories/2022/11/01/fast-fashion-causing-environmental-disaster-chiles-atacama-desert>

Tin Shed Ventures. "How we invest." *Patagonia.com*. <https://tinshedventures.com/approach/>

World Commission on Environment and Development. *Our Common Future* (The Brundtland Report). 1987. In *Making Climate Change History: Documents from Global Warming's Past*, 220–223. University of Washington Press, 2017. <https://doi.org/10.1515/9780295741406-046>

“WWF. Bulgari e Impact Hub lanciano un bando per startup che vogliono salvare il mare.” Start-Up Italia. 2017. <https://startupitalia.eu/economy/economia-digitale/wwf-bulgari-e-impact-hub-lanciano-un-bando-per-startup-che-vogliono-salvare-il-mare/>