

TARA NORTON & ELISA NIEMITZOW

Photography by Tung Walsh. Conversation with Claire Thomson-Jonville.

On the necessity of sustainability for luxury brands, on seeing sustainable fashion as a new design opportunity and not a constraint, on the emotional motivations that inform our choices, and on the impact of our consumer habits on the environment.



Tara Norton & Elisa Niemtzw, managing directors, BSR. A conversation at the BSR headquarters, Paris, January 2018.

Claire Thomson-Jonville: Can we begin by discussing the implications of climate change on the fashion industry?

Tara Norton: Climate change is about our ability as a species to continue living on this planet. Business has a very strong role to play. And, actually, what we've seen in the last year is individual businesses and the business community taking this very seriously, being very vocal about it, and putting out strong commitments to actually reduce their environmental impact on climate.

Elisa Niemtzw: If you think about the industry of designing and making clothes, and all of the components that go into that, at every step we're impacting the climate. So, for example, when we're cultivating cotton to make a shirt, this has implications on the planet in terms of the carbon emissions, how you're using land, water, the pollution impacts, etc.... BSR helps companies figure out where the important impacts are and what to do to change. We work with companies to think through how to change the current system. For example, companies are using a lot of resources and not really replenishing them; how can they move to having more regenerative models? It's true that there is a lot of momentum in the industry these days to begin working towards different models and ways of working.

Claire: What are the risks to companies if they don't start making changes to the supply chain and operations?

Tara: There are different types of climate risks. One key risk is physical risk, which is basically about how changes in the climate are affecting your business. For example, are you going to be able to get your products from point A to point B; are you going to have distribution centers that are flooded? A good recent example of this kind of thing in practice is what happened in the US after Hurricane Irma in Florida. FEMA, the disaster recovery agency in the US, called on every logistics provider in the country to get involved in the massive disaster recovery efforts, and that affected the prices of logistics for the private sector. Another key risk that is really important for the luxury industry is input risk, or the impacts on raw materials, as there are certain materials that you're not going to be able to use anymore because they won't be available or they're going to be of a lesser quality.

Claire: Can you tell us more about the six key raw materials that are essential to luxury and whose quality is critical and how companies are making themselves vulnerable through using those materials?

Elisa: In the report we did in partnership with Kering, "Climate Change: Implications and Strategies for the Luxury Fashion Sector," we looked at some of the key raw materials used by the luxury industry—cotton, vicuña, cashmere, beef leather, sheep and lamb leather, and silk—and what you can see is that climate change is already affecting the quality and the availability of the materials and that's going to get worse. And, if you look across other industries as well, it's the same. In the beauty industry, where there is a big reliance on plant-based raw materials, it's a similar story. So it's really important for companies to understand how they are dependent on key materials and then what they can do to begin to fix the problems or turn things around, and that's where collaboration is really important. It's very hard for one company to fix a system. So, if you take cashmere, for example: right now we're over-sourcing cashmere. There's a lot of stress on the grasslands where the animals are feeding and there are livelihood issues with the people raising the goats, etc. And it's

not just one company that's going to go in and fix that situation: it needs to be a collaboration of companies and local governments.

Tara: We work a lot with companies to help them work out what their most important social and environmental issues are and where they can have the biggest impacts, in a way that aligns with what they're trying to do as a business. It's not only climate change—climate change is one key aspect of sustainability. The best definition of sustainability is "meeting the needs of the present without compromising the ability of future generations to meet their own needs." So yes, sustainability includes climate change and the environment, but it's also about the human side: human rights, women's empowerment and how to create an economy that is inclusive for all people. One major challenge is that companies are under pressure from many different stakeholders across a vast array of issues.

Elisa: We look across the complete spectrum: environmental and social. Workers in specific countries or trafficking...

Claire: Can we address the issue of fur?

Tara: There is a significant dialog going on right now among luxury brands about their use of fur. Fur is the first thing man ever wore and it's never gone away, so I personally don't tend to think it's going anywhere. But we are seeing a lot of brands that have been traditional users of fur asking questions about it.

Claire: Sustainability is now no longer an option for luxury brands; it's a necessity. Could you tell me the differences in approaches of companies that you have seen over the last 10 years?

Elisa: First off, CEOs are talking about sustainability, and once you have leadership involved, then that ignites the energy and resources in companies. Finally, sustainability is becoming a mainstream conversation.

Tara: Continuing on the issue of fur, I can give you a very precise example: I was invited to a dinner on sustainable fur by the head fur buyer for a major fashion house during Paris Week. There were young designers, as well as the head of sustainability from the house, as well as many of the key players in the fur industry. The head fur buyer stood up and talked about the importance of ensuring that fur was sustainable, meaning that animal welfare is clear throughout the industry and that it's a traceable raw material. There's no way that dinner was happening 10 years ago. So that, to me, was a good example of the way in which sustainability has become more mainstream. The industry is under a huge amount of pressure on fur. We see brands that want to keep using fur because it's a beautiful natural material with lots of good qualities. With fur, there is a huge focus on one dimension, animal welfare, which is of course extremely important. The fur industry in Europe has open farms such that, in many places, any member of the public can go and walk onto a fur farm. They do this purposely to help dispel some of the myths that every fur farm is this horrible place where animals are being badly treated, which is just not the case.

Claire: What about replacing real fur with a synthetic product?

Tara: Fur can be seen as a positive material in the context of fashion, which is the second most polluting industry in the world, using all kinds of non-renewable resources. Fur is a renewable resource; in terms of the chemicals that go into treating it, it's actually less polluting than synthetics. I don't mind when brands say, "We're not going to use fur," but I do actually have a problem with moving away from real fur to fake fur because fake fur is essentially petroleum-based plastic. It's not authentic and then what is the message that you are sending here?

Elisa: The message becomes that plastic is ok. And it's not.

Tara: One thing that luxury does is set aspirations, so if you're going to say, "We cannot aspire to kill animals," well, fine but if you're showing this beautiful fake fur coat, you are still setting aspirations for fur. In some places, this will mean using plastic alternatives, and in other places, it may still be cheaper or easier to kill an animal to make a coat that aspires to look like yours. So there's just something inauthentic about that.

Claire: How, as a consumer, can one make informed choices? And how much does the purchasing power of the individual have the influence to change the way companies work?

Elisa: We are at an interesting crossroads, especially in the luxury fashion industry because it's typically been a rather opaque industry. The industry has operated on the principle that there is a luxury dream that we want to preserve and that people really don't want to know where things come from and how they're made. But there is definitely now a new zeitgeist in society where more and more people are interested to know what products are made from and how they are produced and all of the stories behind that. There is a real leadership opportunity for brands to open up and talk about their practices because consumers need more transparency and need the information if they are going to make better decisions.

Tara: And if the brands don't do it, someone else does it for them. A good example recently is a report from the NGO Clean Clothes Campaign on the wages and sweatshop-type conditions in some factories in Eastern Europe, which can be sources for more high-end brands in Europe. The NGO set the agenda for fashion brands, that they have to now address this issue strongly.

Elisa: Brands just have a tremendous opportunity to really bring the sustainability conversation into their creative space. They've been shy about it or worried about being accused of greenwashing, but the fact is that these are the best creative minds that we have in fashion. I think that the real leaders are bringing the creative teams into the conversations and seeing sustainability as a design opportunity; it's not a design constraint. It's important to talk about sustainability in ways that resonate and correspond to the issues that the clients are thinking about because if we just talk about climate change, that might not appeal to everyone, but if we're talking more about a specific story about how we have to preserve cashmere and improve the lives of the people raising the goats, then that could be more interesting. I don't think people are going to start buying a product because of sustainability alone, so we have to be realistic.

Claire: Can the consumer mindset shift in favor of environmentally-responsible purchases?

Elisa: Getting the messaging right is complicated and at BSR we've done studies with our members on what kinds of messaging worked in specific situations—what was better—and we looked not only at encouraging purchases of specific products but also improving brand reputation. And we need to experiment and test messages, just like you test a campaign. We need to bring sustainability into the whole consumer insight process.

Claire: How do consumers interact with recycling? Especially in an environment such as McDonald's?

Elisa: There have been tests on what kind of recycling signage worked to get people to recycle in restaurants, and some of the things we learned apply in a lot of behavior change situations: give people very clear directions and pictures are good, too. People never know how to sort in the bins but the more you show them specifically what to do, the better. And create an emotional connection: if you get someone to stop and laugh or be surprised,

if you get their attention, then you can get them to follow through and sort the trash correctly. So it's important for companies to put consideration and thought into what they're asking consumers to do, just like they put consideration and thought into their new products or their other strategies.

Claire: And what about a brand like IKEA?

Tara: IKEA is an interesting example of a company that takes a holistic view of sustainability, and works across their whole product line to increase the sustainability of everything they are offering to their consumers. They've also identified what are the biggest materials where they need to really be driving change. For IKEA, the number one raw material is wood; cotton is another key raw material. They're examining everything and making incremental as well as quite big changes across their product line. And they don't really tell big stories about any particular product; they just kind of quietly go along. Like many big global companies today, they have a very well thought through sustainability strategy that they publicize on their corporate website.

Claire: How do we move forward on sustainability? If you go into a store and you've got two identical cotton t-shirts, the sustainable one is always more expensive. Perhaps some people will consciously pay the extra but those watching their money will choose the cheaper one...

Elisa: That is exactly why the industry needs to work together on all of those issues around the wages that they are paying to workers in the supply chain, around making sure that better cotton or organic cotton or sustainable cotton is the norm and not the exception. And so I think, as consumers, we need to be aware and help to put pressure on companies and support all of the civil society organizations doing that.

Claire: According to the United Nations Environment Program, a sustainable lifestyle is about living in harmony with our natural environment, which involves rethinking how we buy and how we organize our every day. So how is a sustainable lifestyle a new frontier for business and what specific opportunities can businesses draw and which brands are leading the way?

Elisa: There is much more awareness around living in a way that's less wasteful, questioning where things come from, and so on. It's a huge opportunity for business, because they have to figure out how you meet people's needs for food and shelter and clothing. And all of the more superficial needs that are really important: women and men buy fashion because they want to look beautiful. So there's a huge opportunity for companies to say, ok I have to clothe all these people and all of the billions of people who are entering the middle classes but in a way in which it's going to be good for the planet and regenerative. For business, there are huge opportunities to rethink their product offerings, their communications, because the companies who can really speak to this new ethos and to new consumer expectations, those are going to be the winners. And the companies who do nothing and "business as usual" are not going to have the security of supply on the raw materials and they are not going to be addressing the evolution of how consumers are thinking today.

Tara: One tactic we see some brands, especially global high street brands, taking is to decide to run separate "sustainable" collections in their stores. However, when they do that, they're putting a more sustainable collection next to other collections, which is a risk as it could prompt a consumer to ask, "So, wait: *this* one is not sustainable?" How should I, as a consumer, interact with that choice? I can feel really good about buying this sustainably conscious t-shirt but then do I feel not as good about buying the

one that's next to it that's not part of the same collection? So that, I think, is an interesting thing to work out.

Elisa: It's important to buy from companies that have made very strong commitments on product quality for all their products.

Tara: And, behind the scenes, global high street brands such as H&M and Zara are actively searching for innovation in the supply chain to try to come up with more sustainable materials, more circular processes. They're actually using waste back into the same process. It's just how do you get the communication balance right and make sure that it doesn't feel like a consumer has to make a choice.

Claire: If we look at the larger picture: can you talk about the COP21 Paris Agreement?

Elisa: The departure of the US from the Paris Agreement in no way, shape or form should be a break on what needs to be done and I think the message is ok, Trump, you want to get out, well, go play in your corner, we're moving on, we're moving forward.

Tara: When someone new to this says, "I don't quite understand sustainability," the good news is that the global agenda is actually set and there are a clear set of resources to look to, which provide guiding principles to everyone. There's the Paris Agreement on Climate change, the UN Guiding Principles on Business and Human Rights, the UN Women's Empowerment Principles, and the Sustainable Development Goals. So there is a very clear articulation of the global agenda, and even though they're kind of academic and wonky documents, there are lots of lovely translations of them, so it's pretty clear what we need business to do.

Elisa: Local governments and businesses are very active on climate in the US.

Tara: The government of California has taken a major step and is hosting its own Climate Summit, which we're actually a partner on. It's a huge international event. One of the important aspects of the Paris Agreement is that all countries need to make commitments about their reductions, about reducing their impacts. So what has happened in the US is that a series of governors and cities have said, well look, we can still meet our requirements, even if the government pulls out: we can still meet our agreement with our own reductions and this is what we're going to do.

Elisa: And companies can still agree to reduce their emissions according to the amounts that we need to avoid the worst effects of climate change. And, for the fashion and luxury industry, all the more so because this is an industry that is the tastemakers and the trendsetters and so we need fashion and luxury as a voice on these issues.

Claire: How do we move forward?

Elisa: In your everyday life, one thing is just looking how you can do things locally: local products in your food—it doesn't necessarily have to be organic because a lot of smaller suppliers of food can't afford to be organic certified; it doesn't mean that they don't have the practices. It's just thinking about "what do I really need this season?" Do I need as much as I usually buy or do I have great things in my closet? Or second-hand. Of course, the industry needs to sell clothes to survive and that's not the question, but there are more and more people on the planet, so what if the people who are currently buying just think a little bit about how much stuff do they really need? And let's continue the tough but inspiring work to make fashion sustainable and regenerative. That's true beauty. □



“Climate change is about our ability as a species to continue living on this planet. Business has a very strong role to play.” — Tara Norton, January 18th, 2018, 2:39pm