

1ST EDITION
VENICE SUSTAINABLE FASHION FORUM
 OCTOBER 27TH - 28TH, 2022
 VENICE, FONDAZIONE GIORGIO CINI



JUST FASHION TRANSITION



Venice Sustainable Fashion Forum is a unique and extraordinary initiative conceived, designed and implemented through the joint effort of four partners: The European House-Ambrosetti, Sistema Moda Italia, Camera Nazionale della Moda Italiana, and Confindustria Venezia-Rovigo. 18 partners supported this first edition, sharing its values and goals, convinced of the need to start a serious debate on sustainability in the Fashion Industry that leads to a true and JUST TRANSITION.

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PROPOSALS



PROPOSALS FOR A GLOBAL JUST FASHION TRANSITION



I. Anticipate market transition.

To orient and focus the action of companies towards the adoption, also in advance, of the voluntary and mandatory instruments that the EU is developing as a global leader on sustainability, also with the aim of providing feedback and recommendations for improvement.



II. Build multistakeholder task-forces led by national governments.

To act as a transition enabler, the government shall consult in a flexible manner with key industry players, NGOs, industry experts, finance and academia to define a road map to support the industry in its sustainable transformation by engaging stakeholders and by working towards targets to address national specificities.



III. Catalyse change through alliances.

To foster alliances among all actors upstream and downstream the fashion supply chain, together with the financial sector, to disseminate good practices, but also to enable policy makers to make the best choices in the shortest possible time.



IV. Measure policy impact through minimum data for all.

To evaluate the effectiveness of policies and actions implemented, create an up-to-date database based on a small number of significant KPIs.



V. Promote a positive cultural shift.

To leverage the communication potential of positive messages and experiences (i.e. events, concerts dedicated to both environmental and social issues) to engage consumers in a cultural shift and win their consumption habits by breaking the barrier between the intention of buying sustainable and the actions.



VI. Stimulate sustainability vanguard by Italian and French luxury value chains.

To create, within the Quirinale Pact, a joint table between Italy and France to make luxury not only a symbol of quality but also a front-runner that leads the direction of fashion's just transition by playing a key role with European and international institutions (e.g. OECD).

1

THE FASHION INDUSTRY
IN A CHANGING WORLD

1.1

Global market growth remains steady, with China and the US as main driving markets, with a surge in the e-commerce segment.

1.2

Fast fashion continues to grow as newer faster models acquire market share: fast fashion, social commerce and ultra fast fashion.

1.3

Circular business models are emerging but scalability is still far away, with different economic impacts heavily depending on the market segment.

2

NAVIGATING COMPLEXITIES:
STUMBLING BLOCKS TO
SYSTEMIC CHANGE

2.1

The Fashion industry is part of a vicious circle between generated and suffered environmental impacts, despite **reliable and consistent data** to quantify them **are still missing**.

2.2

Although attention on the topic sparked from social issues, **pressures are now mainly focused on environmental impacts**, often limited to climate change.

2.3

Being one of the industries with the longest value chains often relying on subcontractors, Fashion poses **huge challenges in data traceability and governance**.

3

SUSTAINABILITY TRENDSETTERS:
EXPECTATIONS AND PRESSURE FROM STAKEHOLDERS

3.1

Institutions, markets and society are globally increasing pressure towards a sustainable transition. While international institutional bodies are acting to be the main drivers of change, the EU is leading the way leveraging finance as an ally to nurture the transition.

3.2

The European Green Deal **regulation aims at overcoming greenwashing also through new standardized measurement tools** focused on processes and products which, by assigning new responsibilities to larger companies, push them to act as drivers for the transition of the entire value chain. The effectiveness of such devices relies on the ability of the EU to define appropriate criteria and thresholds.

3.3

Certifications, ratings and clear targets stand to be key market leverages to exert pressure for sustainable performances. However, they **still seem not able to live up to their promises of transparency and standardization**. In this context, while people's awareness appears to grow, consumers are not willing to pay a premium price for sustainability.

4

GLOBAL BUSINESS RESPONSE

4.1

The Fashion industry is making strong commitments at a collective level. **Several voluntary alliances and initiatives have been established** to face rising pressures and attempting to spark cooperation among upstream and downstream players.

4.2

Sustainability management is correlated to companies' dimensions. Large companies focus on environmental issues, especially setting targets on CO₂ emissions and raw materials, but the change in governance structure to ensure internal accountability is slower.

4.3

Decarbonisation in the fashion industry represents a huge investment opportunity still unaddressed.

New solutions are ready to be brought to scale. Cooperation along the value chain is critical and brands sit at the nexus of all stakeholders.

5

HOW ITALIAN FASHION INDUSTRY IS COPING WITH SUSTAINABILITY

5.1

The Italian value chain is almost completely composed of small players. The profit margins rate between brands and supply chain shows important differences: that of brands is on average higher but more volatile, while that of supply chain is lower but more stable.

5.2

The readiness for transition is directly proportional to the size of the supply chain companies. There is a great specularity of behavior between large and small companies. Large ones are more active on reporting, performance monitoring and certification, small ones much less so.

5.3

Regardless of size, **pressure for supply chain companies comes from brands**. Institutional and financial pressures are not acknowledged as relevant. Supply chain companies are reactive to brand demands but not proactive to anticipate it.

5.4

The lack of a standard is considered the biggest barrier to transition by most companies, according to all supply chain actors and regardless of size.