

New Ways for Responsible Business:

Sustainable Fashion in Action

An analysis of business models and sustainability practices in Scandinavian fashion companies and our directions for systemic change.

In futurum

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Foreword

This report is the first output of a research project conducted by In futurum from 2019-2020. In the project, we set out to investigate how Swedish and Danish fashion companies are working with sustainability in their daily business activities. We wanted to investigate how companies are putting strategies and values to work, and how business practices are informed by management decisions, personal choices and internal company pressures. As a strategic consultancy focused on driving sustainable change in the Scandinavian lifestyle industries, we want to contribute to the conversation at large by creating new knowledge. Furthermore, there is a lack of knowledge on how sustainability is enacted on an everyday basis, as sustainability efforts are mostly discussed through the launch of big strategies or corporate sustainability reports. But what aids and hinders successful, sustainable development in fashion companies in the offices? How do owners, employees and sustainability managers execute strategies in practice? And how do these practices relate to the holistic sustainability principles we know we must work towards? Those were some of the questions we set out to answer through in-depth conversations with six fashion companies in Denmark and Sweden.

Because change in the fashion industry is crucial. The fast fashion business model has accelerated the production and consumption of clothing, resulting in a doubling of global production since 2000 (Greenpeace 2017). Globally the industry is responsible for emitting 1.2 bn tons CO₂ annually; more than air travel and shipping combined (Quantis 2018). Of the more than 100 bn items that are produced every year (McKinsey 2016), it is estimated that 50% of all fast fashion products are disposed of within a year (McArthur Foundation 2017). In short, the global production and consumption of fashion products creates environmental problems all along the value chain. Additionally, the globally distributed and often long and intricate supply chains conceal a host of social and economic problems as working conditions, human rights and wages are pressured to meet falling retail prices and shorter delivery times.

While these issues are systemic, and individual fashion companies often feel they have very little influence on global structures, there are an increasing number of companies that identify creating better, more environmental and socially sustainable fashion.

In this report we present six case companies that tackle these global challenges in their own ways. By rethinking their business model, taking charge of production, changing material sourcing, engaging with customers, and designing differently, they present new ways of conducting fashion business—or of negotiating and changing existing, conventional practices. We selected the six case companies based on an initial mapping of 15 Swedish and Danish companies that explicitly work with and communicate sustainability. We interviewed the founders and CSR-managers of the case companies to understand not only why sustainability has become important to them, but how they enact sustainability in practice. The case companies are presented in the report with a focus on the various practices they engage in and what drives and hinders sustainability work.

The report is structured in the following way: first we introduce why a focus on everyday actions is important. This introduction is followed by a visualization of how the 15 companies prioritise and engage with different aspects of sustainability. Then the six cases flesh out the specific approaches and the hurdles and benefits they experience in bringing sustainability to life. Based on the interviews and analysis we then present two key themes that represent the first step for many companies, and also the root cause of a multitude of sustainability issues. Finally we discuss the main characteristics of sustainability work in the fashion industry and provide seven directions for how we can create much needed change on a systemic level. As such, we hope the report will be useful to other fashion professionals who want to drive change, and to the organizations, government bodies and public institutions who can help push sustainable development in the industry. Although the report is not a comprehensive overview, it presents crucial practices and considerations from industry professionals that can inspire others. The report is part of In futurum's ongoing engagement with academic research on sustainability and fashion. With this report, we aim to foster a culture of sharing and openness so important in an industry where safeguarding information has been the norm. We want to thank the companies; Dedicated, Asket, Carcel, Artikel, Masai and Filippa K for their willingness to participate and their openness in sharing. We also need to thank Helle Rytikønen, Anders Larsen and Tina Mangieri at DIS for funding and supporting the research behind this report.

As a final note, the interviews were carried out in the spring of 2020, and as we all now, the global COVID-19 pandemic put a stop to almost all physical interaction for several months. For some, this is far from over. Our planned research which was based on company visits had to be changed, but we decided to conduct the interviews remotely instead of halting the research completely. We believe that the cases are relevant in spite of the methodical compromises, and that propelling sustainable change through sharing practices is more important than ever.

Moussa Mchangama and Frederik Larsen
Founders of In futurum

Introduction

A big part of our work with companies and organisation in the fashion industry involves talking to the people who take responsibility for the way their companies and the industry conduct business. When we develop strategies, or facilitate conversations or do research, we are allowed into the very core of the companies, where we get valuable insights on the work they do and the ideas and concerns they have. It often strikes us how personally involved so many of them are, but also how much they doubt the decisions they make. Often, when it comes to sustainability work, uncertainty is a daily companion; are we doing the right things, do we do enough, does it even make sense, should we do something else entirely? A lot of the uncertainty comes from the steep learning curve many have had to take, and the fact that their backgrounds are generally not in environmental science or a similar field, but in design, sourcing, marketing or similar. For many, however, it also comes from a sense that sustainability is a complex 'beast' that is hard to grasp and that the knowledge of what is considered sustainable changes all the time.

There is no question that a deep understanding and knowledge of what constitutes sustainability is essential to creating the right changes. And the professional experience that many bring into sustainability work is what makes it unfold on a daily basis. While outside perspectives often drive change and conversation, the way sustainability is approached and conceptualized will be lost on the companies and the people having to carry out the changes, if we do not understand the industry and company dynamics specific to the fashion industry. As these cases illustrate, informal ways of working are one of the key characteristics of sustainability work in these companies; that kind of knowledge about company processes is crucial to further the conversation and understanding on how we create sustainable practices for the industry.

The notion that sustainability is somehow impossible to tackle is however often a big hindrance. The 'beast' that is sustainability is certainly complex, and the interconnection between social, economic and environmental problems can be difficult to grasp. And it is true that new knowledge is produced all the time, making it an impossible task to keep on top of all there is to know in order to get it right. But the new knowledge produced only really adds to the knowledge we already have; sustainability is fundamentally a set of basic principles and these principles have not changed since they were described in the 1980s. These principles set out directions and take into account the interconnectedness of

social, economic and environmental issues that make up the unsustainable state of our planet, society and industry. The cases in this report illustrate how dedicated people tackle some of the issues of sustainability and show how these principles can be put into action.

The environmental problems are all connected to the fact that human beings are using more of nature's resources than can be replenished, by extracting materials from the earth that take millennia to regenerate, by overharvesting the plants that grow on the surface and the animals that live off them, and by turning many of the resources into substances like plastic, which nature is unable to break down by its self. In short, we are stopping nature from running its own natural cycles.

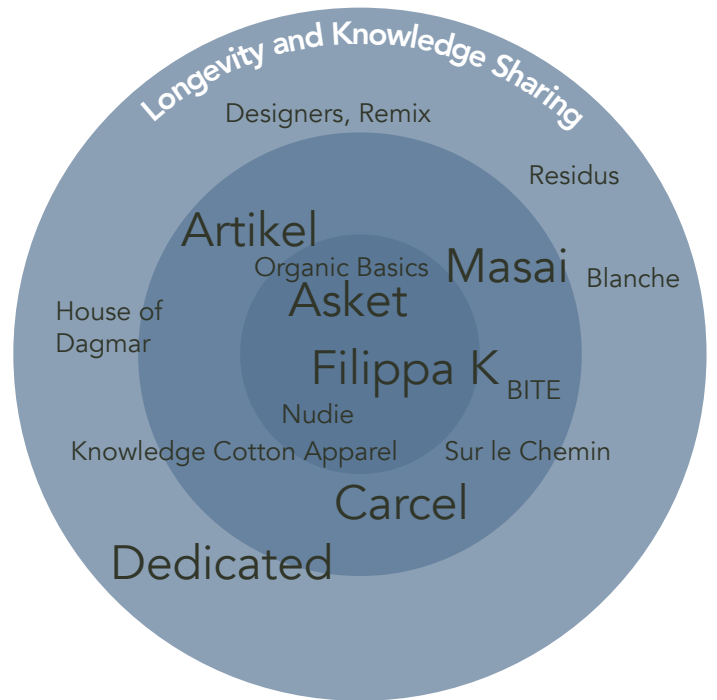
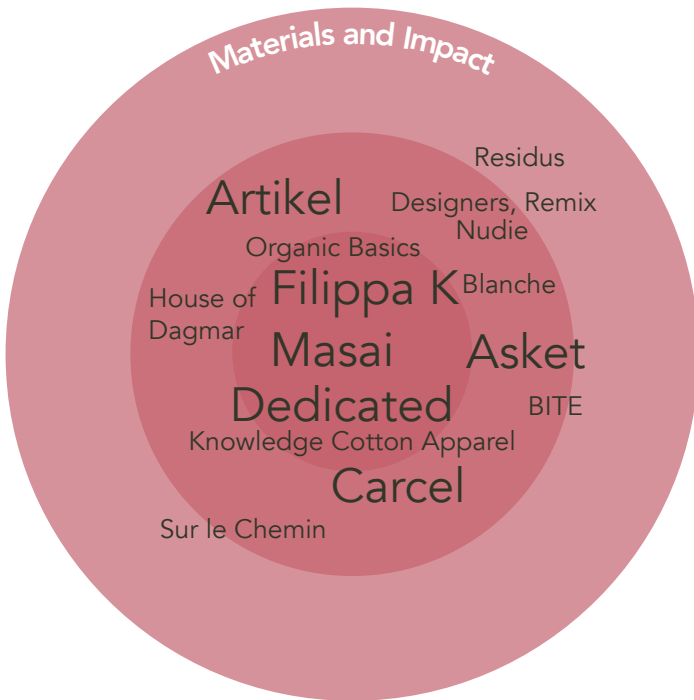
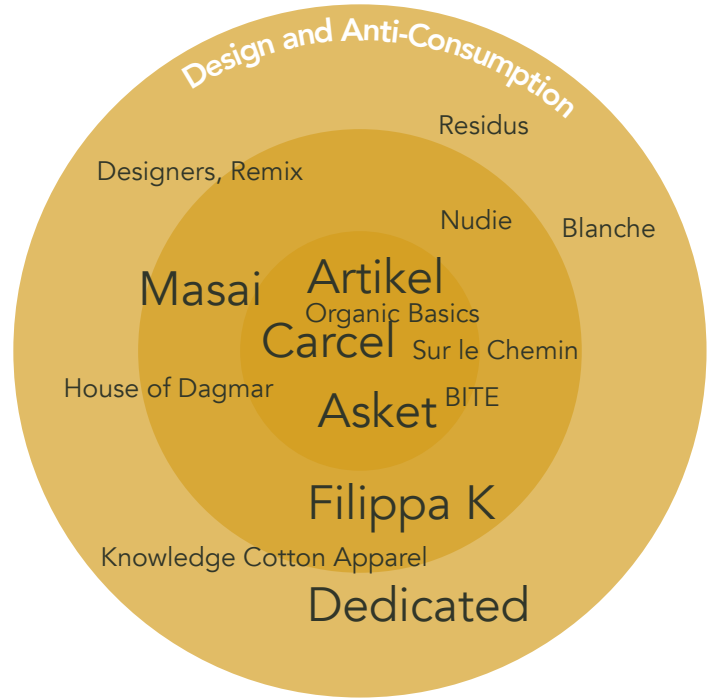
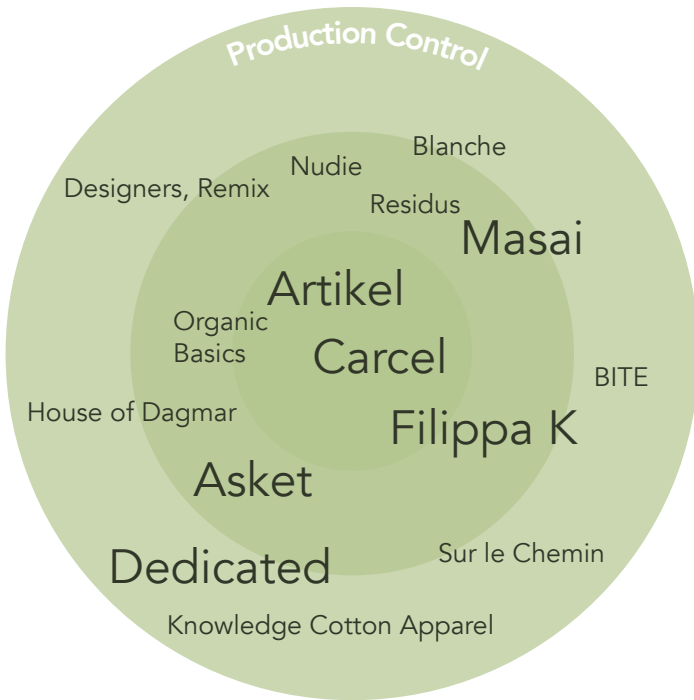
The environmental problems are closely linked to the social and the economic challenges. Human beings have exploited nature at an explosive rate, especially since the beginning of Western industrialization and the global consequences it has caused. While production growth has created economic benefits for people globally, those benefits are distributed unevenly. And in order to extract as much economic value from the exploitation of nature, people globally are being exploited as well. In other words, we are exploiting nature and people for the benefit of the few. As a global industry with a complex supply chain, the fashion industry is the perfect example of these mechanisms.

At its core, sustainability is about setting these unbalances right: we need to make sure we make use of nature's resources at a rate where they can be replenished, and that the benefits that come from this use is evenly distributed, in a way that respects human rights. What that means for the daily decision-making in designing, sourcing, producing and selling goods, is much more complicated. But the principles are the same no matter what.

In this report we have collected cases and examples of practices that illustrate how these principles are being applied to the activities that fashion companies engage in. And while the examples in themselves show how challenging a holistic approach to sustainability can be to enact in a corporate context, these cases do highlight how both conventional and innovative businesses go about creating that change. They show the decisions that have to be made, how awareness grows, how traditional approaches as well as technological innovation can be part of creating more sustainable production and products. They also show that there are routes to take whether you are working in a large company with many, sometimes diverging interests, or in a small company where staying in business can sometimes be a challenge in itself. Central to all of this are the people; doing things every day to push and change how the company operates, and how fashion products are being designed, produced, sold, and used. The actions they take are crucial in creating change, and the fact that they are sharing their experiences is in itself an act for change. While these practices contribute to a more sustainable industry, we should emphasise that assessing the overall impact of the individual companies is outside the scope of this report. It is our hope that this report will contribute to a new culture of sharing in the fashion industry, to push change desperately needed to ensure a future livelihood for us all.

Mapping Sustainable Practices

As our point of departure, we examined 15 fashion companies, that work with a number of important issues relating to sustainability in the fashion industry. On the following page we show how the companies address four main areas of impact. If placed at the center of the circle, the company has incorporated this practice as a core part of its strategy. As the circles expands, the company's efforts in this specific area becomes less incorporated in the strategy. The six companies highlighted with a larger font are the brands we chose to interview as case companies for this research project.



Design and Anti-Consumption

Design is considered a core practice in connection to sustainability. Design is used as a tool to curb consumption, as garments have been designed through style, construction and quality to endure. Designing garments to be timeless and inter-seasonal is a mark of a considered design practice in terms of functionality and practicality. To further pursue longevity, research and accurate sizing has been used to strengthen the design.

Materials and Impact

Material choices are a core sustainable business practice for apparel companies pursuing a more responsible business setup. To ensure the best choices are made, certifications and partnerships have been key to sourcing strategies. Other areas of focus are shipping, packaging and the location of the production of the materials in relation to garment production and distribution; all need to be considered when sourcing. Material choices are also a key indicator of how garments will affect the environment during the rest of the product lifecycle.

Production Control

Controlling one's own production is an effective business practice to ensure ethical standards and mutually beneficial relationships for both business, production facility and supply chain. Owning their production setup or supply chain furthers new possibilities of creating social value beyond a living wage. Transparency, certifications and internal/external procedures are all used by brands to survey and improve their supply chains where they cannot directly take action yet.

Longevity and Knowledge Sharing

Responding to the idea of fast fashion, longevity is a main concern for the industry; fostering relationships between the customer, brand and the garment can ensure the longevity of the item through repair services and knowledge sharing. The use stage of a garments' life is a direct focus, with brands offering repairs and/or customer surveys to improve the products, design, size, function and quality. Knowledge sharing is both considered in terms of consumer communication and in the industry itself, as partaking in talks, conferences or research to elaborate on ones practices.

Cases

The visualisation on the previous pages create an overview of some of the focus areas of sustainable fashion businesses in Denmark and Sweden. In the following we dig deeper into six of the companies to present their efforts, and the issues they have faced in bringing sustainability into action. We begin by introducing the company and their business model, and continue with an overview of their sustainability practices, and the hurdles and benefits they have experienced.



Carcel is a Danish social impact-oriented brand founded by Veronica D'Souza in 2016. Already a social entrepreneur, D'Souza sought to understand why women in developing countries, especially young mothers, end up in prison; many are ethnic minorities with below average education, incarcerated for non-violent crimes, only increasing their marginalization and vulnerability. Carcel is D'Souza's solution to provide the women, many of them talented craftspeople, with access to education, quality materials, and high enough quantities of products, to make them thrive and build a future while, in Carcel's own words, ultimately trying to humanize and reform fashion. Carcel currently produces in two locations; Thailand and Peru.

Business Model

Carcel has implemented a business structure based on the concept of creating social value. The company has placed women's accessibility to opportunities and education at the core of the brand and built production and business around this. Due to their mission, Carcel aims at ensuring stability and commitment for the workers. Carcel only sells through their own online platform, does not design based on seasonality and never reduces the price of their garments, which has enabled their entrepreneurial acclaim as a juxtaposition to the conventional fast fashion business model. Finally, Carcel's sustainability approach is heavily focused on the creation of quality products and reliable demand, whilst also looking toward areas of environmental impact in fabrics, production and packaging.



Image of a garment worker in a Peruvian prison factory



Brand Image

“If we don’t want to put our products on sale, we can’t scale through retail the way the model works now. Because we’re going to end up taking the risk of a minimum of 40 percent of their order. Or they’re going to put our products on sale. That’s just not going to work when you have no collections and no seasons.”

Veronica D’Souza
Founder of Carcel

Carcel

Business Practices

Production Control

For Carcel to successfully provide these women with opportunity, economic independence and dignity within the work place, the company has implemented a set of business practices and ideals; production facilities are seen and communicated as an extension of the office in Copenhagen, local employees work onsite with the women every day, and members of the Copenhagen team conduct regular visits. D'Souza wants to mitigate an exchange of information, as the incarcerated women share their knowledge and craftsmanship and Carcel provides courses in subjects such as financial literacy, English, and entrepreneurship. Carcel tries to present the women with the opportunity to provide for their families and save up funds for a better life after prison. To do so, Carcel openly commits to paying wages higher than local minimum wages in their production countries and to limit working hours. Acknowledging that prison labour is a contested field oftentimes without any regulations, D'Souza has worked intensely to develop the first global Code of Conduct for the use of prison labour, presented to the OECD. The names of the women who manufactured the garment is written in each tag, as Carcel aims to establish a connection between the consumer and the women, humanizing manufacturers and imbuing the garment with meaning. This is meant to inspire long-term use and caretaking of the product at the consumer end.

Materials and Impact

To reflect its mission, Carcel actively communicates their choice to only source biodegradable fabrics that are local to the manufacturing locations; alpaca wool in Peru and silk and lyocell in Thailand. This means low levels of CO₂-emissions in the distribution of materials to production and local knowledge of the materials. Silk and alpaca wool are luxury fibers, both high in durability and economic value; accordingly, garments should retain quality and value over the years.

Design and Anti-Consumption

Carcel has no seasons. The design approach is based on the idea that products should not lose value over time, as their quality does not change, and therefore should not go on sale. The brand additionally tries to avoid overproduction by producing limited quantities, further retaining economic value and allowing for ethical wages.



Image of a garment worker in a Thai prison factory

Hurdles

Carcel has faced numerous challenges in their business setup. Moving away from their online-only model of selling their products on their own website, the brand started working with large-scale retailers as the result of increased global acclaim and awareness of Carcel as a brand. These retailers encourage and rely on the normal fashion cycle, including seasonality. They not only require more frequent, higher quantities of garments for new seasons, but also require items that are not sold after multiple seasons to go on sale or be incinerated. In order to avoid this, Carcel has previously been forced to buy their items back, eliminating any risk for the retailers while misbalancing the business model for Carcel. The brand has taken back ownership of selling their products via own channels and do no longer sell through retailers and partners. Limiting its offering to alpaca wool in Peru and silk and lyocell in Thailand comes with its difficulties; the limited list of materials calls for certain production and design techniques that has proven challenging for the brands' designers. Additionally, in aspiring to minimize waste, Carcel employs a technique known as polyfashion, which allows scraps to be repurposed into new fabrics. Such techniques require specific production setups and influence the design process, which calls for new knowledge and design practices.

Benefits

Carcel controls their own production line and—again—their own sales channels. With no stock, the company takes less of a risk when markets or tastes change, which has proved valuable during the COVID-19 crisis. This setup calls for smaller investments in samples and development of new collections, as all collections are direct to market. This makes Carcel resilient against future uncertainty. Furthermore, Carcel can implement concepts of transparency and traceability and be open about their price calculations, precisely because they control production. Introducing graphs that showcase wages, production and materials costs, shipping, etc., is increasingly becoming an aspect of the brands' strategic sustainability communication, just as showing production facilities and workers through videos or photos has proven valuable to Carcel.



Image of garment workers in a Thai prison factory



Asket is a Swedish menswear brand founded by August Bard Bringéus and Jakob Dworsky in 2015. Bard Bringéus and Dworsky met in business school and founded the company because of their shared frustration over the difficulties of finding quality clothing that fit them properly. Without previous experience in the fashion industry, they began examining t-shirt production as a means of getting started and a steep learning curve followed before Asket became a reality. With production in Portugal, the founders aim to marry social sustainability principles with a business model that lowers consumption and counters the fast fashion movement. Based on principles of traceability and transparency, Asket describes high quality, well-constructed, and perfectly fitting long lasting pieces as main objects of their design process. Asket is an online-only company that only sells directly to consumers.

Business Model

At the core of their business, Asket aims to challenge conventional notions of how fashion business and growth is carried out. Instead of ever-changing seasonal collections, they carry a range of so-called wardrobe essentials like t-shirts, sweaters and chinos. While they do launch new products and add colors or new and sustainability-optimized materials, they also tweak existing designs based on customer feedback. This gives Asket a platform to communicate a model that implies decreasing overall consumption for a customer, as they instead want consumers to buy a few staples and leave it at that. This makes for a big communicative and tech-driven focus on growing the number of consumers instead of getting existing ones to buy more product.



Brand image

“ If we grow, it should be because someone chooses us as a better alternative to something else.”

Jakob Dworsky
Founder of Asket

Asket

Business Practices

Longevity and Knowledge Sharing

To keep customers engaged after purchase, Asket offers a customer feedback system where considerations and ideas from consumers are taken into account. Each year, a customer survey is sent out and feedback from this is used to make tweaks to design and production processes; these are then shared on communication channels. The system works precisely because Asket offers a permanent collection instead of a seasonal one, as the latter gives feedback less impact as products are likely to change all the time.

Bard Bringéus and Dworsky require employees to participate in knowledge sharing through the platform Slack to keep everyone updated on sustainable business practices, fashion industry news and to further ongoing and internal self-education. This should maintain passion on the subject and further align all employees on Asket's sustainability initiatives and mission. Still a relatively small company of 12 employees, these methods replace that of an actual HR-department with a specified educational program.

Design and Anti-Consumption

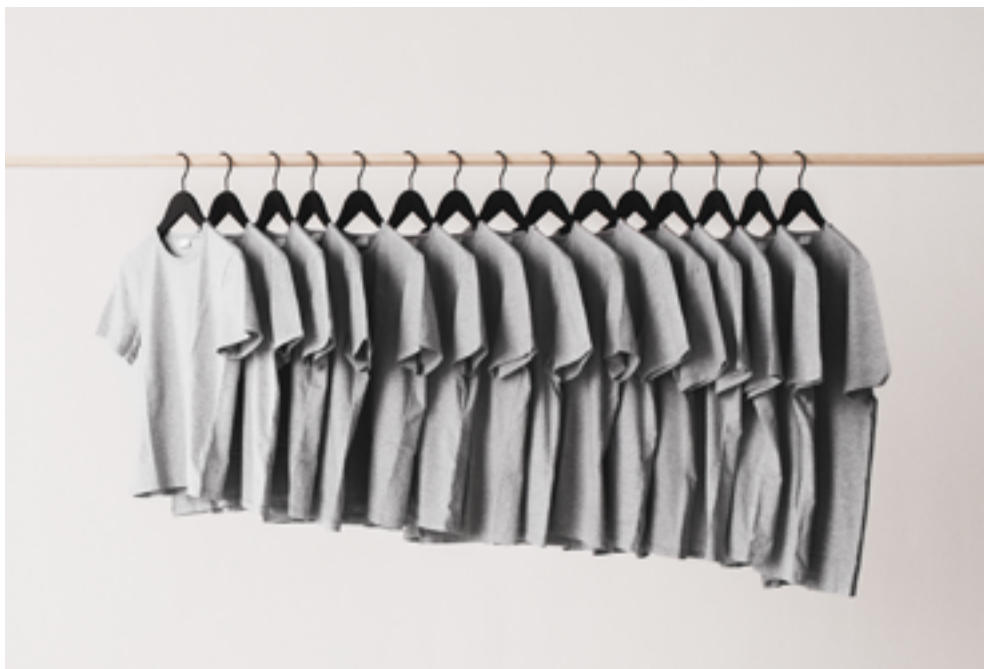
Bard Bringéus and Dworsky emphasize the concept of reduced consumption—also as a design principle. The permanent collection is intended to be finite; at one unspecified point they will stop contributing new products. Slowing down consumption is reflected in the design process and visual communication of the company as well; Asket aims to show customers how little they need by creating well-crafted non-seasonal pieces and by asking customers if they really want to buy something before paying on the e-commerce platform.

Hurdles

For Asket, the decision to focus more on reduced consumption rather than organic or recycled materials have been prevalent, and the founders address this continuously with the argument that the fashion industry should shift towards a focus on quality to reduce overall consumption, instead of mass production of goods in certified materials. While they are transparent about this choice, questions on why companies shouldn't do both have to be asked and Asket has decided to up their own focus on certified and more responsible materials. Furthermore, while they successfully maintain a de-growth focus for the overall industry, it can be experienced as challenging to maintain this focus while also growing a company at the same time.

Benefits

Asket's feedback system adds a level of loyalty and trust between brand and customer and makes for satisfied customers that will create brand awareness by word of mouth. The permanent collection also gives better knowledge on the supply chain, crucial to a brand like Asket that provides this information through traceability reports, just as they map progress and challenges visually on their website. The pricing strategy is intended to exemplify the notion of transparency; production costs are broken down and a suggested retail price, sometimes 100 pct. higher than that of Asket's products, is shown as well. Prices are kept down by bypassing retail, only selling online through own channels. Controlling their prices, discounts and sales are not offered by Asket, which should allow them to put the customer and the workers first.



Brand image

Masai clothing company is a Danish womenswear company founded in 1992 by Nina and Hans Rye. The company is now owned by the British firm Arcmont Asset Management, under the leadership of Margaret McDonald and with Sidse Jensen appointed CSR & Sustainability Manager. The clothes are sold in 25 countries and the company operates 14 own concept stores. Masai's collections are described as part of a creative lifestyle and as a company they are 'committed to thoughtfulness'. The company works on a number of different initiatives to improve its environmental impact and partners with different organisations to achieve this, including the FSC Denmark to become the first Danish fashion company to get an FSC-certification for their viscose supply chain.

Business Model

Masai uses international sustainability frameworks, partnerships and certifications to set a sustainability agenda within a conventional fashion business model. With seasonal collections at their core, they do address the whole product life cycle in their practices and external communication. While investing within the supply chain and materials in the early phase of the garments' life, Masai also addresses the use and disposal stage of the product, communicating on every step in the product lifecycle. Dedication to the product lifecycle does not yield direct economic profit and is used as a business practice rather than a core part of the business model. The early life of the garment is addressed through production and materials, the use stage with guides and tools to find the right fit and the end stage by creating a plan for the garments when they are no longer worn.



Brand image

"...the way that the company previously worked is really the foundation of the way that we work with CSR and sustainability today; knowing and engaging in our supply chain and working closely together to solve the challenges that we might face. These are suppliers that, for the most part, have been with us for many years and we've shared our development and our successes as a natural part of our partnership."

Sidse Jensen
Sustainability Manager

Masai

Business Practices

Materials and Impact

Masai's sustainability strategy is focused on 60 pct. of Masai's garments being made of wood-based viscose and it has been a goal for the company to certify this process and maintain a focus on lowering their environmental impact through the use of natural fibers and certified supply chains. To achieve impact, reduction partnerships are a main driver for Masai's sustainability efforts, with many different initiatives being communicated. A partnership with the FSC has certified the viscose supply chain, a first for a Danish fashion company, and a partnership with environmental organisation Canopy focuses on responsible stewardship of rainforest, seeing that the main part of the company's collections is made of wood-based materials. The UN Sustainable Development Goals also guide the company's sustainability work, with a specific focus on goals 6 (Clean Water & Sanitation), 12 (Responsible Consumption & Production), 15 (Life on Land), and 17 (Partnerships for the Goals). A partnership with the Danish Red Cross focuses on take-back solutions in a few of the brands' stores to facilitate a focus on circularity.

Design and Anti-Consumption

Through their external communication, Masai presents an awareness of an older customer segment than the conventional, young female fashion-driven marketing segment. Communication is centered around comfort, style and the possibility of everyone showing their personality. Models are often older and more mature than conventional fashion models, reflecting the core consumer segment for the company. To help customers choose the right garments, the brand publishes a Shape Guide, where designs are categorized by construction to help customers navigate and find the right fit for their body. Categories include 'Shaped', 'Bias', 'Oversize', 'Fit', and more. All categories have small descriptions that elaborates on how the construction works on different bodies. This allows for a more personal service to the customer, where they can accurately choose the right item for themselves, hopefully resulting in longer use and more wears of the item.



Image of Masai's shapes used for fit and style

Hurdles

As the company started as a conventional fashion company and retailer, Masai is having to change from within while running its business simultaneously. This proves a long journey as conventional understandings of business, growth and seasonality has to be integrated with fundamental sustainability principles. This approach of changing the company towards a more sustainable model is heavily reliant on business practices for its success. With one sustainability manager employed having to drive change, it is the responsibility of this person to implement and negotiate initiatives and practices with other management and staff to ensure a continued and integrated focus on sustainable practices. Using certifications and communication as tools, driving new initiatives forward is relying heavily on the diplomatic and negotiating skills of that one sustainability manager.

Benefits

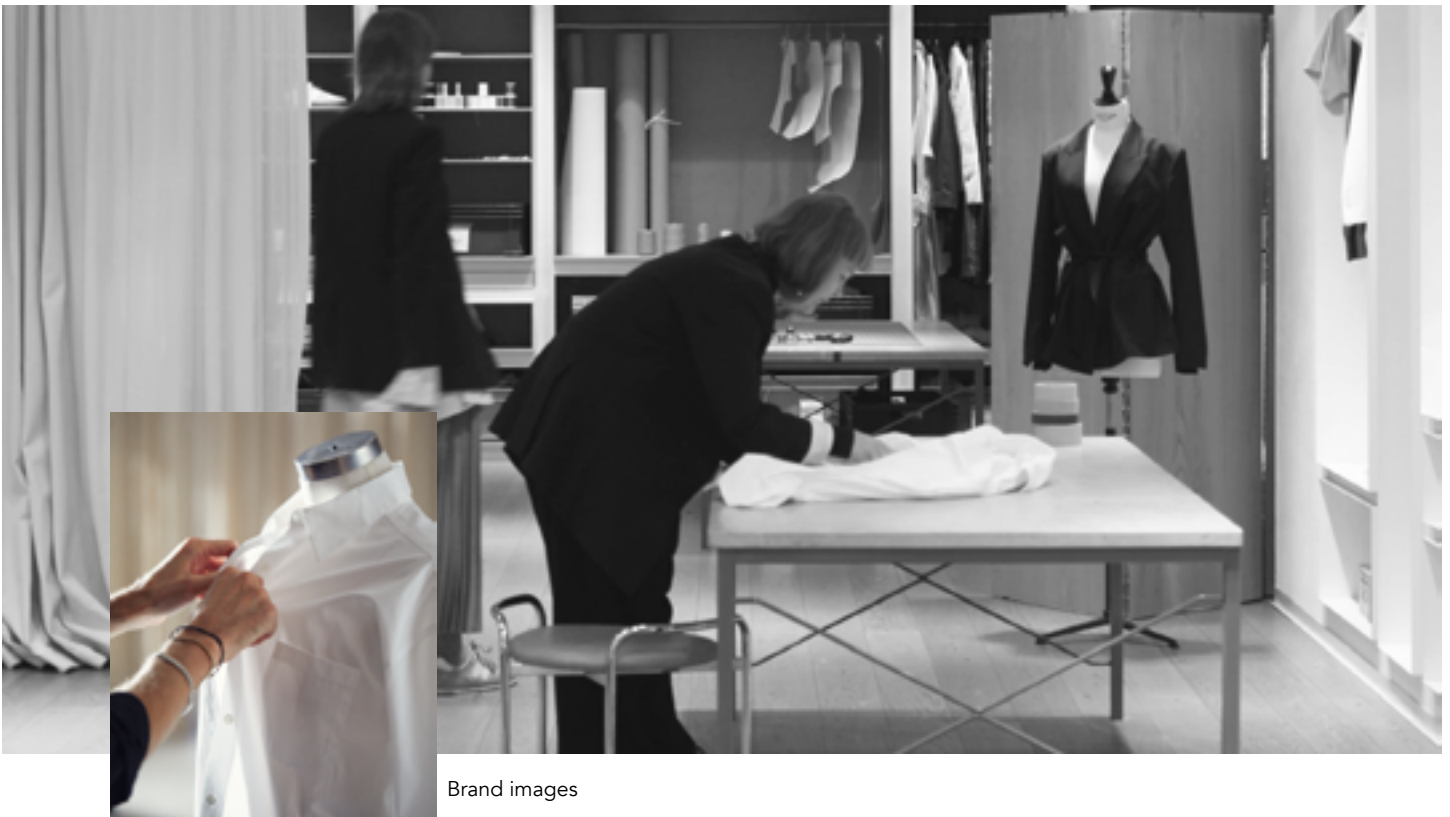
Masai's business structure and their consumer segment allows the company to have a larger audience with their clothes being sold in 25 countries. This, along with their dedication to more accurate and inclusive styles and sizes, also encourages customer loyalty and offers more accessibility to customers looking for sustainable options. Being a bigger company, owned by an asset management company, means having access to economies of scale. This allows Masai to have a more accessible price point while also giving them economic opportunity to invest in certifications such as the FSC.



Filippa K is a Swedish brand, founded by Filippa Knutsson and Patrik Kihlberg in Sweden in 1993. Leadership has since changed several times, until the brand was handed over to Kristofer Tonström in 2017. Jodi Everding, Fabrics, Trim and Sustainability Manager and Emilia Castles, Menswear Designer, are orchestrating the sustainability initiatives. Filippa K has focused on producing minimalist, high-quality work and loungewear for modern men and women since the foundation. Paired with a Scandinavian design ethos, the brand connects its focus on understated elegance to its sustainable practices. Filippa K has incorporated sustainability by producing less, providing repair, and recycling used pieces, covering every aspect of a garment's lifecycle. The company's beginnings are more similar to that of a conventional fashion brand, but its more recent sustainability efforts have differentiated the company through media and PR efforts and through public speaking at international fashion and sustainability events.

Business Model

Filippa K works to holistically adopt sustainability throughout the company, its products and services. Concepts of quality and timelessness are at the center of the business, married with innovation to pursue sustainability. This has resulted in sustainability efforts being a big focus and driver in exploring existing and potential new business practices. With numerous initiatives being launched (and some closed down again), the company has addressed every aspect of the product lifecycle from material choice, production, design, consumption, repair and afterlife. Currently, the focus is on the impact of the supply chain, on circularity and stability through responsible consumption and production, and on how to holistically adopt sustainability throughout a company based on a conventional business model. Filippa K has explored alternative business models and concepts of circularity but has yet to implement a full circular business model to its core.



Brand images

“Yeah, I think it’s all about longevity for us, and the timeless design; long-lasting, quality garments. So, that is where this repair studio came from: to take back our things, repair them, remake them, help people, support people to keep their Filippa K garments in use.”

Jodi Everding
Fabrics, Trim and Sustainability Manager

Filippa K

Business Practices

Design and Anti-Consumption

From the beginning, Filippa K has communicated 'timelessness' as a core concept, with a wish to extend the lifespan of their designs. This concept is furthered by consumer feedback; Filippa K conducts wearability surveys, sourcing ideas from thousands of women in Sweden. Through communication tools, the brand actively pushes the extended use of their products by providing ideas of how to wear their garments differently, providing consumers with a new asset to their wardrobe, revitalizing the product's usefulness. The brand also claims to respond to functionality issues by constantly editing designs that have flaws noted in consumer use. Lastly, Filippa K provides specific washing tips and care products that lengthen the life of a garment. The result is "timeless" designs, about 35 pct. of which consequently never go on sale, or otherwise lose value. Extending the focus on continued use, Filippa K initiated their Collect and Lease concepts in 2015, which have since been discontinued. There are efforts in place to revamp these initiatives, just as Filippa K additionally furthers product reuse through repair, with free repair services provided up to 10 years after the purchase of a garment. If no new use can be found for a product, the brand ensures that the garments are recycled properly.

Materials and Impact

Filippa K also takes a more traditional approach to creating their garments more responsibly, monitoring resources through a focus on their energy-consumption, water-use, and pollution. By 2030, the brand aspires to be carbon neutral. Working to increase the overall use of more responsible fabrics, implement natural dyes, and reduce water, they launch special projects to further their efforts; in a wool-sourcing project, Filippa K works to minimize national waste by utilizing a local resource of Swedish wool. This material has traditionally been neglected, and provides a natural, biodegradable textile.

Hurdles

In 2015, Filippa K initiated their Collect and Lease concepts, which have since been discontinued. Often touted as one of the leading fashion companies in terms of aligning their business with sustainability principles, Filippa K is known as a first mover in their practices. As consumers on a large scale are only now increasingly becoming aware of the lacking sustainability aspects of the fashion industry, it can be considered a general hurdle for ongoing practices to be too early in ones initiatives. While Filippa K has a formalized way of sharing practices through media, talks and conferences, thus driving and pushing conversation, some consumer-faced initiatives have been less succesfull, perhaps because they have been launched too early. Having to negotiate that within a business is a hurdle in itself; having to move back and forth between initiatives and re-launch old initiatives based on current consumer demand makes for a challenging everyday for the people working with sustainability within the company.



Brand image

Benefits

In asking for consumer feedback, implementing changes, and publishing sustainability progress, Filippa K internally and externally communicates a commitment to transparency. The sustainability reports are published every year, and consist of hundreds of pages that cover materials, waste, energy and water consumption. The reports even include design considerations, for example changing the closure on a jacket from a zipper to buttons for recyclability purposes. These initiatives are all published, some of which have even warranted in-store installations, press lunches, or panel talks in their stores. While the reports are too dense for everyone to dive into, it highlights the depth of knowledge the company has of its own practices and efforts; having to externally communicate on many different aspects calls for employees not working directly with sustainability to be accountable for examining and driving the company's efforts in their areas of expertise. Through high transparency, repairs, and in-store events, the brand sets up a close relationship with their customers. This encourages trust, engagement and loyalty with their customers whilst also serving as an effective communication tool.

Dedicated

Founded in 2006 by Johan Graffner, Dedicated is a Swedish brand with products based on organic and certified materials. Graffner founded Dedicated after having seen how harmful regular production was to the planet, creating a brand with the aim of marrying style and sustainability. Originally, the company only sold T-shirts, but it shifted to a wholesale model in 2012. This led to an expansion of the product range and today, Dedicated offers a wide array of products. In 2017, the company hit a turning point and became profitable; this led other businesses to catch on to their agenda, marking Dedicated as a sustainability-driven conventional fashion brand to follow. As the concept of sustainable fashion has spread, Dedicated has gained interest precisely because they aim to marry sustainability principles with popular trends. “We bring flavor to sustainable fashion. Low impact, high standards. That’s our promise,” Graffner says.

Business Model

The brand is an established fashion retailer that follows the conventional business model and aims to integrate sustainability principles and practices into that foundation. Dedicated’s approach to sustainability is focused on addressing their impact within the supply chain and sourcing, with material choices and ethical production at the core of their practices under the guidance of Margaux Schleder, CSR-Manager. The company aims to base the economic growth of Dedicated on their sustainability principles, working on developing a framework for new production facilities that allows them to grow production without compromising their values.



Brand image

“The priority to start with was to improve the traceability of our product, mapping our supply chain. That was the first thing; without this you cannot do anything. If you want to measure your impacts, your emissions, you need to know your supply chain first.”

Margaux Schleder
CSR-Manager

Dedicated

Business Practices

Materials and Impact

Dedicated has made a commitment to using GOTS (Global Organic Textile Standard) and Fairtrade-certified cotton, Tencel, and recycled polyester. With their use of certified materials, Dedicated actively work on lowering their impact as part of their core design strategy. As all certified materials noticeably lowers (virgin) resource use, water and chemical usage, etc., Dedicated's use of verified organic materials and recycled fabrics is a foundational step in them cutting down on their emissions and reduce their waste.

Production Control

Dedicated is working on creating a framework to filter through new suppliers to make sure they meet all sustainability demands and expectations. The ambition is to be able to verify their partners' environmental impact and sustainability efforts, when they aren't able to visit the production sites or before they get the chance to. Many of the companies' suppliers have been long term partners of the company; Graffner has visited repeatedly, has built relationships and checked in on materials and facilities. But as part of the company's expansion, a method that ensures a quick assessment of potential new partners is needed. The framework will also ensure consistency in what requirements their partners need to meet, allowing for a heightened focus on transparency; as of now, Dedicated provides information on suppliers, what certifications each supplier has, when the site was last visited, information about workers, and where they are located.



Image of brand slogan used for communication and merchandise

Hurdles

Developing their own framework for ensuring the sustainable foundation for their new production sites, Dedicated works to ensure a level of consistency needed for most conventional business companies. As a trend- and consumer-driven company, the need for communication is an important aspect of their efforts; tying it in with one's sustainability initiatives is a core concern and challenge for many companies. When asked specific questions on things like wages, working hours at factories, etc., the company aim to communicate with honesty at their cores; recognizing potential issues and discussing steps to be taken externally, they often acknowledge that they have a long way to go.

Benefits

Conventional fashion business models are based on the outsourcing of production; often to countries far away from the company's headquarter. Oftentimes, this can cause issues with traceability as the seasonality of collections mean products change as new designs are introduced. Dedicated have experienced these difficulties firsthand; how difficult it can be retrieving information and ensuring company values are carried through, throughout the supply chain. Therefore, mapping the supply chain is an important first step. As part of their growth and the expansion of the product range, Dedicated acknowledges the difficulties in mapping the entire supply chain and getting an overview of second, third and lower tiers of suppliers. As a relatively small company of about 15 employees, the amount of work it takes to map and process information is rather large; hence, trying to create an internal system to cope with this is important in ensuring their future efforts.



Dedicated production in an Indian factory

Created in 2017, Artikel is a family-owned combination of clothing brand, production facility and store, run and founded by Helle Jørgensen and her sons, Malthe and Gustav Risager. The store in central Copenhagen displays a limited array of designs while the backroom serves as production facility. All pieces are made to order and measure, limiting the need for stock and minimizing waste. With no seasonal collections, all designs are crafted around the same construction principles and categorized A, B, C, D for either Jacket, Pants, Skirt, Shirt and then numbered depending on fabric and color. All materials are made in the EU with the exception of jersey from Japan and all fabrics must be in 100 pct. natural fibers and in extra durable qualities; many fabrics are leftover furniture fabrics by Danish producer Kvadrat.

Business Model

Artikel re-invents the conventional system, as they merge the idea of a permanent collection with made-to-order garments and an online sales platform, creating high quality pieces that can be individually tailored for each person in house. It is the direct opposite of the fast fashion model and can be considered much more historically traditional; based on tailoring, made-to-order and longevity, it is now meant to oppose (over)-consumption and production at its core. Furthermore, Artikel has complete control over their product, production and selling point. Furthering their approach, Artikel also considers sustainability principles as an integrated aspect of their material choices and design approach.



Image of in-house production



Brand image

“It’s super exciting to create a garment that can last for a lot of years. 10-20 years, we often talk about. It’s not even certain that we will exist for such a long time. But that is our ideal.”

Malthe Risager
Co-Founder of Artikel

Artikel

Business Practices

Production Control

Artikel produces the main bulk of their pieces on a made-to-order basis, minimizing the need for stock. Controlling their own production line, they have made calculations on how to approach production before the business is profitable. This way of producing in-store makes it possible to alter pieces specifically to the wearer and customers are able to see the production in the backroom when visiting the store. Artikel makes an effort out of communicating directly to customers how garments are crafted, arguing that it imbues the pieces with extra meaning and quality for the wearer. Thus, the idea is to connect the business and production setup itself with a more emotional approach to buying fashion; this is at the core of their branding and company presentation.

Materials and Impact

Materials are a key focus for Artikel, with descriptions of their material strategy being a core part of their external communication. 100 pct. of the materials are natural, but the most important aspect is durability; all fabrics are stressed and tested thoroughly and Jørgensen, an educated designer with a background in conventional fashion businesses, considers thread-count and durability a key factor; many of the Kvadrat-textiles used for especially jackets measure 100.000 on the Martindale scale, a measure of durability, a number Artikel claims is ten times higher that of standard fabrics. This approach is the foundation for Artikel's argument that they make long-lasting pieces made to be worn; the fabrics themselves are created to endure and pieces are often fitted or customized individually to the consumer.



Image of in-house production

Hurdles

For Artikel, the aim with only selling through their own online and physical store is clear; even though they could expand their client base exponentially by adding wholesale or finding retailers to their designs, they consider it a major component of their brand to be able to invite customers inside their world and present a curated universe with production facility. This, though, proves a challenge in terms of growth. With their family setup and backgrounds in both conventional fashion businesses and the creative industries at large, it has proved a process to first unlearn old ways of working, paving the way for new ideas on growth and profitability and figuring out how to manage a company around that—all while managing the company. Spending a lot of time calculating and altering their processes to optimize their workflows and time spent on production, they continuously re-evaluate their daily operations to ensure their business is not just profitable, but also—on a more emotional or human-centered note—driven in a way that they feel comfortable with.

Benefits

Because they control their entire production setup themselves, Artikel can be very open with their price calculations, as they know all steps of their setup. They can elaborate on costs, pricing strategy and production setup, just as they show their production facility and store online. With their production and made-to-order setup, where customers have to either order directly in the store or via the online shop, Artikel's business model takes into consideration the initial risk of investing heavily in stock and fabrics while also building close and emotional relationships with the customers. Minimizing the financial risk of establishing a brand lessens the need for investors and seed capital, a main consideration for the owners, because they get flexibility as well as the freedom to plan, make changes or grow in their own pace.

Key Themes

Addressing Transparency and Consumption

Although sustainability has become a dominant subject in the industry, many companies are still unsure of where to start. This research project has clearly identified two key themes that the case companies are either founded on or working with. This section offers thematic insights on transparency and consumption as a way for businesses to understand and reflect on their importance. These themes are not just integral for the case companies, they are crucial for any company wanting to better their impact on people and the environment. While transparency work helps companies understand their own practice, supply chain, risks and impact, a committed focus on consumption is fundamental in addressing the root cause of many of the social, environmental and economic problems caused by this industry; the unsustainable levels of production and consumption.

A Step on the Way: Transparency & Traceability

Being transparent and incorporating notions of traceability has become a major concern for companies in their efforts to map and understand their supply chains and accordingly minimize footprints and emissions. It is proving a big task for many companies—especially the ones founded on conventional business models. Transparency proves a requirement for creating sustainable change within the companies built on conventional business models, as they rarely have sufficient knowledge about or control over their supply chains. For Masai, the foundation of transparency is built around the fact that the supply chain and many of the suppliers have been the same for years: “I still feel like we’re pretty green in terms of sustainability. Masai wasn’t born green or sustainable. It just wasn’t on the agenda. But the way that the company previously worked is really the foundation of the way that we work with sustainability today; knowing your supply chain and being faithful to it, collaborating with your suppliers. We don’t just give them an order and a time of delivery. These are suppliers that, for a big part, have been with us for a lot of years. I would say that feeling of responsibility on all levels, both in terms of economy and how their production is done, that goes all the way back to the way Masai worked in 1992. Knowing where things are made, being transparent and recognizing our responsibility to that supply chain. And then we’ve gone into traceability and gone all the way back to the sources and the fibers. The only way to address it and create changes in your chain, is to know what goes on in it. So that’s the foundation of sustainability for us.”

For Dedicated, a major focus has been the Fairtrade or certified organic materials. In their

very nature, certifications allow for an aspect of transparency and certainty, but as part of their sustainability initiatives, transparency and traceability become a main focus, says sustainability manager Margaux Schleder. “The priority to start with was to improve the traceability of our product, mapping our supply chain. That was the first thing; without this you cannot do anything. If you want to measure your impacts, your emissions, you need to know your supply chain first. So the first objective was to—and I’m still working on it because it’s big, it’s the biggest thing to do to start with sustainability—contact all the suppliers and make sure they comply with our basic requirements because we didn’t even have a code of conduct. And I had to ask our suppliers who their suppliers were. Who is doing this and this part of the production and where does your cotton come from? So that was a priority. And then from this, we’re going to try to make them understand that this is a collaboration. We’re not trying to assess them and say, ‘if you’re not good enough, we’re going to leave’. If they don’t see what’s the point in respecting these rights or to have management systems in terms of environmental impact and things, then we really try to get into that process where they understand what the benefits are for them as well.” In this way, working with transparency and traceability might not only become a driver for a company’s sustainability, it also provides valuable insights to the company and reveals what questions need to be answered. On this, Schleder notes that she is often asked specific questions on wages, working hours at factories, etc. Many certifications state that companies must pay living wages but does not necessarily provide a baseline for what that pay should be.

When asked about this, Schleder notes she answers with honesty, recognizing potential issues and discussing steps to be taken, while acknowledging that Dedicated isn't all the way there yet. This approach or concept of being open about business operations and supply chains is not something previously practiced by conventional fashion companies and so highlights one of the ways in which transparency changes company communication to buyers, consumers and partners.

Asket, on the other hand, offers insights on how transparency and traceability become an ingrained part of their communication efforts and strategy, due to the nature of their business model and the differences in that from conventional ones. In itself, it becomes a driver to create further change and more initiatives in an ongoing process. As August Bard Bringéus, one of the founders put it: "The most radical difference in how we started and what we're doing is the permanent collection, because that's what allows us to do everything else. That's what allows us to spend the time with research and to trace our products back; it has allowed us to have the full truth, its sustainability standard and going further also to impact assessment; calculating the impact based on what we've learned and a traceability standard. So very gradually every year, with every product we release, every new factory we add, we realize both the increasing complexity of the industry and the supply chain and our potential in doing things very differently compared to others."

Companies like Carcel, Artikel and Asket gain many insights and advantages from having no seasonal collections. As it is easier for them to

trace their supply chain because their products are available for many seasons, they are also able to be very open with their price calculations, because they know all the steps of their business already. On this, Bard Bringéus of Asket notes: "I think that it's been a gradual realization of the potential in our foundation, how the permanent collection will help us with more sizes; skipping wholesale will help us make a price point attainable to how this actually should be—you know, when we started, our main concern was how we explain quality and all the beautiful things about this product without having a physical store and physical touchpoints, and very much inspired by Everlane, we started with transparency; showing the factory where the T-shirt is made and showing the pricing, basically with the factory images and open factories manifest, quality and our pricing manifest. And then we realised that the reason we can do this, and others can't, is because we have fewer products; in the beginning, we had just one. If you have seasonal collections that change all the time, you're not able to document the factories. So that gives us an advantage and makes it really hard to copy this. It is the same thing with the pricing. If you have wholesale, you have no incentive to show all that markup. Because people are just going to ask what the hell they're paying for."

The End Goal: Reducing Consumption

The need for an overall reduction of the pace of production and consumption created by the fashion industry is an essential aspect of building a sustainable future. For smaller start-up companies built on new business models, like Asket, Artikel and Carcel, reducing production is a main concern. The founders of Asket state that the fashion industry should shift towards an overall focus on quality to reduce overall consumption, instead of continuing or expanding mass production and 'just' changing to certified materials as the only means to sustainable development. Dworsky elaborates on their approach to growth and the connection to the reduction of consumption and production; in terms of growth, they "don't want to do that by growing the size of the industry, by growing the number of items that people purchase. If we grow, it should be because someone chooses us as a better alternative to something else." In that, Asket speaks to the heightened competition between brands; consumers should choose the best alternatives but reduce their overall consumption. Therefore, brands need to cater to that and clearly identify how their products reflect this perspective and engage consumers in a dialogue around this topic. Understanding whether and how consumers actually reflect on lowering their consumption patterns when supporting these kinds of new businesses could be an important topic to examine and address in the future.

Aiming to reduce consumption is part of several aspects of Carcel's business model; controlling their own production line and the dogmatic idea of only selling pieces through their own online universe speak to this. With no stock, the company takes less of a risk when

markets or tastes change, just as there is a smaller investment in developing styles as no big collections are produced before they are being put on the market. This approach was challenged by Carcel's success and the demand from big retailers as they got internationally acclaimed retailers asking for products in light of their global success in the press. Carcel agreed, but trying out traditional retail and accepting global retailers became a turning point for the brand that proved difficult with the business structure and came at a big financial cost. D'Souza has since retracted, so that the brand is now again back to an unconventional business model and their own online platform as the online source of selling. D'Souza connects the idea of the business model to that of both financial risk and taking control over production and consumption of their products once again. "If we don't want to put our products on sale, we can't scale through retail the way the model works now. Because we're going to end up taking the risk of a minimum of 40 percent of their order. Or they're going to put our products on sale. That's just not going to work when you have no collections and no seasons. Everything we believe in is in trying to maintain value, to create something that has quality that doesn't diminish. I think that's also been the key strength we've seen right now in the COVID-19 crisis."

Generally speaking, traditional fashion retailers might be interested in innovative businesses, but their terms are not suited for companies that challenge the speed of retail and the constant need for newness. This proves a major concern for future business opportunities and therefore the overall reduction of consumption,

because innovative new companies can end up with too large a financial risk when going into agreements with acclaimed retailers.

While Filippa K, like Artikel, emphasizes the “timelessness” of their garments, it is a challenge to demonstrate that consumers consequently keep their products longer—especially for fashion companies based on conventional business models, like Filippa K and Masai. The idea of longevity is seen in the design process and material choices at both brands, but for Filippa K, it also guides many sustainability initiatives, as Jodi Everding states: “Yeah, I think it’s all about longevity for us, and the timeless design; long-lasting, quality garments. So, that is where this repair studio came from: to take back our things, repair them, remake them, help people, support people to keep their Filippa K garments in use. When I think of the other big project that we have going, that also files under longevity because we’re looking more at using NFC [wireless communication tools, red.] in garments, to provide traceability as lots of brands do, but then also to communicate forward throughout the lifespan of that garment and interact and engage with consumers on repair, with washing help, with tips for wearing, etc.” Furthermore, Filippa K’s incorporation of responding to feedback—just as Asket does with their customers—allows previous, successful designs to be improved upon, potentially making them more successful with only a little added time.

These examples highlight how businesses can go about trying to take responsibility for their garments after they have been purchased by consumers. As fashion companies historically

have not focused on this aspect of a garments life-cycle on a larger scale, prolonging the life of garments, their use and how brands can engage in that should be a major topic of interest for industry actors on all levels.



Image of Asket advert

The Practice of Sustainability

Sharing what companies do to address sustainability issues is important if this industry is to change on a systemic level. Learning together and actively engaging in conversation are crucial aspects of businesses understanding their impact, role and responsibility. In companies we tend to think of decision making as a rational and organized process, but in reality it can be highly incidental, be dependent on informal and personal relations, and be based on knowledge and experiences drawn from a variety of sources and backgrounds. Sharing insights on how the case companies work with sustainability on a daily basis is therefore important, we believe. In the following section we take a closer look at what characterises the way sustainability work is conducted in practice on an everyday basis. This section adds insights into the daily operations of sustainability work and how its carried out, adding new and important notions to how CEOs and managers should facilitate and support their working processes.

Challenging Conventions

The first thing that characterizes sustainability work is that it often challenges industry conventions. Breaking away from tradition often means looking outside for new inspiration or so-called sustainable materials, as production has been outsourced. This limits local possibilities for change. However, Filippa K is currently working on a local wool-sourcing project in Sweden, where local wool is spun into yarn that is put into the production of the company's heavy knits. Everding describes the process that fundamentally changes the idea of whether or not Sweden should have local production: "Wool is our most used fiber for one, its key and it's circular; it's easily recyclable, long-lasting and durable, so it does have that aspect as well. In our hearts, we are a Swedish brand and we are minimalist, but also this warm, engaging, female-centric brand. I think that the opportunity to be able to take something local like the wool, that's inherently Swedish, and also shine a spotlight on the way we farm up here and all the benefits of the animal care in Sweden, and get this killer product out of it... I mean, we had a goal of raising the industry here in Sweden again, but we also had this transparency in the storytelling. We could share outwardly, so that even if you're not sitting here in Sweden, you would understand the beauty and importance of it." Rethinking the overall process of global textile sourcing patterns has proven to lead to a source of high-quality natural fibers in their home country—something that also has the added bonus of a good, communicable story.

A fundamental structure of fashion, some of the companies are challenging the traditional notion of retail. Brands like Masai and Filippa K are introducing service aspects like take-back

systems and care, while Asket, Carcel and Artikel only sell through own channels, thus controlling their production and sale process themselves. Artikel's aim with only selling through their own online and physical store is clear; it adds brand value and gives them control of the customer journey and experience. Helle Jørgensen says: "We have discussed whether or not we should do wholesale, so we could be in other stores. But all the aspects of the direct contact with customers is such a big part of the concept here. If we were to be in other spaces, it should be for marketing purposes, to raise our level of awareness. Because we lose a bit of the value that you get from the direct contact with customers. And also, for the customer; the experience, coming into our store and seeing that this is what it looks like, the machines and talk about 'oh god, how old are they' and all that. A lot of customers find that super exciting." Veronica D'Souza talks elaborately about Carcel's move back and forth between retail and their own online universe and the decision to quit traditional retail and once again go back to their own online platform as the only sales platform. "What happened was that we were stuck in the middle, like in a great microcosm. We were in between, basically getting the worst of both worlds: a very high, high markup, which makes it more difficult to sell to a large customer base. At the same time, we basically bought back all the unsold stock from retailers, and our clients took no risk. The crisis now has accelerated this position to go back to the focus, to the core, to do small drops throughout the year and run everything ourselves, have our own supply chain. So basically, you can only get Carcel through our system."



Image of Filippa K Swedish wool project



Image of Carcel retail space

Inside vs Outside

Some of the ways the companies address sustainability is influenced by the professional background of the founders and sustainability managers. Some are industry insiders, some are not. For the fashion companies based on conventional business models—such as Masai, Dedicated and Filippa K—Masai CSR manager Sidse Jensen, Dedicated founder Johan Graffner and Filippa K informants Jodi Everding and Emilia Castle have previous experience with the industry; Jensen working as a buyer, Graffner running a conventional clothing company and Everding and Castle working within production/buying and design, respectively. All have had to (re-)educate themselves, though, in order to focus more exclusively on the sustainability agenda, and their process of self-teaching is often described as a main driver in the company's overall efforts. Says Jensen: "It's really been learning by doing. And looking back, I would wager that some of those early decisions, I would have done differently today, simply because you learn more. Everything is moving so fast now. I'd even say that the students who are studying this in school right now; what they learn today might not apply tomorrow. And it's like that for all of us. It's a staggering experience, because everything is moving so fast. And I will say that I feel up for the challenge because my relationships with my suppliers are so good. And I have an academic background, which makes it very easy for me to go about this in a practical way. I think I have participated in webinars once a week, if not more. Read articles. If you thought I read a lot while studying, it hasn't lessened now. I also think that the readiness I have had has made for a steeper learning curve upwards, than that of my company. I think it's difficult to

work within this field and not become a little bit idealist. You really want to do it all. And I have had to be diplomatic internally, for sure, to get things through and in order to pitch a project or an idea at the right time. And then put it into context, where it makes sense to me, but also to the people down in economy, in PR, in the online department, all the way around. My diplomatic skills have increased, by having to communicate this both internally and externally." Having to change the company from within proves a long journey for what we might call seasoned industry professionals, whereas Artikel—where founder Helle Jørgensen is a trained designer with years of experience and her two sons are from outside the industry, providing a business/marketing background—combine their knowledge to come up with their business ideas and plans.

For entrepreneurs such as Veronica D'Souza and Jakob Dworsky and August Bard Bringéus, the path is different. All with a business school background, they have applied their conceptual business models to that of an existing industry, thinking that they might change it by proving a different business model as the case example for their claim to create change. That, of course, means that an integral part of the drive for them is proving the business model in itself—often, this is challenging as it means going into business with traditional investors who have high expectations of profit, growth and revenue in order for the business case to be considered successful. For Dworsky and Bard Bringéus, they were able to learn together because they were both new to the industry. "What intrigued me was that in looking at the industry and the inefficiencies, it felt like an interesting

challenge to prove that there is a smarter way of doing things. And at the time, you just think, OK here's an opportunity to start a company, because if you can do something smarter, then there's a gap. Then by doing that, I guess in the long run, you hope that if we show that that is possible, others will follow. But I think in the beginning, you almost felt like you don't want everyone else to do the same thing because then the opportunity closes. There's that sort of balance; now that we're in it, we see the issues and we want the industry to change. But when we were on the outside, it was always more like, 'wow, that's an opportunity. Everyone else is just doing the same old things,'" Dworsky says.

D'Souza's background in for-profit social impact enabled many of the brand's initial sustainability practices. Because she lacked prior fashion experience, the brand may even have been able to break away from usual practices like following seasons and trends more easily, not knowing how things would normally work. As noted earlier, this has proved a challenge for D'Souza and Carcel in meeting the established industry and its ways.



Image of Carcel's production in a Peruvian prison

The Informal Structure of Sustainability

Often, sustainability efforts and strategies are presented by fashion companies in structured, formal ways; through reports, certifications, targets and goals, and strategy documents. It is clear however, that a considerable amount of their sustainability efforts and opportunities are developed based on an informal structure, where chance meetings, public/office conversations and the ongoing ambition to teach oneself about the subject, becomes an often-unrecognized driver. For example, many sustainability initiatives at Filippa K appear to happen organically or are initiated by passionate employees. Because of her interest in sustainability and drive to make things happen, Jodi Everding became the sustainability manager at Filippa K, but there is no formal, core sustainability team. Jodi Everding and Emilia Castles dedicate extra time and energy in designing something with leftover fabric, for example, and then try to 'find a place for it' in the company. They describe a general support for sustainability and most of the initiatives they introduce but have faced several challenges in implementing ideas as well. And like Sidse Jensen of Masai, Everding is also responsible for creating a network-group of brands, that network and discuss their work and ideas on sustainability. Like Everding, introducing ideas into a company is something Sidse Jensen is challenged with as well. Discussing how she is often driven by passion, she acknowledges how big a part of her job is dedicated to the strategic speculation of actually pitching a sustainability initiative at the right time and place, to make management aware of the potential and buying the potential extra costs. She says: "One way or another, one has to be mindful that sustainability has to be put into the context of a

business. I believe the two can go together. It is my responsibility to make the two things work together and make sure everyone can see that this potentially can be beneficial for the bottom line one day." Similarly, in a company like Dedicated, where much of the effort has been put into material strategies, Margaux Schleder notes how she had to start out by structuring her own efforts and the strategic work herself, when she entered the company: "So we didn't really have the time to write down a proper strategy and a guideline, but I had to do it for my personal work, because otherwise it was just impossible. I needed some written objective of what I wanted to do and where I wanted to go with this. So, I did it myself and I presented to the company saying that that's what I think is the priority."

In the smaller entrepreneurial companies such as Carcel and Asket, the informal structures are also a driver—although much more indirectly. At Asket, Bard Bringéus and Dworsky has almost-formalized a collective learning effort by encouraging staff to post articles and new knowledge on a joined thread in the management program Slack. Like Carcel-founder Veronica D'Souza, they participate in a number of talks and international conferences, giving insights into their business setup, innovation practices and future ambitions. Meeting Bard Bringéus and Dworsky at the sustainability fair Neonyt in Berlin, and Veronica D'Souza during Copenhagen Fashion Week, both parties expressed how the networking and social aspect of building their company has been an integral part of meeting press, influencers, potential investors or advisors, as well as getting inspired by others. As both brands are

often praised as the vanguard of new business models, it's crucial to consider the practice of informality as an integral part of growing their businesses from the very beginning. The importance of chance meetings, spontaneous conversations, networking and participating in events should be taken into account as an important aspect when planning new projects, developing new business opportunities or new brands.

Changing the perspective from the business-oriented to the personal, Malthe Risager of Artikel elaborates on how the development of the company does not follow structured plans, but is an ongoing process, that follows a much more informal and unstructured path; that of their ideas, wants and interests. "A lot of this is about a big, personal interest. I'm sure some create a sustainable business, because they find out they have a business case. A lot of what we do, happens out of personal interest. A lot of the things we do happen on the deeply personal level, how we like to do things. It's very natural. It isn't very calculated, we just figured out that some of the things are profitable along the way. And then, it's super exciting to create a garment that can last for a lot of years. 10-20 years, we often talk about. It's not even certain that we will exist for such a long time. But that is our ideal."



Dedicated production in an Indian factory



Image of Carcel's production in a Peruvian prison

Actions for Change

The cases we have presented illustrate some of the ways in which fashion companies are addressing the fundamental imbalances that mars the sourcing, production, selling and discarding of fashion products. Ranging from tackling consumption, creating decent job opportunities, getting rid of synthetic materials and creating new business models, they target different problems, but they are united by a shared ambition: to do things better.

By way of ending the report, we would like to offer our advice for others who wish to join their effort, be it designers, educators, business owners or political actors. The very first step is to accept how desperately we need to create change, that we are all responsible for creating it, but therefore also capable of it. Educating oneself, listening, and sharing are all great ways to start. For many companies, doing this on their own proves too difficult, so seeking professional help can make the work on building sustainability more successful and rewarding. In either case, we propose the following seven actions, that will help accelerate the move towards a more sustainable fashion industry where sustainability is not a promise but an action. These seven actions can be considered our suggestions for a new foundation for operating a responsible business. They integrate sustainability on a holistic level into all aspects of business operations, but most importantly, they negotiate how businesses should go about considering their efforts on a much more systemic level. This, we believe, is crucial if we are to create the change we so desperately need. Hopefully, these recommendations will help further conversations and engage business leaders, sustainability managers and industry actors in new ways.

1. A holistic perspective

Understanding how environmental, social and economic challenges are interconnected is necessary to set a direction for the company and to initiate the right projects and changes. For example, we cannot fight climate change without understanding its relationship with environmental degradation. Neither can we address social issues in production without realizing the effects of climate change on local environments. In other words, we need to always consider the biggest picture when developing new projects, choosing new materials, creating business operations, etc.

2. A new not-normal

The way the fashion industry looks right now and the way products are produced and used is not normal. That realization is crucial. In fact there is no 'normal'. Fashion production and consumption has changed constantly, and even in the last three decades the changes have been massive in terms of levels of global production and consumption, prices and marketing strategies, just to name a few. So in other words, it can and will change again. What is important is to push change in the right direction.

3. Increase value

It is necessary to reestablish true value in the products and in the business model itself. The dominant business model in the fashion industry is flawed and there is such a disconnect between the costs of production and the value of the garment. Using the scale of production to push prices down and generate economic value is unsustainable no matter how organic the materials are. The number of products and collections must decrease, and the product must increase its material, economic, social, cultural and personal value.

4. Responsible investments

Financial interests are often at odds with sustainability efforts. Many fashion companies are owned by investors who have a vested interest in the company's short term financial success, not the long term goals. This means that decisions on investing in innovation and development are thwarted because of the risk of short term loss. In order to create real change, the company needs owners who understand the need for stability and long term investments.

5. Purposeful use of technology

No technical solutions will suddenly fix all the problems. In the search for more sustainable fashion, companies often look for technical innovations that can alleviate environmental or social problems in the supply chain. The problem is that without changing the business models, consumer cultures and the obsession with growth that dominates the industry, the technical solutions will not help in and of themselves. Incremental change from new technologies cannot replace a focus on creating good quality, long lasting products that people want.

6. The full life cycle

Adopting a full life cycle perspective is essential. Most fashion companies operate with a very partial view of the lifespan of the product: to put it simply, they don't produce the product, suppliers do, and once it is sold, they forget about it. Understanding the full impact the product has, and therein also the full potential, enables the company to make the right decisions.

7. Resilient business structures

The future of business is volatile and requires resilience. The current pandemic has shown how vulnerable dominant business models are to changes in consumption patterns and delays in delivery systems, and how little financial stability many fashion companies have, no matter how much they are estimated at. Implementing sustainable business practices will help make companies able to cope with the volatility, by creating stronger relationships across the value chain and add real value to the products.

In futurum

Founded by Frederik Larsen and Moussa Mchangama, In futurum is a strategic consultancy that helps businesses and organizations prepare for a sustainable future. They advise companies and brands on sustainability and responsible business. They create strategies rooted in a research-based approach to sustainability and a deep understanding of strategic business processes and communication.

They also advise public institutions, do academic research, and engage in public speaking on sustainability, social issues, culture and new business approaches.

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Moussa Mchangama is a strategic communications specialist with a deep understanding of the interconnectedness of culture, consumption and the challenges we face. With a MA in Modern Culture & Communications from The University of Copenhagen, he has spent the last decade combining writing, critique, branding and strategy and concept development with social activism and topics of change.

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