Sustainable innovation in the lifestyle and fashion industry

From circular textiles to green fuels and emissions data, here’s how the lifestyle and fashion industry can outsmart unsustainable practices.
Sustainability is no longer merely a desired bonus or competitive advantage; it’s an absolute necessity. Every industry is under pressure to perform, none more so than fashion and lifestyle. 56% of consumers say brands should play more of a role in reducing fashion’s environmental impact – higher than any other stakeholder group. And where there’s this level of demand, and pleas for action, the fashion and lifestyle industry must stay ahead of the curve.

But that can be easier said than done. Currently, 60% of fashion’s eco-claims have been classed as ‘unsubstantiated or misleading’ by the Changing Markets Foundation – a dangerous tightrope to walk as consumers become savvier and more intent on buying from the brands they trust.

So how exactly are fashion and lifestyle brands approaching sustainability? What else could they be doing to achieve their aims? And how can you set up your fashion and lifestyle brand for innovative, sustainable change?

In this guide, we’ll cover:

- Why sustainability is so crucial for lifestyle and fashion brands today, and what that means in practice
- The different approaches lifestyle and fashion brands are taking towards sustainability innovations
- The crucial role of your supply chain in delivering your goals

Read on to find out how fashion and lifestyle brands just like yours are working towards a more sustainable future, led by innovation.

INTRODUCTION

Bella Lack, the new leading voice in the next generation of environmentalists, was asked recently why she’s on a mission to redefine sustainability and sustainability activism. Her response? Simply: “What’s the alternative?”

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Why is sustainability so crucial to the lifestyle and fashion industry?

When it comes to sustainability, is the fashion and lifestyle industry a hero or villain? Often, it depends on who you talk to.

On one hand, HBR has called sustainable fashion a 'myth', citing – amongst other things – the doubling in production of shirts and shoes over the past quarter century, three quarters of which ends up being burnt or buried in landfills.⁴

On the other hand, however, are brands committed to the circular economy, eco-materials and catering to more conscious shoppers.⁵

In our experience, the fashion and lifestyle industry is full of companies, partners and people dedicated to sustainability – and making important moves to achieve their goals. The reality is that the industry isn’t good or bad; there’s a bit of both. But what is clear is that, despite great strides in the right direction, there’s still a lot of work to be done. Sustainability has to be on every fashion and lifestyle brand’s agenda for several reasons.
CUSTOMER SENTIMENT

63% of consumers consider a brand’s promotion of sustainability to be an important factor in purchasing fashion items.6

With customer demand for sustainability so high, it follows that the brands quickest on the uptake of meaningful, provable actions and results will benefit.

Some historic brands have committed to the future with positive changes to their manufacturing processes.7

Other, newer brands, have committed to sustainability from the start. Fashion and lifestyle brand, Tentree, for example, lives up to their name by planting ten trees for every garment sold.8

These brands, and many others, continue to see success and growth partly due to these changes and actions. Why? Because it’s a critical way for brands to inspire loyalty amongst the more conscious shoppers of today.

BRAND HEALTH

Most industries are experiencing problems associated with the decline of brand loyalty. Social media now presents consumers with in-depth, shareable and instantly accessible information. This has the potential to make or break a brand’s reputation if they aren’t acting responsibly.

“The advent of social media and the speed in which information can be shared means that customers are more informed than ever before. Collectively, this has had a huge impact on pushing sustainability to the top of the agenda.”

- Kaisa Tikk, Senior Global Sustainability Advisor, Maersk

Fast fashion brands’ sustainability efforts, in particular, have been marred by accusations of ‘greenwashing’ and misleading the public. Some of these have come from newly popular sustainable fashion influencers, such as Aja Barber. Known for her insightful analyses of the fashion industry’s biggest problems, Barber currently has over a quarter of a million followers on Instagram alone – all of which look to her for advice on which brands to buy from and stay loyal to. Where brands have traditionally used influencers to promote their clothing, the same mechanisms are now being used to shine a light on them.

For fashion and lifestyle brands wanting to avoid being the next target of public scrutiny and mistrust, embracing truly sustainably practices is an important step.

SOCIAL RESPONSIBILITY

But this isn’t to say that brands are only changing because they have to, many change because they want to. These brands are inspired by the worrying signs of the climate emergency evident all around us. Sustainability action is a necessity and, with the fashion and lifestyle industry still being a significant contributor in terms of carbon, brands have a social responsibility to act.

Leading global home appliance makers Electrolux have offices in the heart of UNESCO heritage area in northeast Italy. They witness the current, terrifying state of the climate emergency every day. For them, sustainability is about culture, purpose and certification.

“We walk the talk about how serious we are around sustainability. It’s not just about the product, it’s how Electrolux care about the way they produce the product.”

- Filippo Milanese, Electrolux Chief Purchasing Officer

What Electrolux and countless other fashion and lifestyle brands realise is that sustainability is not the work of a single brand or partner; it’s the responsibility of everyone. Brands are changing their practices for several important reasons. Beginning, in some cases, with a wide range of sustainability innovations.
Sustainable innovations for lifestyle and fashion

There's a genuine desire to tackle the issue of sustainability, and innovation is key to this. Increasingly, brands new and old are unearthing new ways of working, new processes, new approaches and new partners to see significant change without alienating their audience or sacrificing their bottom line.

Here are five sustainable innovations currently catalysing change in the lifestyle and fashion industry:

1. **CIRCULAR TEXTILES**
   One of the most important levers that the fashion industry can pull to reduce its environmental impact is closed-loop recycling, a system which is now starting to be rolled out at scale, promising to limit the extractive raw materials and decrease textile waste. Swedish textile-to-textile recycling company Renewcell, for instance, has partnered with brands such as H&M and Levi’s, building a new plant that will be able to recycle 60,000 tonnes of textiles a year by the end of 2022. As technology matures, companies will need to embed them into the design phase of product development while adopting large scale collection and sorting processes.

2. **PRODUCT PASSPORTS**
   In a bid to boost authentication, transparency and sustainability, brands are using a portfolio of technologies to store and share product information with both consumers and partners. These digital ‘product passports’ help brands tackle counterfeiting, differentiate themselves and build loyalty by enhancing customer trust. They hold details such as how and where the product is made, and even the working conditions of the manufacturer.

   Approximately 2 out of 5 fashion executives plan to adopt product passports or have already done so. Product passports can store information on materials, how and where a garment was made and working conditions in factories, offering greater transparency to eco- and ethically-conscious partners and customers.

3. **SLOW FASHION**
   As a backlash to fast fashion, slow fashion includes processes that bolster the longevity of products so there’s less disposing, less waste and fewer items sent to the landfill. Regardless of fashion and lifestyle brands’ business models, there are important lessons to learn from slow fashion. Its concentration on trendless or timeless design, for instance, is something every fashion and lifestyle brand can do to ensure their customers’ clothes are less likely to have negative environmental effects. And a focus on waste is paramount to creating a more sustainable approach to manufacturing, supply chain and commerce.
SUPPLY CHAIN FLEXIBILITY

Supply chain flexibility is also a strong way to reduce wasteful journeys and needless carbon emissions. Brands placing data at the heart of supply chain operations, for example, are able to work more efficiently and more effectively. Improving freight collaboration, materials and goods tracking with an open logistics ecosystem enables business partners to manage logistics operations better by monitoring the transport methods in real time and identifying the best alternatives. Also, risk of empty mileages is reduced by loading vehicles to optimum capacity – which is both environmental and profit-friendly.

GREEN FUEL

The rise of fashion and lifestyle e-commerce has meant that brands must also look to the ways in which their products are being delivered if they want to reach their eco-aims. Sustainable fuel innovations could be the answer. Often, though, the perception is that these innovations mean cost. Yes, it’s true to say that carbon neutrality won’t come for free – but the impact on consumer prices are marginal. In fact, according to Boston Consulting Group, the estimated average cost increase to achieve full carbon neutrality for a pair of jeans – valued at $50 – is a mere $1. That’s why, from biodiesel to green methanol and green ammonia, brands continue to work with supply chain partners towards carbon neutral delivery and returns.

“We expect the step towards eco-delivery to be one of several on our way to ultimately realising a fully carbon-neutral transportation option.”

– Thomas Borglum-Jensen, CFO and Head of Logistics, Bestseller

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CASE STUDY

A sustainable impact through collaboration for H&M

THE PROBLEM

Anxious about the impending climate crisis and increase in waste, H&M are keen to change the way they produce their products. As a global fashion retailer, they understand they have a big role to play in working towards a healthier planet.

THE SOLUTION

With the support of Maersk, H&M have begun transforming their business to become more circular, by exploring sustainability innovations for their supply chain. These include Maersk ECO delivery, intermodal transportation, like Electric Rail in Sweden and biofuel trucking with 90% CO2 reduction, and warehouses in Asia with solar panels.

THE RESULTS

H&M have been able to accelerate their journey into decarbonisation by 10 years, from 2050 to 2040.

“Sharing the same vision empowers both parties. It’s the only way we can create a true impact.”

– Leyla Ertur, Head of Sustainability, H&M Group
The role of the supply chain in delivering sustainable goals

Central to any discussion about sustainability in the fashion and lifestyle industry has to be supply chains.

According to a recent survey, 67% of consumers consider the use of sustainable materials to be an important purchasing factor for fashion items, while 88% believe more attention needs to be paid to reducing pollution.14

Maersk has a vision to provide end-to-end decarbonised logistics solutions.

So, what does that look like?

SHIPPING

Shipping is the most energy efficient way to move goods around, but nevertheless is responsible for 3% of global CO2 emissions. With 700 Maersk-owned container ships in total, it makes sense to focus our energies there. Central to that push is fuel replacing oil with green diesel, green methanol or green ammonia. But we were facing a chicken and egg situation. We needed to build large container vessels that run on biofuels, but there wasn’t enough biofuel globally, or the requisite infrastructure, to support the investment and power those ships. That’s why we went all in, deciding to build the ships to create the demand. Our pilot carbon neutral container ship launches in 2023 with a series of 12 more, requiring approximate 450,000 tonnes of green methanol a year, to be delivered in 2024.

Maersk has invested in Maersk ECO delivery that substitutes fossil fuels with low-carbon alternatives and harnesses new technologies and vessels to transport cargo more sustainably. Only ISCC-certified fuels and feedstocks with proof of sustainability are used and carbon emissions savings are measured according to GLEC methodologies. For our ocean transport offering, it reduces CO2 emissions by more than 80%.15

INLAND TRANSPORT

Shipping is one small part of a much bigger network of supply chain transportation. We also need to focus inland on trucks, rail and barge to play our part in reducing the 3.5 billion tonnes of CO2 emitted by the transport and logistics sector each year.16 Alongside the development of biofuel and investment in electric vehicles, we’re looking at well-to-wheel emissions accounting for accurate collection of data and results, as well as innovations such as battery-powered electric trucks, and engagement with suppliers and infrastructure to incorporate more renewable energy.

AIR FREIGHT

Air Freight is the mode of transport highest in emission intensity and, therefore, typically the most problematic when it comes to sustainable and responsible solutions. But that’s not deterring us. Maersk are aiming to have 30% sustainable aviation fuel-based transported air cargo by 2050 and we’ll be investing into above industry-standard efficient airplanes, all of which will begin our journey towards realising less polluting air travel for us and our customers.
LOGISTICS FACILITIES

Away from transportation, we’re also looking at energy use across our warehouses, offices and sites. We’re working towards reducing emissions via 100% green energy sources, including renewable electricity, non-fossil-based heating and fuels, and even electrified heavy-duty trucking. Maersk’s carbon neutral cold storage facility in Mszczonów, Poland is already actioning change, with photovoltaic panels and a chilled water system to supply power to the coolers of all air handling units and fan coils. Our energy performance is already above industry average, yet we’re still aiming for ambitious accreditation by LEED "Platinum" or BREEAM "Excellent".

END-TO-END VISIBILITY

As well as these important aims and ambitions, Maersk’s current solutions help our customers keep tabs on their own sustainability. The Maersk Emission Dashboard, for example, can aid sustainability reporting and emission reduction via end-to-end visibility. Gathering emissions data across all carriers and transport modes is critical to satisfying consumer expectations and regulatory demands for high environmental, social and governance standards. The dashboard is also a useful tool for companies who need a better understanding of exactly where the room for improvement lies.

We see brands increasing their focus on traceability through their supply chains, helping them address demands from regulators, investors, and customers for greater transparency.17

Fashion and lifestyle brands must embrace supply chain partners that share their values and ambitions – ensuring there’s accurate and independent annual sustainability reporting, as well as commitments aligned with science-based targets. With real collaboration, innovations and reporting, sustainability ambitions can be realised.
CONCLUSION

Industry executives view sustainability as the second biggest opportunity in the fashion and lifestyle industry, behind only digital. But to achieve true sustainability, companies and their partners need to change the way they work – and this transformation has to involve innovative tech, innovative processes and innovative ways of thinking.

Deeper collaborations with suppliers, a push towards higher regulatory standards, stronger partnerships with customers and a relentless focus on energy efficiency are all aspects and enablers of a more sustainable future that every fashion and lifestyle brand can start working towards today.

Sustainability is a process; one that requires constant work from us all. It needs to be a part of every agreement and brands can, and should, demand services like CO2 reporting and emissions reductions as a matter of course for their supply chains.

To learn more about Maersk’s environmental commitments and how we can help your lifestyle and fashion brand outsmart unsustainable practices, visit our landing page here or contact us today.

References: