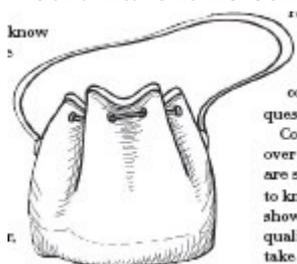


# BAGS OF SUSTAINABILITY

Care for the environment is becoming more than a whim for a global fashion giant that wants to make sustainability pay, writes Edward Helmore

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The handbags will still be python, the cotton silky, the leather soft, the designs au courant and the prices steep. In an international marketplace for fashion and luxury lifestyles, citizenshipers would have it no other way.



But last week the global fashion giant Kering Group, owner of brands such as Alexander McQueen, Saint Laurent, Gucci and Stella McCartney, published a groundbreaking report that seeks to grapple with an issue hanging over the fashion industry: how to weave sustainability into a business that often appears predicated on whim and superficiality.

So, an exaggerated, three-year effort in brand greenwashing, designed to win competitive advantage in an industry fraught with overproduction, supply-side challenges and weak consumer demand? Or a sign of a billionaire owner's genuine commitment to sustainability and care for the environment?

It's always possible to do two things simultaneously, of course, but the publication of Kering's Environmental Profit and Loss account — EP&L — is nevertheless a bold first for the industry.

Kering chairman and chief executive Francois-Henri Pinault said he recognised that as part of the textile industry — “one of the most polluting industries in the world” — his company and those like it needed to share knowledge to create more sustainable business models. “Sustainable business is smart business,” he told Women's Wear Daily. The report will “help us ultimately become a more robust and resilient business”.

The company says it studied 578 processes involving 107 materials in 126 countries to understand the damage caused by its businesses, and those of its suppliers.

Kering valued its use of natural capital — “the stock of natural ecosystems on Earth including air, land, soil, biodiversity and geological resources” — at 773 million in 2013.

Leading the list of environmentally damaging practices is the production of leather — linked to the destruction of forestry and use of heavy metals — and cotton, which is hugely demanding of water. Kering's EP&L estimates that leather alone accounts for 25 per cent of its environmental impact, while 17 per cent is linked to cotton.

Overall, Kering announced, supply-side damage stands at 93 per cent of the total. Only 7 per cent of impact comes from its own operations in shops, offices or warehouses.