

Ethics and Sustainability in The Jewellery Industry

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Abstract: Sustainability and ethics have never ceased to be the major concerns for the fashion industry. It plays a crucial role in influencing consumers' decisions during the process of consuming products. The jewellery industry must consider ethics and sustainable development as integral parts of its development. There are numerous industry reports and statistics that demonstrate how important sustainability is to today's young consumers. The jewellery industry is expected to exhibit a high level of commitment to environmental protection and ethical standards. Despite the fact that the non-renewable nature of mineral resources as raw materials for jewellery appears to contradict the concept of sustainability on the surface, more and more organizations and institutions within the jewellery industry are actively committed to sustainability. The purpose of this article is to gather relevant cases of jewellery brands in the industry, and analyze the current situation and future plans of the jewellery industry in terms of ethics and environmental protection, in order to provide some suggestions for future development.

Keywords: Sustainable development, Responsible for mining, Ethical considerations of the jewelry industry.

1. Literature Review

1.1. What are ethical and sustainability?

Sustainable development was defined in the Brundtland report in 1987 as development that meets future needs without compromising the ability of future generations to meet their own needs. There are several concepts related to human development. These concepts include the satisfaction of basic needs, the cooperation and equality of all actors, and even the integration of the various components of development. (United Nations, 1987)

In order to achieve sustainable development, environmental and resource constraints must be taken into consideration, and in particular, the social environment must be protected against vulnerability that could lead to a decline in human well-being. Consequently, issues of inequality and justice are prevalent in this concept. As stated in the first principle of the Rio Declaration, "Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature." Sustainable development will be enhanced by respect for the environment, but will not be an end in itself. As a result, sustainable development has increasingly become understood as a search for balance between social, economic, and environmental aspects. This has also been achieved through the development of indicators. (United Nations, 1992)

The importance of advancing sustainable processes in the jewellery sector can be seen through the annual sustainability reports routinely published by several luxury jewellery brands and groups and their constant emphasis on their commitment to environmental protection.

1.2. Exploration of ethical and sustainable practices in the jewellery industry

Cartier, VanCleef & Arpels, and other jewellery brands within Richemont are committed to taking active measures in four areas: people, groups, resources, and the environment. In 2022, 92% of the electricity they generated

came from renewable sources. Richemont has also decided to cease the use of PVC in all products and packaging by December 2022. As part of their commitment, the company plans to use 100% renewable energy by 2025, track the gold used, and only source diamonds and jewellery from Jewellery Council-certified suppliers, and collaborate with other industry organizations to promote best practices in the supply chain. (Richemont, 2022)

Meanwhile, Kering, the world's second-largest luxury goods group, is not new to the issue of sustainability. Kering has been embracing sustainability as a core philosophy for more than a decade now, encompassing a variety of environmental, social, and ethical concerns, including the development of an environmental profit and loss statement, the evaluation of raw material suppliers, energy efficiency and commitment to reducing the environmental profit and loss of the Group's supply chain by 40% by 2025 and to achieve 100% traceability of its products by 2025. As Kering indicates, the company is not just concerned with sourcing heavy metals and gemstones that have been clearly sourced, but also with adhering to ethical practices, ensuring a minimal carbon footprint, and using eco-friendly packaging during the sourcing process. (Kering, 2023)

There are many sectors in which ethics and sustainability are practiced. Transparency and responsibility are required in the production of sources and in the use of sustainable materials with a minimal impact on the environment. The provision of a safe work environment and the payment of fair wages are also essential. The "Blood Diamond Affair" of the 1990s remains the most relevant negative report on the industry almost thirty years after it broke, and this has led to the public remembering and demanding that the jewellery industry adopt a more ethical approach to sustainability. As a result, many jewelry manufacturers ensure that ethical considerations are taken into account when selecting raw materials, which places high demands on ore miners. As a result of the industry's unanimously high ethical requirements, the safety of mining in the ore industry has remained extremely high. Furthermore, some of the countries that are

open to ore mining are poorer countries. Consequently, the industry is also committed to creating a variety of humanitarian benefits, such as providing employment opportunities to local citizens and supporting local education. There is almost always some level of engagement in these good causes by companies that are able to consider corporate responsibility. In spite of this, the environmental impact of jewellery should not be underestimated beyond ethical considerations. The jewellery industry must address a number of issues. The most significant of these impacts are soil erosion, dust pollution, industrial effluent pollution, heavy metal pollution during the mining of ore, and the consumption of water and the emission of carbon dioxide during the processing of jewellery. The mining process is transparent and workers are expected to maintain a high level of hygiene. A thorough analysis of the entire production line can be conducted to determine the origin of the materials and to consider the impact on the environment or community. Reusable or recycled materials are also considered in the production process.

According to McKinsey's study on the attitudes of German and British consumers regarding sustainability and the fashion industry, 88% of people are willing to pay more in order to reduce the environmental impact of fashion products. Sixty-seven percent of consumers agreed that they would use products made from recycled materials, while sixty-one percent agreed to choose products made from recycled materials and environmentally friendly packaging. It is therefore likely that in the near future, ethical and sustainable decoration will be a major factor in consumer choice and a major trend to which the jewellery and decoration industry will adapt, in order to develop creative work that is both enjoyable and environmentally friendly. The global management consultancy McKinsey & Company reports that consumers are increasingly considering sustainability when making purchasing decisions. In the coming years, fine jewellery purchases influenced by sustainability are expected to more than triple, providing an opportunity to make a difference for the jewellery industry as well as brands to demonstrate their commitment to environmental protection and sustainable processes to consumers. Furthermore, they may need to increase transparency and traceability in their supply chains as well as eliminate superficial marketing techniques. (Granskog et al., 2021)

It is also possible that cultivating diamonds as an emerging jewellery material may contribute to the sustainability of jewellery. Refining the diamond raw materials needed for these products involves mining, whether for damage to the ground, to develop mineral resources, or to dispose of subsequent processing waste. This causes huge environmental pollution and damages the ecological balance. The cultivation of diamonds for the sake of environmental protection, sustainable economic development, as well as the development of the economy and the environment plays an important role from this perspective.

Several jewellery companies have developed their own environmental standards of practice because they believe they have an obligation to protect the environment. A brand of man-made diamond jewelry called Lightbox was launched by De Beers, the world's largest diamond supplier, in 2018 along with the opening of a new factory aimed at increasing the production of man-made diamond jewelry. This move serves both as a means of connecting with younger generations as

well as meeting the brand's strategic need for sustainability. A significant period of growth is expected for lab-grown diamonds, and making diamonds accessible to the general public is crucial. Additionally, the De Beers Group has already begun the process of setting up a carbon-neutral mine.

The group first discovered that kimberlite has the ability to absorb carbon five years ago. Kimberlite is a unique rock that absorbs very high concentrations of carbon dioxide like a sponge; unlike plants and trees, it does not require planting and will not run out. Only one percent of all rocks on this planet are known to be kimberlite. In order to conduct field tests, the group has invested millions of dollars and partnered with several university research laboratories. Carbon dioxide will be locked in kimberlite forever, thereby offsetting 30% of the mining process' carbon footprint. (The De Beers Group, 2023)

A standardised mining process is expected to be phased in within a few years if this sustainability initiative from the De Beers Group is successful. An ethical and environmentally friendly supply chain using recycled and man-made materials would be the hottest path to sustainability in the jewellery industry.

Pandora recently announced that it will stop mining gold and silver by 2025 and use recycled gold and silver instead. As stated by the brand, recycled silver has a third of the carbon footprint of mined silver, while recycled gold emits 600 times fewer emissions than newly mined gold. (Pandora, 2023)

1.3. Related controversies

In spite of the fact that synthetic diamonds and recycled metals may seem to consumers as environmentally friendly materials than mined diamonds and metals, there is considerable debate within the industry regarding whether these materials are actually environmentally friendly. The mining of natural diamonds produces much more carbon dioxide emissions per carat than the mining of synthetic diamonds.

A comprehensive study on the impact of diamond mining has been published by the Diamond Producers' Association (DPA). It was conducted independently by Trucost and estimated that carbon dioxide emissions would be equivalent to driving 628 kilometers in a standard vehicle. Compared to synthetic diamonds, which require massive amounts of electricity to produce in factories, this figure is 69% less per carat. This finding adds weight to recent criticisms of synthetic diamonds and their "green" credentials. Furthermore, the report found that diamond mining by DPA members generated US\$16 billion in socioeconomic benefits. This included boosting local employment, and providing more than 77,000 jobs. It also paid around 66 per cent above the national average salary, contributing to government taxes and royalties, and investing in infrastructure. (Roden, 2019)

There are also problems with recycled metals being ethical, as many brands today do not have certification marks on their recycled gold materials. This makes it impossible to trace the legitimacy of the source, as much of the recycled gold is not recycled from old jewellery, but is smuggled in from conflict zones via unfair trade practices. A scandal involving recycled gold was uncovered by the BBC in 2014 in which a Dubai refinery purchased around four tonnes of silver-coated gold from gold suppliers in conflict zones, in violation of trade agreements that prohibited gold from conflict zones from

entering the global supply chain. It is unlikely that the gold could be traced back to its source after it had been re-smelted by the refinery, however, it is likely that it was 'cheated' from poorer regions through unfair trade practices, where it was manufactured by exploiting people and illegally employing children. (Verity, 2014)

2. LVMH and Kering as Case Studies

2.1. The Kering Group

As part of Kering's brand strategy, sustainability is one of the most significant components. It is the Group's ongoing commitment to sustainability that permeates the operating models of its brands. François-Henri Pinault's approach to sustainability is based on three pillars. Through the use of innovative tools and practices, as well as the application of rigorous

standards, Kering is committed to reducing its environmental impact and protecting the planet. By 2025, the company aims to reduce its environmental profit and loss account by 40% and its carbon emissions by 50%.

Kering is committed to preserving its rich heritage through its supplier training platform and various process training programmes. It is also committed to promoting diversity in the workplace and striving to be a model employer by providing an inspiring and caring work environment for all its employees.

In order to develop new sourcing solutions and empower future generations, Kering collaborates with start-ups and academia. In 2013, the Materials Innovation Lab (MIL) was established in order to produce sustainable fabrics. The watch and jewellery sectors have also been established a laboratory. Kering collaborated with the Fashion for Good-Plug and Play accelerator in 2017. In order to ensure sustainable innovation, the program identifies and supports pioneering start-ups. Additionally, Kering launched The Fashion Pact in 2019 with the support of French President Emmanuel Macron, a global alliance of fashion and textile companies (ready-to-wear, sportswear, lifestyle and luxury) as well as suppliers and distributors, united by a common core of environmental objectives aimed at stopping global warming, restoring biodiversity, and protecting the oceans. It is estimated that more than 60 companies in 14 countries have signed the agreement and joined the Kering Group's mission to date.

As expected of a luxury goods group, where attention to detail is everything and a major differentiator, Kering's sustainability plans and rules are very specific and resulting in very specific achievements: Kering must ensure that all leather it purchases does not come from cattle hides grazing on rainforest-cleared lands in order to meet its environmental profit and loss targets. It is clearly stated in the purchasing guidelines that purchases should not negatively affect natural populations and should conform to the highest possible standards of wild harvesting. Heavy metals are no longer present in the leather used by the flagship Gucci brand. In order to improve the traditional tanning process, which used toxic chromium and cyanide, the Kering Group partnered with chemical industry experts and two university teams.

Fur for Gucci's kangaroo fur-lined loafers comes from proven wild populations in Australia. With its Python Conservation Partnership, Kering is committed to finding sustainable and ethical solutions for python skin (for clutches,

satchels, etc.) in the next decade. To date, Gucci has sourced 30kg of gold directly from a Peruvian mine, making it the largest ethical gold purchase in the luxury industry.

A partnership between Kering and Worn Again has been formed to extract cotton and polyester from used textiles and use them to produce textiles and clothing. Approximately 77% of the Group's paper consumption is certified by a third party to ensure sustainable forest management and sustainable sourcing, or it is recycled.

Kering Materials Innovation Lab has been created to highlight innovations in raw materials, processing, and manufacturing through a comprehensive library of sustainable materials and a team of technical experts.

The launch of the program to implement best practices in textile mills has been a first for the luxury industry. In order to support the monitoring and sustainable management of the Nile crocodile trade in Madagascar, Kering and the International Trade Centre (ITC) have formed a partnership to develop a multi-year program.

The example above illustrates that Kering's sustainability plans and objectives extend to the brand portfolio as well as the group level. The Kering sustainable development vision is assimilated and understood within the organization since the initiatives and vision originate from the CEO. The Kering Group established a sustainability department in 2003, released its first Environmental Profit and Loss Statement (EP&L) in 2011 - an innovative method for measuring the environmental impacts of business activities in monetary terms - and published the Kering Standard in 2018, an official list of advanced industry environmental and social standards for 2018.

Nevertheless, why does Kering place such a high value on sustainability? According to the CEO of the company, a sustainable business model offers a competitive advantage, creates value, drives growth, and, generally, contributes to a healthier planet. A strong sustainability strategy has great potential for Kering as an organization. Sustainability is taken very seriously within the organization, as evidenced by a significant amount of additional coverage every year. Several awards have been presented by Kering as a result of the subsequent results. The group was awarded the inaugural Socially Responsible Investment Analysts Forum Responsible Investment (FIR) Award in 2014, its first award in recognition of its outstanding environmental, social, and governance contributions.

A report entitled released by the Kering Group in May 2021, outlined the Group's ambitious vision of a holistic circular approach to development and challenged the industry to rethink how resources and products are produced, used, and extended. This third edition of the Kering Generation Award for Sustainable Innovation focuses on recycling raw materials, recycling product design, and recycling business models, bridging the "5 Rs": Re-design, Reuse, Recycle, and Eco-Renewable. Using Recycle, Regenerate, and Educate as a methodology, we explore strategies and solutions related to the recycling concept from the industry to the consumer, thus exploring the concept and practice of the circular economy in the fashion industry holistically.

2.1.1. A review of the circularity practices and achievements of the Kering Group's brands

Gucci

As part of Gucci-up, a circular economy initiative, waste

from the production process is upgraded and repurposed. In retail and e-commerce channels, virgin, single-use plastic will no longer be used starting in 2020. Packaging for the new product is fully recyclable.

Through the "Carbon Farming" project, farmers are assisted in transitioning to recycled agriculture. Purchasing raw materials from recycled agricultural sources. In 2021, Gucci developed a groundbreaking new material, Demetra, derived primarily from renewable and biobased resources.

Saint Laurent

Increasing the efficiency of leather cutting and reusing leftover leather from the production of handbags for the production of small leather goods. The backroom floors of some newly opened shops are made from leather trimmings, giving the trimmings a second life.

Bottega Veneta

The design team participates in Circular. Courses on circular fashion in the fashion industry. In the footwear and ready-to-wear collections, biodegradable polymers and recyclable plastics will be used as well as recycled nylon. An investigation into the disposal of recyclable and non-recyclable waste in shops in a circular manner. In June 2022, the Bottega Series collection will be announced at the 2022 Global Fashion Summit in Copenhagen. It is the goal of the Bottega Series to challenge the notion of seasonality and create timeless pieces that can be passed down from generation to generation.

Balenciaga

The 360° presentation of the Balenciaga Winter 22 collection featured a long hooded wrap coat made of EPHEATM, an innovative material derived from mushrooms. Combining men's and women's wear and designing two collections simultaneously maximizes the use of fabric and reduces the environmental impact of production.

Alexander McQueen

Developed an innovative buy-back recycling solution with the Vestiaire Collective, the 'Brand Certified' service.

Boucheron

The Ultime concept collection of Jack de Boucheron jewellery was introduced in 2022. In the new Ultime concept piece, the playful simplicity of the Jack de Boucheron collection has been reinterpreted in Cofalit, a material that is derived from recycled industrial by-products that have undergone vitrification and inertification. The launch of Precious For The Future, the brand's first social and environmental impact report. There are three main categories of efforts made by the Boucheron team: sourcing of raw materials, operations, and commitment to inclusion and diversity.

Pomellato

By using the traditional Japanese restoration technique of kintsugi (also known as gold restoration), Japanese artists restore damaged stones with gold.

Brioni

A lifetime of changes can be accommodated by the stitching of the suits. Maintenance and aftersales services are provided by the brand.

As part of the Kering Group's blueprint for sustainable innovation, in March 2017 the Group partnered with global innovation platform Plug and Play to launch a European start-

up called "Plug and Play - Fashion for Good". The aim is to find innovative solutions across the entire chain of the fashion industry, from alternative raw materials to recycling technologies, to transform thinking and thus extend the life of products. In line with Kering's philosophy of "weaving the future of sustainable fashion", the China-based Kering Generation Award for Sustainable Innovation was established in December 2018 to recognize and support innovative solutions in the areas of alternative raw materials, green supply chains, retailing, and circular economy. Chinese start-ups that are tackling challenges and contributing to the environment and society are recognized and supported by this program.

A second edition of the Kering Generation Award for Sustainable Innovation will focus on biodiversity-related issues in 2021, supporting start-ups that aim to provide clean water, protect soil health, provide support for animal welfare, and educate the public about the connection between fashion and nature. In December 2022, the third edition of the Kering Generation Award for Sustainable Innovation will be launched, with the theme "Going Full Circle", focusing on circular economy concepts and practices in the fashion industry and exploring the full chain of development from the industry side to the consumer side. During May 2021, Kering's report, which outlines the Group's vision of a holistic circular approach to development. It highlights concrete actions taken by its brands around circular development, which are highly aligned with the Group's strategy for combating climate change and preserving biodiversity. According to Kering's commitment to openness and transparency, this newly released report is part of its sustainable strategy for rethinking how it produces, uses, and extends its resources.

2.2. LVMH (in the case of Tiffany)

A compendium of events from 1995-2023

1995: Tiffany urges the US Department of the Interior to reject the construction of a gold mine that threatens Yellowstone National Park.

1999: Tiffany prioritises participation in the Kimberley Process Certification Scheme in the United States.

2000: The Tiffany Foundation is established to focus on the company's philanthropic endeavours.

2002: Tiffany establishes a wholly owned subsidiary, Laureton Diamonds Inc., to manage its global diamond supply chain. Tiffany begins offering benefits to domestic partners in the United States.

2003: Tiffany stops buying gemstones from Burma in support of the US Freedom and Democracy in Burma Act, which protects human rights.

2004: Tiffany stops selling coral jewellery due to threats to coral and coral reef communities and begins to encourage other jewellers to practice the same to raise customer awareness of the issue. Tiffany urges the U.S. Forest Service to reject the proposed mining of the Rock Creek Mine in the Cabinet Ridge Wilderness of Montana.

2005: Tiffany is the first jeweller to embrace Earthworks' "No Dirty Gold" campaign, which establishes inspiring social, human rights and environmental standards for the extraction of gold.

2006: Tiffany is the first to install solar power in two of its New Jersey factories.

2009: Tiffany is the first in the jewellery industry to speak out strongly against the proposed development of the 'Pebble Mine' in Bristol Bay, Alaska, calling attention to the need to protect this ecosystem. Tiffany's Board of Directors establishes a Corporate Social Responsibility Committee.

2011: Tiffany joins the UN Global Compact and commits to aligning corporate practices with universal sustainability principles.

2013: The company establishes a second-generation greenhouse gas reduction goal of a 15 percent reduction in emissions between 2013 and 2020.

2015: Tiffany joins other outstanding companies in committing to 'net zero' greenhouse gas emissions by 2050. Appointment of Anisa Kamadoli Costa as Tiffany's first Chief Sustainability Officer, having previously served as Tiffany's Chief Architect for Environmental, Social and Governance (ESG) matters (since 2003).

2017: The Tiffany Save the Wild collection was launched to help raise funds for flora and fauna conservation and to raise awareness for the conservation of elephants (joined by rhinos and lions the following year). All profits were donated to the Wildlife Conservation Network (WCN). Tiffany signed the UN Women's Empowerment Principles.

2018: After a decade of collaboration, the Responsible Mining Guarantee Initiative (IRMA) issued the groundbreaking Standard for Responsible Mining. Tiffany is a founding member of the IRMA Steering Committee and has been encouraging positive change in our industry.

2019: Tiffany launches the Diamond Source Initiative, a commitment to provide information on the origin (country or region of origin) of each new, independently certified diamond purchase - an important step towards transparency in the diamond industry. As part of the modernisation of Tiffany's Social and Environmental Responsibility programme, Tiffany further refined its Supplier Code of Conduct and began to share it publicly, with translations available in 16 languages. The following year, Tiffany released its Supplier Code of Conduct Guidelines, which publicly spelled out more details about its expectations for suppliers. Tiffany established employee resource groups in 12 chapters in four countries/regions, including multicultural, women, rainbow communities and life stages. The company rolled out unconscious bias training for all Tiffany employees globally.

2020: The Tiffany Foundation celebrates its 20th anniversary. The Foundation is privileged to support organizations that protect the natural world and empower communities, and in its first two decades, it has awarded more than \$85 million in grants. As the Foundation enters its third decade, we continue our efforts to support organizations dedicated to preserving the Earth's precious lands for future generations. In an industry first, Tiffany will be the first global luxury jeweller to share information about newly sourced, independently certified diamonds from their country of origin with its customers by launching the Diamond Artisan Trail programme. The programme, which outlines the steps of cutting and polishing, grading and setting, is a pioneering move towards traceability and transparency in diamond sourcing. Building on its 25-year legacy as a leader in sustainable luxury, Tiffany has launched the 2025 Sustainability Goals, a boldly envisioned roadmap designed to guide the company and inspire the broader industry to drive

positive change across the three pillars of product, people and planet. Our goals are also aligned with the United Nations Global Goals Framework to address the major social challenges identified by the international community.

2021: For the first time, Tiffany purchases artisanal gold certified by Fairmined (Fairmined). We believe that sourcing responsibly mined artisanal gold can have a positive impact on miners and their communities. 2022-2023: Tiffany will be the first to launch TOSHI delivery services in New York and London in 2022, with plans to expand to other cities in 2023. Build or renovate more sustainable buildings in boutiques, manufacturing facilities, offices and distribution facilities. All major new construction, expansion, renovation and interior fit-out projects meet Leadership in Energy and Environmental Design (LEED) Silver or higher certification standards.

3. Methodology

In this research, the case study methodology, which was developed within the social sciences, has been used (Eisenhardt, 1989; Yin, 2013). In addition to being used in the social sciences, such as psychology, sociology, anthropology, sociology, economics, but also in practice-oriented fields such as environmental studies, humanitarian work, education, and business studies. The case study method is a highly effective method for gaining a better understanding of a complex issue or object. It can extend experience and add strength to what is already known through prior research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships.

From a comparative study between two representative case studies, this method can be used to develop one or more theoretical propositions that can be applied to an industry. This is done by summarizing the distinction and connections in sustainable development between the two brands. Further research, supporting or denying them, might drive the proposal of a general theory or a model (Dyer & Wilkins, 1991; Eisenhardt & Graebner, 2007). The process of data collection and validation can be divided into two major phases. For a start, primary data were collected from magazines and newspapers and from the brand's website.

After this, secondary data were collected through semi-structured interviews with open-ended questions available online. Both of these data sources are official. Therefore, to some degree our research is reliable. Nevertheless, there is always the potential for bias when collecting data from sources that are connected to the subject of research. For example, the brand's website may only present information that is favorable to the company. It is imperative to consider all data sources with a critical eye in order to get a well-rounded understanding of the subject. However, the way how jewelry brands behave in line with the sustainable principle is not a quantitative phenomenon that can be measured entirely.

For this reason, the case study methodology we use as a quantitative research method unlike qualitative research lacks the support of face-to-face interviews that are carried out at the level of top management. It is unavoidable that our research is a kind of lagging indicator.

4. Conclusion and Insights

There is a rapidly growing literature addressing the issue of sustainability in the luxury fashion industry. The literature reflects a growing awareness of the significant environmental

and social impacts that industry practices have on the community and local area. The analysis was applied to the two most prominent luxury fashion holding companies, LVMH and Kering. This research provides insight into how these companies are responding to the challenges posed by the industry, and how the fashion industry as a whole can move towards a more sustainable future. Both of these companies, in comparison to other organizations, have given prominence to all environmental aspects, recording high levels of performance in all areas of sustainability. This is in a similar fashion to what is established in the literature.

For the luxury sector and in particular the fashion market, social responsibility offers a competitive advantage. This is because it allows companies to differentiate themselves from their competitors, as well as increasing their appeal to both current and potential customers. Additionally, it can be a very effective way to attract and retain talent, as more and more people are looking for companies that are committed to sustainability. Concepts such as ethics, respect for the environment, and the consideration of all stakeholders should be central to companies' strategic vision. This becomes especially pertinent in today's market, where companies must demonstrate a commitment to sustainability and ethical behavior in order to stay competitive and build customer trust.

Moreover, a strong commitment to sustainability is becoming increasingly attractive to job seekers, making it a powerful tool for recruitment and retention. Consumers' increased sensitivity to the topic of sustainability causes fashion brands to improve their reputation by integrating social responsibility into their value proposition. It is known that the fashion brand Patagonia has been able to leverage its commitment to sustainability to attract new customers and retain existing ones. Studies conducted on leading companies in the fashion market indicate that social responsibility as a mere marketing tool is increasingly becoming an integral element of the value proposition and a driver of company success (Corbellini & Marafioti, 2013). In this way, ethical concerns extend to the entire value chain and to all the stakeholders, integrating into a strategic vision of long-term budgetary and societal success.

Furthermore, customers and investors alike are more likely to support a business with strong ethical values and principles, as these often help to create trust and brand loyalty. Knowledge of the changed competitive context in which companies find themselves operating inevitably leads sustainability to become a powerful driver of innovation. This perspective, in a phase of growing affirmation, reflects on the need for luxury sector companies to redirect their strategic approach toward transforming social responsibility and sustainability into a competitive opportunity to benefit individual companies or the sector overall.

Luxury fashion brands in the future will be forced to view sustainability as a business imperative, like excellence in quality sustainability, in fact, represents a long-term source of luxury brand differentiation, a spur for innovation and a tool for attracting and retaining talents; besides sustainability generates efficiencies opportunities which can enhance the firm's competitiveness in the global luxury marketplace. Kering's holistic approach to sustainability is embodied in the Group's corporate mission, which seeks to redefine fashion's relationship with sustainability. Each of the Group's brands acts to redefine quality as it relates to sustainability as well as to redefine the concept of luxury that incorporates

environmental concerns. To achieve this goal, the company needs to create a culture of responsible stewardship, encouraging employees to think innovatively and act responsibly to create a society that is more sustainable and inclusive.

Following this research, I would like to offer some suggestions from three viewpoints: social, ecological, and economic. Companies should also facilitate the ability to ensure the well-being and financial satisfaction of their human resources, create benefits for communities, and support collective causes from a social perspective. For example, companies could offer flexible work hours, provide daycare services for employees, or even provide subsidized housing for low-income communities. In terms of the environment, we should consider the availability and renewable natural resources, energy efficiency, cooperation between companies, circular economy strategies and compensation, and internalizing environmental costs. For instance, companies should encourage the use of public transportation for their employees or provide incentives for those who choose to drive electric cars. On the economic front, we need to be focused on cost efficiency, flexibility, and the ability to handle crises in a flexible and resilient manner. For instance, companies may want to consider diversifying their supply chains to increase their resilience in the face of economic or environmental disruption.

5. Author Contributions

This paper was jointly completed by Lin Yunzhi and SaiNa, both of them have made equal efforts in the research of this topic, and their contribution to the paper is average. It is hereby explained.

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