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Bachelor of Arts in International Business

**Luxury Apparel and “Made in China”: A Case Study Comparing
Sustainable Production in Italy and China**

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ABSTRACT

This study explores the intersection of sustainability, transparency, and outsourcing in the luxury fashion industry, with a comparative focus on Italy and China. By examining the environmental, ethical, and branding implications of production strategies employed by leading luxury brands, the research highlights the challenges of maintaining exclusivity while adhering to sustainable practices. Drawing on case studies, industry reports, and regulatory analysis, the study investigates how outsourcing production to emerging markets affects brand reputation, stakeholder trust, and consumer behavior in the international luxury apparel sector. The findings indicate that while Italy remains synonymous with quality craftsmanship, increasing outsourcing to China—often accompanied by insufficient transparency—risks undermining sustainability claims and eroding consumer trust. The paper concludes with policy and branding recommendations for luxury firms seeking to align their supply chains with authentic sustainability principles in both developed and developing markets

Keywords: China; CSR; Italy; Fashion Production; Luxury Fashion; Sustainability.

INTRODUCTION

The luxury fashion industry has long been a symbol of exclusivity, heritage, and craftsmanship. However, as global environmental and social consciousness rises, the sector faces mounting pressure to integrate sustainable practices into every phase of its production process. Luxury brands, traditionally centered in regions like Italy, are increasingly outsourcing to countries such as China to capitalize on cost efficiencies and local market expansion. This shift, while economically strategic, raises concerns regarding environmental degradation, labor ethics, and brand authenticity. For example, luxury companies such as Dior and Giorgio Armani have faced investigations over labor exploitation in their Italian supply chains (Allende, 2025). At the same time, China has been criticized for its lax environmental standards, though recent initiatives like carbon trading and ESG reporting signal change (Dezan Shira, 2022; WHO, 2025). Transparency among luxury brands varies widely—Gucci, for instance, scored 80% on the Fashion Revolution Transparency Index, while others like Chanel scored a little over 10% (Fashion Revolution, 2023).

The purpose of this study is to analyze the sustainable practices and levels of brand transparency in the production processes of luxury fashion companies operating in Italy, and to evaluate the feasibility of implementing similar models in China. We studied luxury companies manufacturing in Italy, we researched if any part of their process happened in China, if the process in China was sustainable as the process in Italy, and how companies were approaching this.

Overall, this research assesses how sustainable practices influence stakeholder trust, brand reputation, and consumer behavior, and whether sustainability in luxury production can coexist with the economic and cultural realities of emerging markets like China.

Our study has important implications for stakeholders around luxury apparel companies, including investors, consumers and business partners, as it gives an insight into sustainable practices and the transparency of the companies, but also the focus of the study aims to shed clarity on the practices of the companies in hope to inspire more research into the industry.

LITERATURE REVIEW

Sustainability is a growing part of businesses and a key factor in a company's public image. Reports indicate that luxury consumers have demonstrated an increasing concern for sustainability (Amatulli et al., 2021; Todri & Papajorgji, 2022; Yan et al., 2024). To remain competitive and decrease negative impact, companies have adopted more sustainable practices (Di Leo et al., 2022).

Sustainability comes not only from high-quality, therefore longer-lasting products, but also from considering it at every step of production (Kapferer & Michaut-Denizeau, 2014). The main dimensions of sustainability are the manufacturing process, the product life cycle, the product itself, the impact on the environment, and the internal policies of the company (Di Leo et al., 2022). Many scholars have emphasized the emergence of a 'new luxury,' which includes sustainability as one of its values (Amatulli et al., 2021; Atkinson & Kang, 2022).

A significant trend in the luxury sector is the relocation of operational activities to emerging countries, where companies seek to capitalize on lower production costs, access to

skilled labor, and proximity to growing luxury markets (Yan et al., 2024). However, this shift has raised concerns regarding environmental sustainability, as luxury brands often rely on resource-intensive manufacturing methods that contribute to pollution and environmental degradation (Kapferer & Michaut-Denizeau, 2014). The manufacturing of luxury goods involves processes that demand high-quality raw materials, often leading to overexploitation of natural resources (Yan et al., 2024).

Some luxury companies have attempted to implement sustainable alternatives within their production processes, yet challenges remain. Yan et al. (2024) highlighted the importance of developing sustainable alternatives to integrate into the manufacturing process. The reuse of materials from unsold purchases is an expensive and time-consuming process, often more costly than producing new items (Todri & Papajorgji, 2022). Therefore, selecting sustainable materials at the initial stages of production can provide a competitive advantage while reducing environmental impact.

Beyond environmental concerns, sustainability is also a priority for shareholders, as a company's public image is directly linked to investment attractiveness (Di Leo et al., 2022; Michaut-Denizeau, 2014). Sustainability reporting has become a standard practice among luxury companies, necessitating timely and transparent disclosures (Di Leo et al., 2022).

According to the 2025 State of Fashion report by McKinsey & Company, sustainability has been deprioritized among fashion brands due to rising operational costs and shifting economic priorities (Balchandani, Rölkens, & D'Auria, 2024). Additionally, increased pricing in the luxury sector has negatively impacted demand, leading consumers toward second-hand markets and counterfeit alternatives (Balchandani, Rölkens, & D'Auria, 2024).

As luxury brands continue to expand their production to emerging countries with lower environmental regulations, balancing economic benefits with environmental responsibility remains a critical challenge. The ability to implement sustainable production methods while maintaining exclusivity and quality will be crucial for long-term success.

METHODOLOGY

Research Design

Our research explores the sustainability and brand reputation impact of outsourcing production to emerging countries in the luxury apparel industry. We use a qualitative multiple-case design that allows us to investigate this complex phenomenon by collecting secondary data and analyzing it with qualitative methods.

Sample

We analyze the “luxury” companies available both on the Fashion Revolution and DitchCarbon reports. These companies are among the most popular and best-selling in the luxury apparel industry and, therefore, should be the leading examples of sustainability in their field. All companies have public policies involving sustainability, which is a growing demand by customers and stakeholders. We will analyze the sustainability practices in the supply chain of the companies and their application of responsible production practices in emerging countries.

We focus on two countries for our data collection and analysis. Italy is known for its luxury craftsmanship and luxury materials: 10 of the 19 brands chosen were established in Italy, while China is the largest global apparel producer (Ni, 2025). Italy has strict local and European regulations in the textile industry regarding materials, labor, and accountability. The European

Union has introduced the Digital Product Passport, which will collect all data regarding an article of clothing, including its production, materials, sourcing, and recycling of the materials (Pathak, 2025). This could improve traceability and transparency for all companies that have production in Italy and could lead to the companies changing their strategies in China.

Data Collection

We adopted an analytic approach to data collection and analysis by following structured research framework that addresses the core themes of our research questions:

1. Information on the fashion industry and specifically the luxury fashion industry, emphasis on competitiveness and stakeholders.

2. The supply chain in the fashion industry with attention to the production stage and outsourcing to emerging countries and production in developed countries

3. Sustainability, Corporate Social Responsibility (CSR), Environmental, Social and Governance goals (ESG) in the luxury fashion industry.

- a. General CSR across the industry

- b. CSR focused on sustainability at production stage, in developing and developed countries

4. Stakeholder demands and expectations in the sustainable luxury fashion industry.

We collected data from mainly secondary sources such as reports, web-based information from each company, including Armani, Balenciaga, Bottega Veneta, Brunenllo Cucinelli,

Burberry, Chanel, Chloe', Dior, Dolce&Gabbana, Fendi, Gucci, Hermes, Hugo Boss, Louis Vuitton, Moncler, Prada, SAINT LAURENT, Valentino and Versace.

FINDINGS

In 2024, luxury apparel companies created a value of over \$200 billion worldwide. Among the top brands, Louis Vuitton is leading the luxury market with a value of \$129 billion, followed by Hermès (\$93 billion), Chanel (\$60 billion), Gucci (\$23 billion), and Dior (\$11 billion) (Statista,2024).

To properly assess sustainability in global brands, research can only rely on the brands' transparency about their policies and practices. Therefore, “sustainability” gains a different meaning based on the context—in the luxury fashion industry and the fashion industry in general. A report from McKinsey & Company highlights that one of the challenges of brands is combining sustainability, profits, and brand exclusivity (Balchandani et al., 2025). Moreover, according to the same report, customers expect sustainability and ethical sourcing from luxury companies (Balchandani et al., 2025). Therefore, sustainability includes an overview of environment impact, raw material sourcing, animal leather, and chemicals used in production.

Transparency

Table 12023 Fashion Report's Transparency ranked global companies based on their public disclosure of policies and reports, including sustainability and supply chain: Gucci came at the top of the luxury companies with a score of 80% on their transparency, followed by Fendi (58%) and Hugo Boss (55%) (Fashion Revolution, 2023). Global large brands do not keep updated yearly reports on their sustainability practices, complicating the analysis of sourcing their manufacturing processes.

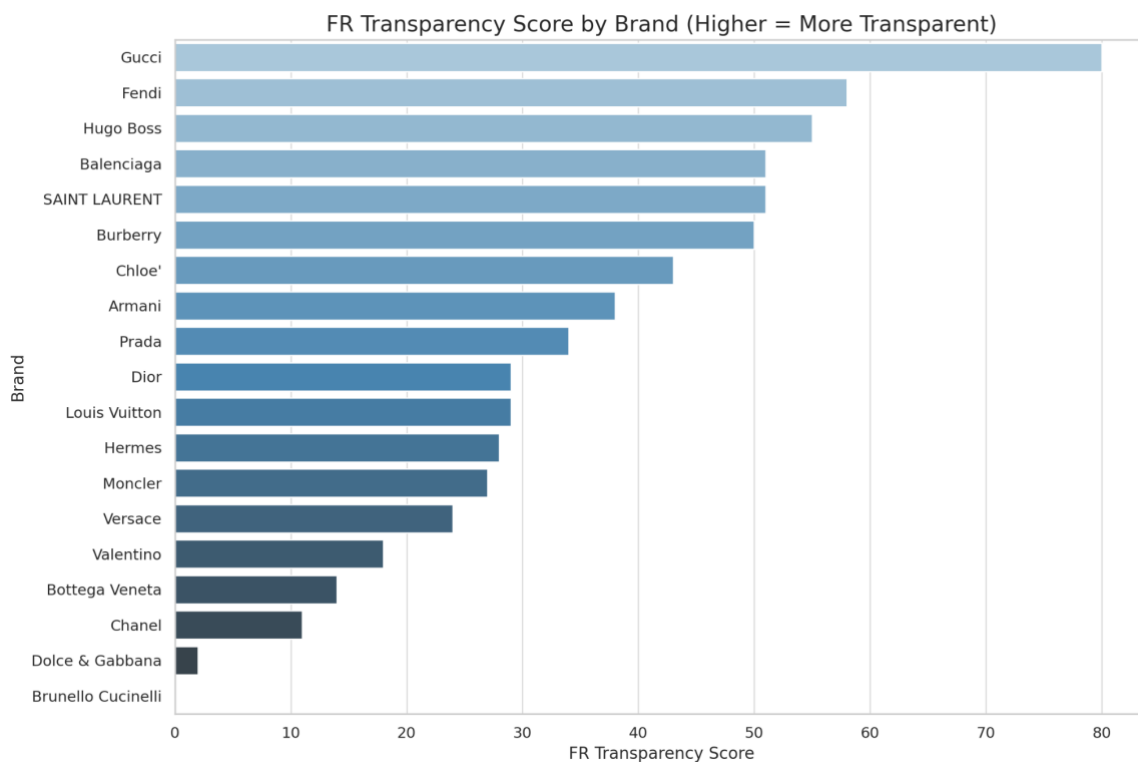


Table 1: Fashion Revolution Transparency Score [*FashionRevolution.com*]

Table 2 shows companies considered “luxury” listed in alphabetical order. The table includes their revenue for the last 3 years, their transparency scores and supply chain traceability ranging from 1-100 according to Fashion Revolution. The transparency score is assessed using their overall policies and commitments, governance, and supply chain traceability (Fashion Revolution, 2023). In the table, revenue is included for the past 3 fiscal years (2024, 2023, and 2022) whenever available in public data. Included in the report are the last sustainability reports

Table 2: Companies listed in alphabetical order based on the factors of our research

Name (A-Z)	Revenue in 2024*	Revenue in 2023*	Revenue in 2022*	FR transparency score	FR supply chain traceability	Ditch Carbon Score	Last Sustainability Report Available	Main Production Country	Production in China?	"Made in China" Disclosed on Product according to website?	Is China Production sustainable for the brand?	Is company aligned with the UN's SDGs?
Armani	N/A	\$ 2.65	\$ 2.55	38	43	27	2023	Italy	Shoes (sneakers), accessories	Either Italy or No info	Unknown	Yes
Balenciaga	\$ 1.80	\$ 1.00	\$ 1.30	51	9	21	2024	China	Sneakers	Yes	Yes	Unknown
Bottega Veneta	\$ 1.80	\$ 1.80	\$ 1.80	51	9	13	2024	Italy (100%)	No		Difficult	Unknown
Brunello Cucinelli	\$ 1.28	\$ 1.24	N/A	14	0	35	2023	Italy	Yarn for Cashmere	No, due to production in Italy	Difficult due to regulations	Yes
Burberry	\$ 3.76	\$ 3.80	\$ 3.50	38	1	65	2024	Portugal, Italy, England	Accessories	No	Unknown	Yes
Chanel	\$ 20.00	\$ 19.70	\$ 17.00	11	1	38	2023	France, Italy, Spain	Raw materials	No, due to material production	Unknown	Yes
Chloé	N/A	\$ 0.72	N/A	43	64	27	2022	France, Italy, Madagascar	Unknown		Unknown	Unknown
Dior	\$ 91.68	\$ 95.23	\$ 84.93	29	1	45	2024	France, Italy, Switzerland	Accessories	No	No - lack of skilled labor	Unknown
Dolce & Gabbana	\$ 2.18	\$ 2.04	N/A	2	0	9	2024	Italy	Accessories	No	Unknown	Unknown
Fendi	N/A	\$ 2.68	\$ 2.60	58	78	18	2024	Italy, Switzerland, China	Accessories	No	Unknown	Unknown
Gucci	\$ 8.00	\$ 10.63	\$ 11.46	80	96	39	2023	Italy	No		No - lack of skilled labor	Unknown
Hermès	\$ 16.80	\$ 14.80	\$ 12.60	28	15	21	2024	France, Switzerland	Materials	No, due to material production	No - lack of skilled labor	Unknown
Hugo Boss	\$ 4.74	\$ 4.54	\$ 4.02	55	52	40	2023	Turkey, Germany, Poland, Italy,	Materials	No, due to material production	No, had issues with sustainable production	Yes
Louis Vuitton	88.3**	93.7**	84.93**	29	1	54	2023	France, Spain, Italy, US	Accessories, materials	No	No, had issues with sustainable production	Unknown
Moncler	\$ 3.43	\$ 3.29	\$ 2.82	27	1	43	2023	Italy, Eastern Europe	Some pieces	Yes	Unknown	Yes
Prada	\$ 5.70	\$ 5.10	\$ 4.80	34	42	50	2023	Italy	Recycled nylon goods; 20% of bags, clothes and shoes	Yes	Yes - already happening	Unknown
SAINT LAURENT	\$ 3.20	\$ 3.50	N/A	51	9	56 (score for Kering Group)	2023	Italy, France	Accessories	No	No, had issues with sustainable production	Unknown
Valentino	\$ 1.56	\$ 1.44	N/A	18	26	18	2023	Italy	Materials	No, due to material production	No - lack of skilled labor, had issues with sustainable production	Unknown
Versace	\$ 1.00	\$ 1.03	\$ 1.10	24	1	51	N/A	Italy	Accessories, materials	No	No, had issues with sustainable production	Unknown

on the data in the reports and other sources, we assessed whether the selected company has any production in China (including prime material sourcing and assembling).

17 of the 19 companies selected have partial or complete production in Italy for their products (including apparel and accessories). Italy has a longstanding tradition of quality and excellence when it comes to luxury apparel. Despite this, in recent years, Italian supply chains have been under scrutiny for major labor and sustainability violations, particularly for Armani and Dior products made in Italy (Allende, 2025). Italian manufacturers must comply with national and EU regulations, including documenting materials, fiber composition, and strict directions on labeling “leather” and “fur” items (Lutman, 2024). Complying with regulations and skilled labor cause production prices to increase, and some brands have been importing semi-finished products that enable them to attach the label “Made in Italy” (Perinelli, 2022).

China has been the leading manufacturing country across industries worldwide. Due to their low wages, low regulations, and skilled labor, it’s not surprising that luxury brands choose the Asian country for some or all production processes (Bajpai, 2025).

In an article from China Performing Group (CPG), a leading Chinese company helping worldwide companies with material sourcing in China, they stated the following brands produce their designer bags in China: Fendi, Hermes, Dolce & Gabbana, Ralph Lauren, Tumi, Gucci, and Louis Vuitton (China Manufacturing, 2024). Companies like Prada, Coach, Armani, Dolce & Gabbana, Burberry, Mulberry, and Marc Jacobs use materials sourced from China (China Manufacturing, 2024; The Fashion Law, 2023). Most of the manufacturing from foreign companies is concentrated in the Guangdong province, which is facing issues due to increased pollution in air and water (Liu et al., 2022).

Although Chanel has acquired partial shares of Italian cashmere manufacturing company Cariaggi Lanificio, which is renowned for its ethical vegetable sourcing of yarn (Faccioli et al., 2023), Chanel's president of fashion has stated that "most of [their] silk and cashmere comes from China. That has nothing to do with price, it is because it is the best quality" in an interview in 2024 (Cartner-Morley, 2024). Furthermore, the selected suppliers in China have been ranked 'very poor' in environmental safety (Uncensored, 2025). Balenciaga shifted its sneakers' production from Italy to China in 2018, which caused issues in the brand's image and, consequently, in the shoes' pricing (The Fashion Law, 2023). But is sustainable production impossible to achieve in China? The answer comes from Prada, with its Re-Nylon production in China, using recycled Nylon for its collection launched in the country (Prada, 2019).

In the 2025 McKinsey & Company report interviewing luxury customers in different geographic areas, more than 50% deemed sustainability an "extremely important factor" in their purchasing decisions (Balchandani et al., 2025).

China: "Growth takes toll on China's environment" (CNN, 2020). China is an emerging country whose economic success and growth were primarily characterized by its poor environmental measures towards the production sector. As an emerging country, China has not prioritized the potential environmental impact that the mass production of national and multinational corporations has on the country. China has previously ignored how the lack of environmental regulations and their reinforcement not only threatens fundamental components of the environment but also extends to the detriment of people's health. One of the most challenging environmental problems China presented was its air quality pollution. According to the World Health Organization, "Air pollution is responsible for about 2 million deaths in China per year."

(World Health Organization, 2025). In response to this problem, China has implemented five measures meant to reduce the environmental impact of companies' operational activities. These measures include carbon exchange, ESG reporting, clean production audit, pollutant discharge permit, and environmental damage repairing and compensation. (Dezan Shira, 2022).

Carbon Exchange: As China pursues ambitious green development goals, the country's environmental regulatory landscape is changing quickly. In order to reduce risks and gain a competitive edge, firms must adjust to tougher regulations and rules. Carbon trading is one of the main compliance requirements, where businesses must follow emissions quotas and sell credits appropriately. Over 2,225 businesses in the power production industry were first included in China's carbon market, which was introduced in July 2021. Non-compliance resulted in fines and public names. Businesses can get ready by putting in place internal carbon pricing mechanisms, including taxes or shadow prices, to promote emissions reductions and finance environmentally friendly projects. Additionally, it is imperative that businesses include sustainability into their risk management plans, keep an eye on regulatory changes, increase openness by disclosing environmental information, and make use of incentives provided by laws such as the Environmental Protection Law. Businesses can set themselves up for long-term success in China's changing environmental compliance landscape by proactively adhering to these requirements.

The Impact of Outsourcing Production on Consumers, Brand Reputation, and Image

For consumers, it generally represents a benefit since they would be able to get cheap prices because companies outsource their production aiming to decrease their costs of

production, which simultaneously allows them to decrease their prices. However, this is not what usually occurs when it comes to the luxury market. This is because in this market, companies outsource their production to generate higher returns. This means that the production outsourcing of luxury companies won't create a benefit for consumers since the price of their goods will not decrease, it will stay the same. One example can be seen through Christian Dior. In 2024, it was discovered that the total actual cost of producing one of its bags was 57\$, however, they were selling the same bag for 2800\$.NEWS DIOR. This case has significantly raised concerns about not only labor practices in the luxury industry but also the pricing strategy these companies adopt to create a facade of glamour and exclusiveness.

Luxury brands' reputations can be greatly impacted by outsourcing in both positive and bad ways. Positively, outsourcing to specialist partners can improve the quality of customer care by offering omnichannel integration, round-the-clock support, and culturally sensitive interactions, all of which are in line with the exclusivity and individualized attention that luxury clients demand. These collaborations can also preserve data security, provide scalability during busy times, and raise customer satisfaction levels with customized experiences and sophisticated analytics. Outsourcing, nevertheless, may potentially jeopardize brand perception and authenticity. Customers frequently connect luxury brands to exclusivity and craftsmanship associated with certain regions or cultures. In the viewpoint of consumers, outsourcing production to areas viewed as incompatible with these ideals. For example, shifting manufacturing from Milan to Malaysia may lessen the brand's genuineness. Additionally, if suppliers participate in unethical behaviors, such as subpar labor conditions or inadequate adherence to sustainability norms, outsourcing may expose brands to reputational hazards.

Negative media coverage of these topics can erode public confidence and result in charges of greenwashing or exploitation. The reputation of luxury brands may be affected in several ways by outsourcing production to China. China, which is predicted to consume half of the world's luxury products by 2025, is a vital market for luxury goods. Brands may take advantage of cost-effective production, match local tastes, and tap into this expanding market by establishing operations in China. Working together with Chinese partners and implementing localized tactics, such as co-branding or using Chinese influencers, can improve brand awareness and cultural relevance, which will improve a company's standing with Chinese customers. However, some dangers could harm the image and reputation of a brand. Typically, luxury brands are linked to exclusivity, workmanship, and regional tradition, such as that of France or Italy. These impressions could be weakened by outsourcing production to China if buyers think that "Made in China" means mass production or inferior quality. Furthermore, if ethical issues are not handled appropriately, they may cause reputational harm. Examples of this include labor practices and sustainability issues in outsourced operations. For instance, investigations into labor violations linked to high-end labels like Dior and Giorgio Armani have mostly revealed problems with their supply chains in Italy. Unauthorized subcontractors, frequently run by Chinese nationals in Italy, abused workers by underpaying them, imposing excessive working hours, and offering subpar working conditions, according to these investigations. Giorgio Armani handbags were made in exploitative conditions by unlicensed Chinese subcontractors close to Milan, according to Italian police. Similar to this, Manufactures Dior SRL, Dior's Italian manufacturing division, was placed under judicial administration following claims that it had outsourced work to labor-exploitation-related Chinese-owned businesses in Italy. It is important to emphasize that although Chinese-

owned companies operating in Italy were involved in these malpractices, there is no proof that Dior or Giorgio Armani are connected to labor or sustainability problems in China or other developing nations. Their supply chains and operations in Italy are the subject of the reported infractions. Manufacturing processes and especially when outsourcing practices are implemented, must be transparent because concealing outsourced activities could anger customers who respect authenticity.

Relevant Information about the luxury industry and outsourcing:

- Italy is the best region for the luxury industry to produce at a low cost while keeping a good image.
- To reduce costs, Italians brought Chinese people to work for them.
- Jewelry: the biggest sector outsourcing. Few elements produced abroad such as polishing and finishing. Mauboussin announced that 85% of its jewelry is produced in China.
- Over a 100 industries of luxury accessories are located in Sibiu, Romania (Prada, Todd's, Ferragamo.)
- Coach doesn't hide the Chinese origins of its bags. (Cost of the bag 100, selling price 600.)
- Hugo Boss produces all its suits in Germany and all the other goods are realized in China.
- Companies outsource to respond to the customer needs or demand and go global.
- Some companies refuse to outsource to maintain their image, as a result, their cost increases.

Environmental Controls - China versus Italy

“Growth takes toll on China's environment” (CNN, 2020). China's environmental history is characterized by a conflict between rapid economic development and the detrimental impact of industrialization on the environment and public health. Moreover, ecological degradation and extensive pollution resulted from China's early reform and opening up in the late 20th century, which placed economic growth ahead of environmental sustainability. Although industrialization helped millions of people escape poverty and significantly raised living standards, it also contributed to serious pollution of the air and water, deforestation, soil erosion, and greenhouse gas emissions. For instance, China's reliance on coal for energy contributed to some of the worst air quality globally, with particulate matter exposure linked to millions of premature deaths annually (NLM, 2022). During this time, industries were able to operate with minimal accountability for pollution due to the absence of strict environmental regulations. Hence, this approach was rooted in the belief that environmental issues were secondary to economic growth, a mindset that persisted until the late 20th century when global awareness of sustainable development began influencing China's policies. Notably, China ranked poorly on the Environmental Performance index in 2020 caused by inadequate management during its industrial development. Consequently, air pollution became one of China's most pressing challenges. The World Health Organization estimates that air pollution accounts for approximately 2 million deaths annually in China (WHO, 2025). Additionally, industrial water contamination extended widely, lowering access to safe drinking water and raising the danger of waterborne diseases. (NLM, 2022). As environmental harm increased, China started enacting measures to reverse these patterns. The Air Pollution Prevention and Control Action Plan (2013–

2017) and the Three-Year Action Plan for a Blue Sky (2018–2020) are noteworthy milestones that resulted in quantifiable improvements in air quality. Furthermore, China has become a global leader in investments in renewable energy, contributing about half of all clean energy expenditures by 2017 (PubMed, 2020). Notwithstanding these developments, there are still issues in striking a balance between sustainable development goals and ongoing economic growth.

Similarly, to address its environmental problems and advance sustainable development, China has recently put in place five environmental initiatives. These actions consist of: carbon exchange, ESG reporting, clean production audits, pollutant discharge permit, and environmental damage repairing and compensation.

The carbon exchange or emissions trading system (ETS) is the largest trading system in the world. China introduced its national carbon market in 2021. Initially focusing on the power generation sector, it aims to cover more industries, including steel, aluminum, and cement by 2024 (Economic Development Board, 2022). This system allows companies to buy and sell carbon credits, incentivizing them to reduce their emissions and meet national climate goals (Oxford Institute of Energy Studies, 2025).

By the same token, ESG (Environmental, Social, and Governance) reporting is the process of disclosing data about a business's governance procedures, social responsibility, and environmental effect. It provides a framework for assessing a company's sustainability performance and ethical behavior beyond conventional financial measures for stakeholders, such as investors, regulators, and the general public. China has tightened its ESG reporting regulations considerably in recent years, particularly for large polluters and publicly traded corporations.

These actions are in line with international climate pledges, support green finance, and guarantee sustainable development as part of a larger national strategy. The following are significant changes in China's environmental ESG reporting: mandatory environmental disclosure, stock exchange guidelines, green finance integration, and alignment with international standards (China Briefing, 2022).

Likewise, clean production audits are a crucial regulatory instrument in China's environmental governance model, attempting to reduce pollution at its source and encouraging sustainable industrial development. These audits are mandated under the Law of the Promotion of Clean Production and associated regulations, which forces businesses to systematically assess and enhance their production processes to reduce waste creation, pollution emissions, and resource consumption (China Briefing, 2022).

Moreover, the pollutant discharge permit (PDP) system is a key component of China's environmental regulatory structure, which requires companies to seek formal authorization before releasing pollutants into the environment. This is governed by the Regulation on the Administration of Pollutant Discharge Permits, which took effect in March 2021, the system represents a shift toward comprehensive, legally binding environmental accountability (China Briefing, 2022). Similarly, repairing environmental harm and providing ecological compensation have become of paramount importance in China as part of its larger ecological civilization model. In addition to halting additional deterioration, these programs seek to repair ecosystems that have already suffered from pollution, urbanization, and industrial activity. Therefore, long-term ecological recovery is prioritized along with sustainability, cleanup, and accountability (China Briefing, 2022).

These actions, which address China's serious environmental issues and are in line with international sustainability norms, show the country's attempts to strike a balance between environmental preservation and economic growth. It is important to emphasize that the implementation of environmental measures above-mentioned in China, marks a significant shift toward sustainable development. However, this shift is relatively new compared to countries like Italy, which has been subject to the European Union's stringent environmental regulations for decades. The EU's environmental directives and regulations provide a comprehensive framework for sustainable development, with strong emphasis on transparency and accountability in corporate activities. The EU's commitment to transparency and environmental stewardship can be seen through these three different policies that must be complied by all companies operating in the EU region: the EU emissions trading system (EU ETS), the green deal, and environmental impact assessments.

One of the biggest and most well-known carbon markets in the world is the EU Emissions Trading System (EU ETS), which was founded in 2005. It limits the overall amount of greenhouse gas emissions from particular industries using the "cap-and-trade" model. Emission allowances are given to or purchased by businesses, and they can exchange them with one another. Because enterprises that reduce their emissions can sell excess allowances for a profit, this system provides a financial incentive for them to do so (European Commission, 2025).

Similarly, the European Green Deal was introduced in 2019 and lays out aggressive goals to achieve carbon neutrality by 2050 and a minimum 55% reduction in greenhouse gas emissions

by 2030. Correspondingly, it includes a variety of measures meant to make the EU economy more environmentally friendly and sustainable (European Parliament, 2022).

Furthermore, the Environmental Impact Assessments (EIAs) are a vital instrument for sustainable development and environmental governance that are required by the European Union. Directive 2011/92/EU, as revised by Directive 2014/52/EU, principally governs these evaluations. It establishes the legal framework for evaluating the possible environmental impacts of specific public and private projects prior to their approval. (UNECE, 2020). EIAs are intended to make sure that decision-makers take environmental effects into account as early in the project planning process as feasible. Before a project is authorized or implemented, this preventative strategy seeks to detect, forecast, and assess possible environmental effects, such as those on biodiversity, water, air quality, soil, cultural assets, and human health (EUR-Lex, 2020).

Hence, the EU has a long history of protecting the environment, which shows how important it is to implement policies consistently over time. By doing this, stakeholders' trust is increased and company strategies are guaranteed to incorporate environmental aims. Additionally, a culture of compliance and sustainability has been promoted by the EU's emphasis on accountability and openness in corporate operations. As a result, sustainable development can spur economic growth, as demonstrated by the EU's approach to fusing environmental policies within economic growth.

Sustainability Practices by Luxury Fashion Brands in Developing versus Developed Countries for their Production Stage

The fashion industry, particularly luxury brands, is frequently stereotyped as prioritizing profit and exclusivity over sustainability. This reputation is partly due to practices that emphasize maintaining brand image at the expense of environmental considerations. Consequently, the fashion industry has to face three main sustainability challenges, these include: the environmental impact of their businesses operations, exclusivity vs. sustainability, and the consumer perception.

The fashion industry is among the most harmful industries to the environment worldwide. About 10% of the world's carbon emissions come from this industry, which is more than the combined effects of international travel and maritime shipping put together (Falk Yassine, 2023). Similarly, the energy intensive procedures used in textile production, including dyeing, fabric manufacturing, and shipping over international supply chains are the cause of this large carbon footprint. In addition, water contamination is yet another serious issue within this industry; it is responsible for about 20% of global clean water pollution (United Nations, 2020). It is important to emphasize that when hazardous chemicals are used in dyeing and finishing operations, untreated wastewater is frequently released into rivers and streams, especially in nations with weak environmental standards. Consequently, the health of the surrounding communities is impacted, aquatic life is harmed, and supplies of drinking water are contaminated. This industry also contributes significantly to the production of garbage. Additionally, the fashion industry has created a throwaway culture in which clothes are thrown away after only a few uses due to the practice of “being trendy.” This practice causes the abandonment of synthetic fabrics like

polyester, which take hundreds of years to break down, and other 92 million tonnes of garments in landfills every year (European Parliament, 2024). Likewise, new collections are often produced at the price of sustainability. Thus, this business model not only depletes natural resources rapidly but also produces enormous amounts of pollution in the short run (Environmental Sustainability in the Fashion Industry, 2025).

Moreover, exclusivity has always been a key component of the identities of luxury fashion labels such as Louis Vuitton. The maintenance of this exclusivity is achieved by careful brand control, limited availability, and high prices. However, sustainability is frequently sacrificed for the sake of this strategy. In fact, some luxury brands have been known to trash unsold inventory by burning or shredding unwanted clothing, shoes, and accessories instead of selling them at a discount price or donating them to charity, this to maintain the alleged value of their brand and prevent "dilution" of their image. Despite being done to preserve the impression of uniqueness and great value, this practice leads to waste and environmental damage. In addition to wasting the materials, time, and effort required to produce them, the destruction of clearly useful products conveys the idea that maintaining brand reputation comes before taking ethical and environmental issues into consideration. As a result, such behaviors have drawn criticism and strengthened the idea that luxury brands are oppositional to long-term, sustainable goals. While some luxury brands have started implementing more environmentally friendly practices in response to global awareness and consumer pressure, such as utilizing recycled materials or increasing supply chain transparency, many still find it difficult to strike a balance between their long-standing exclusivity values and the pressing need for sustainability. One emblematic example of the luxury industry's emphasis on exclusivity is Louis Vuitton's and

Burberry's practice of discarding unsold merchandise. Louis Vuitton and Burberry reinforce their luxury status by burning unsold bags to keep its products rare and sought-after. This strategy, however, contributes to waste and pollution and has a high environmental cost. Further demonstrating the brands' preference for exclusivity over sustainability is the choice to neither donate nor sell these items at a reduced price. (crea, 2024).

Moreover, a developing global narrative claims that consumers are pressuring fashion brands to adopt more environmentally friendly methods. Notwithstanding, it is crucial to understand that a large portion of this view is influenced by outside observers rather than the actual customers of luxury items, such as media outlets, advocacy groups, environmental organizations, and researchers. The actual or real consumers of these types of goods still place a higher value on pricing, trends, or brand prestige than environmental responsibility, despite the fact that sustainability is becoming a more prominent issue in public conversation. Furthermore, a lack of transparency in supply chains and sustainability claims, as well as pervasive greenwashing, further exacerbate this disparity. Because of this, even well-meaning customers have a hard time figuring out which brands are actually environmentally friendly and transparent with the production of their luxury items. According to a 2022 survey, 60% of sustainability promises made by well-known fashion businesses were either unsubstantiated or perhaps misleading, which increased public distrust. (Financial Times, 2022). According to polls, a sizable percentage of consumers claim they would no longer support companies that have been found to engage in greenwashing (Statista, 2022). However, as mentioned before this opinion frequently represents the opinions of knowledgeable or environmentally conscientious observers rather than the general population of regular consumers.

Hence, although the environmental impact of the fashion industry is coming under more public and third-party scrutiny, many customers' real purchasing habits still differ from this awareness. Consequently, to close this gap, better consumer education and accessibility at all market levels, in addition to increased brand openness, will be necessary.

Conversely, to the previous examples of unsustainable operational practices by Louis Vuitton and Burberry, Ferragamo is a high luxury company which epitomizes the coexistence of sustainability with the production of “haute couture pieces.” Established in Florence, Italy, in 1927, Salvatore Ferragamo is a well-known Italian luxury fashion brand. The company is well-known for producing leather items, accessories, and especially shoes of superior quality. Ferragamo employs more than 4,000 people and has operations in 90 different countries. The founder, Salvatore Ferragamo was a pioneer in the fields of ecological practices and new materials. In the past, he has experimented with unusual materials to produce one-of-a-kind goods. For instance, he used cork to reinforce the soles of his shoes during Italy's economic autarky in the 1930s. Thus, he demonstrated his dedication to originality and resourcefulness by incorporating fish skin and other uncommon materials into his creations. Even though Ferragamo did not have the modern notion of sustainability in its early years and was an early adopter of this concept, his use of materials and craftsmanship set the stage for later sustainable practices. Throughout time, Ferragamo has kept this legacy alive by investigating eco-friendly materials and procedures. For instance, the ongoing partnership between Ferragamo and Orange Fiber, an Italian firm that uses leftovers from citrus juice to make sustainable yarns, exemplifies Ferragamo's commitment towards environmental stewardship.

However, there are other luxury brands that do not share Ferragamo's values nor ethical procedures towards the environment in their operational activities. This is also the case of Alviero Martini S.P.A. where customers' perception of the company as a luxury brand was called into question when the case revealed significant ethical and environmental infractions in the company's supply chain. According to Italian authorities' investigations, the company's subcontractors were exploiting unauthorized migrant labor. These workers were paid under minimum wages and forced to perform long, arduous shifts in the same hazardous facilities where they were employed. It is important to emphasize that these facilities were frequently overcrowded, filthy, and devoid of basic safety regulations (ANSA, 2024). These violations went unnoticed because the corporation did not put in place sufficient monitoring over its third-party manufacturers. Furthermore, these illegal production sites, which were not subject to regulations, were found to have environmental problems. Untreated wastewater, textile waste, and toxic dyes were improperly handled or unlawfully disposed of, endangering the health and environment of the surrounding populations. This is especially problematic in low-income metropolitan areas where these facilities are frequently found. Alviero Martini's internal procedures revealed a notable discrepancy between public perception and operational reality, exposing blatant instances of greenwashing even though the fashion brand positioned itself as ethical and ecological. Thus, this case is a clear reminder of the human and environmental costs that might be hidden beneath luxury branding is provided by Alviero Martini's' inconsistency with its declared ideals, particularly when production is outsourced to unregulated supply chains (La Repubblica, 2024).

Unsustainable and Unethical Practices (Materials Extraction, Processes, and Cheap Labor)

Luxury brands frequently uphold unsustainable and unethical practices not merely for profit or to reduce expenses but for reasons that go beyond their financial interests. Even though cost savings is a triggering element, which constantly pushes luxury companies to adopt and execute these unsustainable practices, there are primarily three reasons that encourage them: creation of “haute couture unique pieces,” consumer perception, and weak regulatory enforcement. These three elements are frequently linked to cultural appropriation, image-related perceptions, and strategic conditions which might override ethical or sustainable concerns.

Luxury companies have often been criticized for appropriating traditional methods, patterns, and cultural icons from underrepresented groups, especially Indigenous and Global South craftspeople, without giving due acknowledgment, payment, or cooperation. Although this practice is frequently presented as an admiration for "artisanal craftsmanship," it can actually be a kind of cultural exploitation that deprives these customs of their context and significance in order to keep creating “haute couture unique pieces” for a luxury brand house. Although the original inventors are not given any financial advantages or recognition, luxury firms increase their cultural capital and brand value by integrating Indigenous patterns, weaving techniques, beadwork, or textiles into their collections. For instance, the French luxury brand Isabel Marant in 2015 was accused of stealing the indigenous designs of the Mixe community in Santa María Tlahuitoltepec, Mexico (The Guardian, 2018). These designs sparked international outrage since they were utilized without permission or attribution, despite their profound cultural and symbolic importance. These incidents underscore a recurrent trend in which luxury brands romanticize

"heritage" and "handmade" aesthetics to appeal to wealthy consumers while eschewing ethical sourcing and collaboration practices. Another example of this unethical practice is Carolina Herrera's fashion house in 2019, when it faced criticism for incorporating Indigenous Mexican embroidery and motifs in a collection without consulting or paying the indigenous communities (The New York Times, 2020). Furthermore, under the pretense of innovation and creative inspiration, scholars and activists contend that this type of cultural appropriation perpetuates colonial processes, in which the global North takes value from the global South. Hence, traditional knowledge and cultural manifestations are frequently unprotected by intellectual property law, leaving them open to exploitation by multinational corporations, according to the UN's World Intellectual Property Organization (WIPO, 2021). On the contrary, Dior's limited projects with South Asian or African textile makers are just one example of how some luxury brands have started to work ethically with craftsmen; yet, their efforts are erratic and frequently more performative than structural. In luxury fashion, cultural appropriation is still a major problem because it frequently commodifies identity while disregarding the histories, rights, and livelihoods of the people who created the work.

Moreover, the common misconception that greater costs automatically correspond to higher ethical and environmental standards frequently works in favor of luxury brands. Most consumers believe that high-end products are of higher quality, have sustainable sourcing, and use fair labor methods. This impression serves as a powerful marketing shield, enabling luxury brands to evade the same level of scrutiny that fast fashion faces, even when their operational practices are just as detrimental or worse. Despite their high prices, many luxury brands actually still operate in unethical and unsustainable ways. For instance, it has been reported that a number

of luxury brands use exotic animal skins, including ostrich, crocodile, and python, that are obtained through opaque supply networks that frequently result in environmental damage and animal abuse. As a result, price is not a guarantee of humane treatment or sustainable sourcing, as demonstrated by a 2017 PETA study that revealed the harsh conditions at reptile farms that provide skins to high-end fashion brands (PETA, 2025). Furthermore, labor exploitation does not exempt the luxury industry. According to reports, workers who make luxury clothing and accessories are sometimes paid under minimum wages in factories that also produce cheaper goods. According to a 2020 New York Times investigation, laborers in Southern Italy were earning as little as €1-2 per hour while producing clothing for companies such as Dior and Fendi (The New York Times, 2020). This indicates a discrepancy between the perceived luxury and the real production conditions. Because luxury goods' supply chains are frequently opaque, these tactics continue. The Fashion Transparency Index 2023 found that, in contrast to several mass-market firms who are under increasing pressure to disclose their labor practices and sustainability initiatives, many luxury fashion houses fared poorly in this area. Ultimately, high-end prices do not always equate to sustainable or moral business operations. Instead, premium branding creates the appearance of virtue, which allows companies to continue damaging practices while presenting a sophisticated, accountable image.

Despite growing awareness of corporate responsibility worldwide, regulatory enforcement is still dispersed and uneven, especially when it comes to global supply chains. Luxury corporations frequently operate in or source from countries with lax, poorly implemented, or incomplete labor, environmental, and animal welfare legislation. Both for financial benefit and because of the inherent flaws in the international regulatory system, this

legal fragmentation permits them to carry on with detrimental behaviors with little fear of repercussion. For instance, a lot of high-end fashion brands produce their products in emerging countries such as China, India, and other regions of Southeast Asia, where environmental regulations are lax and factories may leak harmful chemicals into nearby water supplies. Furthermore, luxury brands frequently employ leather tanning for their expensive bags and shoes, but this technique is well-known for using toxins like chromium that can cause cancer. According to a Human Rights Watch research, tanneries in Hazaribagh, Bangladesh, some of which were tangentially connected to supply chains for luxury apparel, routinely exposed local populations and workers to hazardous waste, frequently without the necessary safety precautions or compensation. Consequently, regulatory gaps have an impact on worker rights in addition to environmental consequences. For instance, the luxury market has been linked to the exploitation of migrant workers in Italy, namely in Naples and Tuscany, where subcontracting is utilized to get around EU labor laws. According to The Clean Clothes Campaign, some luxury brands maintain an opulent, moral façade while avoiding direct accountability by working with third-party manufacturers who rely on informal labor arrangements. Similarly, animal welfare is an additional topic of concern. The trading of exotic animals is governed by international treaties such as CITES (Convention on International Trading in Endangered Species of Wild Fauna and Flora), but their implementation is inconsistent and vulnerable to corruption. Therefore, skins from animals that have been illegally poached can be laundered into legitimate supply chains and used to make luxury goods, according to investigations. In addition, The World Animal Protection group has drawn attention to how lax regulations do not adequately safeguard animals used in fashion, enabling high-end companies to profit from exotic materials without coming

under public notice. It is important to emphasize that these activities continue not only due to financial incentives but also because luxury companies frequently have a lot of political clout and cultural capital, which makes it simpler for them to deal with legal ambiguities without harming their reputations. As a result, a layer of security that smaller or more transparent brands might not have is provided by their worldwide status given by consumers' perceptions.

The process of extracting raw materials from the earth, such as metals, minerals, gemstones, or other natural resources, needed to produce goods, notably luxury items, is known as materials extraction. Within the framework of global capitalism, developing nations are frequently disproportionately impacted by this process, as foreign private businesses exploit their vast natural resources with little consideration for the economic, social, or environmental repercussions. Additionally, many high-end brands, especially those in the jewelry industry, mostly depend on this dynamic. While the value-added production, branding, and revenues are focused elsewhere, these corporations frequently exploit emerging countries as material extractors, procuring rare stones, gold, or diamonds from places like South Asia, Argentina, or Sub-Saharan Africa (UN Trade & Development, 2021). Usually, this extraction paradigm leads to economic reliance, labor exploitation, and environmental degradation for the source countries, who are paid very little in comparison to the wealth created by the finished goods. For instance, high-end jewelry manufacturers are excellent illustrations of this approach. One such example is the historical French jewelry company Mauboussin, which is well-known for its upscale lines. Moreover, a global gap between resource origin, production labor, and brand identity is highlighted by the fact that 85% of Mauboussin's jewelry is made in China, despite its French origins and luxury reputation (Le Monde, 2025). While Mauboussin and similar companies

might purchase raw commodities from Asiatic or African nations, such as gold or precious stones, these nations frequently lack the infrastructure necessary to completely process or profit from these resources. Rather, they are caught in a cycle of exporting and extracting, with little chance for technological or economic advancement. In addition to posing ethical questions, this paradigm perpetuates neocolonial dynamics, in which affluent multinational firms continue to receive riches from resource-rich but economically underdeveloped areas. Furthermore, local communities frequently face the burden of the pollution, deforestation, and health risks brought on by mining and material extraction without obtaining just compensation or sustained investment due to the lack of strong labor laws and environmental controls in many of these nations.

Increasingly, private multinational corporations, especially those in the luxury sector, have turned to production networks situated in developing countries in their quest for greater profit margins and a wider worldwide presence. These judgments, which are often publicly defended as smart economic decisions, actually reveal deeper operational dynamics that take advantage of low enforcement of labor and environmental laws, attractive currency exchange rates, and weak regulatory frameworks. Likewise, luxury companies are able to externalize the social and environmental costs of production onto the most vulnerable economies while still maintaining their reputation for exclusivity and excellence thanks to this methodology. In addition, many developing countries have flexible regulations, which is one of the main factors driving this outsourcing. In contrast to most developed nations' strict labor and environmental regulations, Southeast Asia, Sub-Saharan Africa, and portions of Latin America have less stringent oversight and antiquated regulatory structures. Thus, hazardous industrial processes

such as chemical leather tanning, poisonous coloring, and inadequate waste management are allowed or unregulated in these areas, allowing businesses to carry out operations that would be severely punished in the Global North. It is important to remark that over 60% of workers in developing nations work informally, without the rights and protections that come with organized labor markets, according to the International Labour Organization (ILO). As a result, multinational firms can take advantage of low-cost labor in this informal economy without taking accountability for working conditions or wage norms (ILO, 2018). Similarly, sustainability flaws encourage the relocation of production in addition to worker exploitation. Hence, corporations are able to evade expensive restrictions like carbon offsetting, hazardous waste disposal, and water conservation rules because many developing countries have lax or voluntary environmental compliance procedures. Consequently, human rights and environmental violations can continue unnoticed at lower levels of the supply chain since many luxury fashion firms do not keep an eye on subcontractors outside of their first-tier suppliers, according to a Clean Clothes Campaign report (Clean Clothes Campaign, 2021). These operational lapses are deliberate omissions that enable businesses to outsource the dirtiest aspects of production while maintaining an opulent, environmentally friendly brand image. Therefore, the economic leverage offered by exchange rates and the negligible financial impact of local levies or penalties give still another important operational advantage. Frequently, developing countries impose fines or fees for regulatory violations that are so little in comparison to a multinational's revenue that they are simply viewed as "costs of doing business." Ultimately, to a multinational corporation that saves millions of dollars by manufacturing at scale in Bangladesh or Cambodia, for example, a \$50,000 punishment for environmental non-compliance may seem like a big deal locally.

However, companies frequently balance these little fines against the significant financial gains from eliminating Western production costs, according to the United Nations Conference on Trade and Development (UNCTAD, 2023). Additionally, trade agreements and tax breaks are important factors in luring production to emerging countries. In an effort to promote economic growth, several governments in the Global South create free trade zones or provide incentives for foreign direct investment. Nonetheless, these areas frequently have laxer labor regulations, lower tax requirements, and less government supervision. This makes it possible for global firms to establish industrial facilities with little regard for financial responsibility, generating economic value without making a significant contribution to local development or infrastructure. In its study on Special Economic Zones (SEZs), the World Bank highlights how these regions are set up to draw in foreign investment, frequently at the price of long-term viability and domestic regulation (World Bank, 2020). This operational approach is not merely theoretical; it is evident in businesses such as the upscale French jeweler Mauboussin. Moreover, 85% of the brand's jewelry is made in China, despite its pride in its French history and artisanal craftsmanship. This calls into question the ethical ramifications of sourcing and manufacturing in addition to authenticity and transparency. The majority of value-added processing and branding occurs abroad, perpetuating a cycle of neocolonial economic reliance, even though raw resources like gold or gemstones may be sourced from resource-rich but economically underdeveloped countries. As a result, the choice of international luxury brands to establish their manufacturing in underdeveloped nations is not just based on cost effectiveness; rather, it is a strategic operational approach that takes advantage of regulatory gaps, exchange rate advantages, and structural global disparities. Even though these companies still portray themselves as exclusive,

well-made, and sustainable, the underlying layers of their supply chains reveal a totally different picture, one of institutional neglect, environmental damage, and worker abuse. In addition to raising consumer knowledge, addressing these challenges calls for global regulatory collaboration, supply chain transparency, and business accountability across the board.

Evidently, the French luxury brand Hermès is one of the most notable examples. It is well-known for its recognizable Birkin and Kelly purses, many of which are crafted from exotic animal hides including ostrich, alligator, and crocodile leather. Although these materials are marketed as unique and handcrafted, their use presents significant issues with environmental degradation, animal cruelty, and sustainability. Hermès' dependence on exotic leather, which is mostly obtained from industrial animal farms in Southeast Asia, Australia, and Africa, is at the center of the dispute. Because of their texture and look, rare skins are promoted as opulent and special, and these farms are kept up to date to satisfy the growing demand for them. However, this is a very unsustainable practice. Large tracts of land must be cleared in order to run these farms, frequently at the price of the biodiversity in the area. Similarly, the equilibrium of fragile ecosystems is threatened when wetlands and natural habitats are transformed into crocodile and alligator breeding grounds. These creatures are often even taken from the wild to support breeding initiatives, which further strains already delicate species. Consequently, the environmental cost of this practice extends beyond habitat destruction. Moreover, raw hides are turned into sturdy leather through the extremely hazardous and chemically intense tanning process. This frequently uses chromium salts and other dangerous chemicals that, if not handled appropriately, contaminate the soil and water supplies in the area. Such trash is commonly disposed of untreated in areas with weak or nonexistent environmental standards, putting the

environment and nearby residents at risk. Because there is typically no control and the health of tannery workers is regularly jeopardized, this pollution is especially dangerous in emerging countries where Hermès' suppliers are located. In addition to environmental issues, Hermès has faced intense scrutiny over animal welfare violations. Animal abuse on crocodile farms that supply the company has been revealed by investigations conducted by groups such as PETA. According to these accounts, animals are kept in small, unsanitary quarters and are killed using cruel ways such as electric shocks and rudimentary cutting procedures. Additionally, crocodile farms in Zimbabwe and Texas were the scene of one particularly well-known event in which the creatures were allegedly skinned alive. The actress and singer Jane Birkin, who is the inspiration behind the Hermès Birkin bag, requested that her name be removed from the product until improved animal welfare standards were ensured because of the severity of the criticism. CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) is one of the international criteria that Hermès cites as evidence of its compliance with these accusations. Furthermore, critics counter that CITES regulation is inadequate because it prioritizes trade control over environmental responsibility and ethical farming. Similarly, it is also challenging to evaluate the actual ethical and environmental impact of Hermès' production lines due to the company's own sustainability declarations, which are opaque and provide scant information about particular supplier practices. This case serves as an example of a larger problem in the luxury fashion sector: greenwashing, the practice of companies projecting a sustainable image while carrying out detrimental backstage operations. The narrative of "artisanal craftsmanship," which implies a profound regard for tradition and environment, is the foundation of Hermès' marketing strategy. However, the reality reveals a contradiction: the brand's supply chain

includes animal abuse, poisonous industrial practices, and ecological damage. By lowering operating expenses and maintaining its exclusive reputation in consumer markets, these practices, which are implemented in nations with lax regulations, benefit this company. Thus, Hermès is a prime example of the contradiction in the luxury fashion industry: despite its claims of classic quality and environmental responsibility, it frequently uses unethical or non-sustainable business practices.

Hence, the luxury fashion business must be held responsible for the entirety of its operations, not just its image, as consumer knowledge rises and the environmental problem worsens. Genuine sustainability necessitates more than empty rhetoric; it calls for accountability, openness, and a radical departure from opulent yet exploitative structures.

Costs of Moving the Production Chain to Emerging Markets

For contemporary companies looking for cost-effectiveness, specialization, and efficiency, outsourcing has emerged as a crucial tactic. Outsourcing, the practice of hiring outside companies or people to carry out duties or provide services that would normally be done internally, enables businesses to streamline processes and concentrate on their core skills. Moreover, it has changed from a cost-cutting strategy to a multidimensional strategic tool utilized by companies of all kinds, this can be seen especially in huge multinational firms, as globalization and digital revolution continue to redefine industries. Consequently, large companies are more prone to outsourcing. In addition, outsourcing covers a wide range of corporate operations, such as manufacturing, finance and accounting, customer service, human resources, information technology (IT), and transportation. It is important to emphasize that

depending on their geographic preferences, companies may choose to outsource to nearby or culturally similar countries (nearshore outsourcing), outsource to faraway countries (typically for economic reasons), or outsource to the same country (onshore). For instance, the Philippines and India have emerged as significant worldwide centers for offshore IT and customer support services because of their highly qualified workforces and cost benefits. Correspondingly, 70% of respondents to Deloitte's Global Outsourcing Survey (2020) stated that outsourcing was an essential component of their overall business plan. Furthermore, more than 59% of companies claimed that cutting costs was the main motivator, followed by increased flexibility (57%), and better service quality (47%). (Deloitte, 2020). Similarly, according to the same study, businesses that spend over \$100 million a year on outsourcing are increasingly turning to this strategy for innovation and digital transformation in addition to operational efficiency.

Thus, successful outsourcing agreements are supported by a number of essential elements.

First and foremost, service level agreements (SLAs) are essential for outlining accountability, performance indicators, and expectations. These agreements make sure that everyone is on the same page regarding deliverables and the penalties for poor performance. Likewise, another crucial component is choosing a vendor, which entails carefully evaluating each one according to their qualifications, track record, and strategy alignment. As a result, careful management of the knowledge transfer process is necessary to guarantee a seamless transition with little disturbance. Moreover, governance structures also aid in relationship supervision, feedback, and problem solving. Lastly, in order to address possible legal, operational, and reputational issues, companies need to put in place robust risk management

procedures (Willcocks & Lacity, 2016). Certainly, clear goal-setting, open communication, and the establishment of long-term partnerships are all stressed by best practices in outsourcing. Consequently, successful outsourcing is a cooperative process rather than just a transaction. Prominent corporations such as Apple, IBM, and Accenture have shown how outsourcing may result in a long-term competitive advantage when it is properly managed. For instance, Apple contracts with firms like Foxconn to handle a large portion of its manufacturing, allowing the tech titan to remain flexible and concentrate on product design, marketing, and innovation. The extent of outsourcing is further demonstrated by quantitative data. According to Grand View Research (2022), the global business process outsourcing (BPO) market was estimated to be worth USD 245.9 billion in 2021 and is projected to expand at a compound annual growth rate (CAGR) of 9.1% between 2022 and 2030. This pattern shows the growing popularity of outsourcing as well as the variety of services being outsourced, especially in the fields of artificial intelligence, cloud computing, and digital transformation. Thus, outsourcing is becoming a common and versatile strategy, especially for big corporations looking to boost productivity and spur innovation. By means of meticulous preparation, strong contractual arrangements, and cooperative alliances, companies can utilize outsourcing to get access to worldwide talent, lower operating expenses, and preserve a competitive advantage in a market that is becoming more dynamic every time.

Similarly, it is crucial to acknowledge that businesses have a number of other reasons for deciding to outsource departments, even though the economic appeal of outsourcing, specifically, the drastically lower production costs overseas as opposed to domestic manufacturing above-mentioned, is evidently an important element that companies take into

consideration when deciding to outsource. This component forms a broader strategic equation that also takes into account factors like talent acquisition and geopolitical advantages. Likewise, another important consideration in outsourcing decisions is the availability of highly qualified and specialized labor. A 2022 Deloitte Global Outsourcing Survey found that 50% of businesses indicated talent and capability access as their top outsourcing motivation, outperforming cost savings (Deloitte, 2022). For instance, known for their highly skilled IT and customer service workers, countries like the Philippines and India have a large labor pool capable of providing high-quality services on a large scale. In the meantime, areas like Italy and Japan are known for their mastery of workmanship, which makes them particularly desirable to luxury firms who want to uphold high manufacturing standards. Thus, many companies opt to outsource their operations to particular nations in order to take advantage of government incentives in addition to trained workers. France's "Made in France" campaign, for example, offers tax benefits and marketing assistance to luxury fashion firms that manufacture in France or the EU under advantageous trade agreements (Business France, 2021). These incentives not only lower costs but also raise the brand's profile by linking it to artisanal, culturally significant production practices. Outsourcing is therefore a strategic choice influenced by the availability of worldwide talent and the chance to establish beneficial alliances with backing governments, rather than just a reaction to legal or financial constraints.

It is important to emphasize that even though there are many benefits to outsourcing, luxury companies also need to think about the possible drawbacks of moving production to emerging nations, such as the effect on consumer perception and brand image. In addition to quality and exclusivity, luxury brands also thrive on the story of distinction, workmanship, and

heritage. This argument may be weakened when manufacturing is moved to countries more frequently linked to mass manufacturing and cheaper items. For instance, many consumers still associate the "Made in China" badge with negativity, especially in the luxury sector. According to a study by Hennigs et al. (2013), luxury buyers frequently associate Chinese-made goods with lower quality, independent of actual production standards, indicating that the nation of origin has a major impact on perceived product value. Therefore, even if the quality is still great, some consumers may find a luxury product less exclusive and desirable if they believe it was made in a place like China. Evidently, for luxury businesses that depend on a strong sense of national identity, like French, Italian, or Swiss ones, this notion can be particularly harmful. Additionally, premium businesses run the risk of diluting their image if they don't properly control the outsourcing narrative. This is because in the absence of openness and strategic communication, buyers can doubt the genuineness or quality of goods made in emerging countries. This can undermine brand loyalty and make high prices seem more reasonable to discriminating consumers. In order to reduce this risk, some businesses have chosen partial outsourcing, which involves assigning early-stage production or unseen components to developing nations but keeping final assembly or finishing touches in their own country.

In addition, outsourcing to emerging countries can affect a luxury brand's reputation and image more broadly than just how consumers perceive it. Reputation in the luxury market is frequently based on qualities such as exclusivity, authenticity, and tradition. Brands run the risk of offending their core clientele when production is linked to nations like China that are seen as deficient in these ideals. Similarly, brand equity is a vital asset in the luxury market that can be harmed by unfavorable media coverage or consumer outrage over outsourcing choices. This

tension is still significant, as evidenced by recent examples. For instance, Louis Vuitton encountered problems with operations and reputation following the launch of a facility in Texas in 2019. The brand faced problems with quality control and a lack of competent workers, despite the fact that the transfer was intended to increase U.S. production and shorten lead times. In order to maintain brand value, some products that did not live up to the company's requirements were eventually destroyed (Reuters, 2025). Furthermore, when their products were marked as "Made in China," other brands like Coach and Michael Kors also had trouble with consumer perception, raising questions about mass production and eroding exclusivity. Conversely, companies that continue to manufacture in countries with a high level of luxury, like France, tend to promote their premium image. For instance, Hermès still makes significant investments in its training programs for artisans and its French workshops. As a result of this dedication to regional craftsmanship, sales in the first quarter of 2023 increased by 22% (Luxus Plus, 2023). By increasing its domestic production facilities and highlighting its heritage and workmanship through storytelling that highlights "Made in France," Louis Vuitton has also returned its attention to France (La French Fab, 2023). It is important to remark that these choices not only help maintain brand identity but also increase consumer confidence and provide justification for luxury items' exorbitant price tags. Consequently, luxury companies face a serious reputational risk when deciding where to outsource production. Those who successfully manage the narrative, either by embracing their heritage or being open about quality control, can continue to prosper in the cutthroat luxury market, while those who do not match their outsourcing strategies with their brand identity may experience a perceived loss of authenticity.

Competitive Advantage with Sustainable Production Strategies in the Luxury

Fashion Industry

High craftsmanship, exclusivity, and status are frequently linked to luxury clothes. Underlying this business, though, is a less glamorous reality: the glaring discrepancy between firms' claims of sustainability and the real buying habits of their key customers. Even while luxury brands advocate for environmentally conscious practices and ethical sourcing, many buyers choose to buy products at any cost, even if it means avoiding sustainability regulations. This conduct highlights the ongoing conflict in the luxury market between ethical responsibility and image-driven consumption. This is because consumers of luxury goods do not prioritize sustainability nor ethical practices over the large quantity of products they buy. Rather, their primary focus is on obtaining highly sought-after products, which are frequently driven by social status, exclusivity, and brand reputation. According to a Business of Fashion research, luxury brands have made significant investments in sustainability programs; yet, their efforts often fall short of reaching or influencing their core customers, who are more focused on product availability and status than on ethical sourcing (Barrett, 2024). Similarly, the origins of the products, the sourcing of resources, and the social and environmental effects of their manufacture are rarely questioned by these customers. Moreover, many luxury firms have imposed stringent procurement restrictions in an effort to encourage sustainability, particularly with regard to leather products made from animal hides. For instance, in order to reduce overconsumption and the misuse of products originating from animals, Hermès and Chanel impose restrictions on the quantity of handbags a consumer may purchase in a given year (Friedman, 2023). These regulations aim to lessen their negative effects on the environment and

promote moral production. However, customer workarounds usually undercut such initiatives. Frequently, loyal consumers of these luxury brand houses use personal shoppers, who are paid to buy things for them, to assist them get several units of unique products from several suppliers, avoiding restrictions imposed by the companies (Barrett, 2024). In addition to upsetting supply chain ethics, this calls into question the veracity of these firms' sustainability promises. Furthermore, the influence of regular consumers who actually care about sustainability is also a significant external factor that is changing the dynamics of luxury consumption. Even though these people may not be luxury goods' typical target market, their combined voice puts a lot of pressure on businesses to follow moral guidelines. Thus, sustainability activists' public criticism, social media activism, and transparency campaigns have brought attention to the immoral behaviors that are common in luxury fashion, such as labor exploitation, animal abuse, and wasteful production (Shen, 2023). These opinions are pushing companies to reevaluate their business practices to preserve their long-term survival and public image as well as to please their affluent clients. Additionally, sustainability is closely related to brand reputation. This is because customers are increasingly associating brand value with ethical integrity in today's industry. Hence, businesses that are viewed as socially conscious have higher levels of brand loyalty and use perceived ethical superiority to defend their premium prices (McKinsey & Company, 2024). On the contrary, companies that face public criticism for their ethical standards or for greenwashing run the danger of offending younger, more ethical customers. Since consumer trust is now a key component of luxury branding, this reputational risk may have long-term effects on market expansion and client retention. Consequently, even if luxury firms have made an effort to fit in with sustainable principles, the actions of customers who value materialism over morality

frequently undermine these initiatives. Similarly, consumer demand can take precedence over business responsibility, as demonstrated by the use of personal shoppers to circumvent purchase limits. Nonetheless, the increasing number of socially conscious people is starting to hold companies responsible, which is changing the way that people expect to consume luxury goods. As a result, to preserve their premium standing, client loyalty, and reputational value, luxury companies need to close the gap between their sustainability efforts and real consumer behavior.

Moreover, sustainability and Environmental, Social, and Governance (ESG) concerns have emerged as critical determinants of investor choices in the rapidly changing luxury apparel industry. ESG ratings are important markers of the viability of investments, and the relationship between moral behavior and financial performance is being examined more closely. Therefore, the financial consequences of ignoring these obligations are becoming increasingly apparent as luxury firms come under increasing pressure from stakeholders and consumers to maintain ethical standards. Consumers of luxury products, particularly those buying high-end fashion items, are frequently motivated by exclusivity, status, and brand prestige, which is often at the expense of moral considerations. Furthermore, the wealthiest customers of luxury businesses, who value access over accountability, usually do not connect with their sustainability initiatives, according to *Business of Fashion* (Barrett, 2024). These customers do not care as much about where products come from, how they were made, or how their production affects the environment. Indeed, some use luxury resellers or personal shoppers, as it was before mentioned, to get around restrictions on purchases imposed by firms to manage inventory and meet sustainability goals, like prohibitions on leather items made from exotic skins (Friedman, 2023). In addition, investors are increasingly holding businesses responsible for ethical and

environmental failings in spite of these customer habits. For instance, when news of subpar working conditions at subcontracted sites surfaced, Dior's parent firm, LVMH, came under fire. In response, prominent asset managers including Amundi called on the luxury group to adhere to stricter regulations and moral standards (Reuters, 2024). Consequently, investors may reconsider their portfolios as a result of crises like these, which draw attention to the financial and reputational concerns connected to unethical or unsustainable activities. Similarly, ESG ratings are one tool used by investors to evaluate these risks. These measurements, which are increasingly common in financial assessments, assess a company's performance in terms of governance, social impact, and the environment. While poor ESG scores may discourage capital allocation, high scores might draw in investors looking for long-term value and ethical investing. Notwithstanding, it has proven challenging to make meaningful comparisons between businesses because of variations across ESG rating organizations and the possibility of greenwashing (Financial Times, 2024). However, companies with quantifiable objectives and open sustainability reporting typically have higher investor confidence and more stable valuations. Numerous high-end fashion brands have already seen the financial effects of their sustainability initiatives, both favorable and unfavorable. One well-known example is Burberry, which experienced investor and public wrath after it was discovered that it had burned millions of dollars' worth of unsold goods to maintain brand exclusivity. Burberry discontinued this approach and promised to restructure its sustainability policy in response to investors' pressure (CommonShare, 2024). This move demonstrates how unsustainable methods can result in financial correction and damage to one's reputation, which calls for strategic reform. Conversely, companies like Kering, the parent company of Gucci, Saint Laurent, and Bottega Veneta, have

won accolades for their dedication to ESG principles. Kering has established aggressive goals to cut carbon emissions, promote circular fashion models, and guarantee ethical labor practices. The company routinely scores highly on sustainability indexes (Vogue Business, 2024). These efforts have raised the company's ESG ratings and increased its appeal to investors who care about the environment and society. Another company making progress is Prada, which joined the UN Global Compact and pledged to base its operational practices on global standards for labor, environmental sustainability, and human rights. In addition to improving Prada's ESG profile, this action increased investor trust in the company's long-term plan (Wepub.org, 2024). These illustrations highlight the ways in which strong sustainability pledges can promote premium pricing, investor involvement, and brand loyalty. As a result, sustainability is now a major factor in both financial performance and investment strategy in the luxury fashion sector. Even while many luxury buyers may still place a higher priority on purchasing a product than on morality, investors' influence and ESG standards are changing how businesses behave. As a result, when brands disregard sustainability, they run the danger of long-term financial instability, diminished investor interest, and harm to their branding. Those that embrace responsibility, innovation, and transparency, on the other hand, are better positioned to draw in devoted clients as well as moral investors, guaranteeing resilience in a global market that is increasingly becoming more aware.

Furthermore, sustainability has emerged as a key component of luxury fashion branding in recent years. Companies take pride in their humane working conditions, eco-friendly materials, and ethical sourcing. However, underlying this glossy exterior lurks a difficult moral and economic conundrum. This is because it is costly and frequently impossible to maintain high profit margins when implementing really sustainable practices, such as producing in developed

countries to comply with labor regulations or making sure workers in emerging countries are treated fairly. Although companies still promote sustainability, new information and leaks indicate that this pledge is frequently a marketing gimmick rather than a business reality. Similarly, the price of ethical production is one of the largest financial obstacles luxury firms must overcome in their pursuit of sustainability. Additionally, production expenses are greatly increased when manufacturing in industrialized nations with stronger labor laws and environmental standards, such as France or Italy. Likewise, profit margins are at risk due to these increased costs, particularly as customer demand varies and economic uncertainty increases. It is important to highlight that "Really sustainable production in Europe can be up to 10 times more expensive than in Asia," according to a Vogue Business research (Kansara, 2023). Because of this financial hardship, firms are tempted to either outsource while retaining a sustainable image through astute marketing, or restrict sustainable operations to specialized product lines. Even though labor and manufacturing expenses are lower in emerging nations, upholding moral principles presents unique difficulties. This is because it calls for expenditures on regulatory compliance, infrastructure, and training. Unfortunately, exploitation is not only ubiquitous but also frequently tolerated in hidden ways in many emerging countries with high unemployment and low labor demand. In certain areas, people are so in need of employment that they are prepared to work long hours for food rather than receive a monetary payment. These factors allow luxury businesses to operate there profitably while maintaining the benefits of a reputation for social responsibility. This can be better epitomized by the ongoing geopolitical tensions between China and the United States further complicate matters. Due to supply chain strains caused by recent tariffs and trade restrictions, premium businesses are reevaluating their reliance

on Chinese production. In fact, some Chinese suppliers have started to reveal the operational practices of luxury brands in retribution, or even as a kind of leverage. Several vendors have claimed that many luxury products marketed as "Made in Italy" or "Made in France" are actually made in China, only to have their labels changed when they arrive in Europe, according to recent testimonials. It is important to emphasize that some of these unethical operational practices have also been discovered in 2024 in the controversial case of Dior and the real costs of production of one of its bags. Dior faced backlash when a report was leaked claiming that the estimated production costs of Dior "Carousel" bags was \$57, however there was a huge mismatch with the selling price of this bag in the luxury market since the price was around \$3800. Consequently, if this information and testimonials of what is currently happening in the Chinese market with the production of luxury items is confirmed, as in Dior's case, it would constitute a serious ethical transgression that would damage the brands' sustainability promises as well as customer confidence. Moreover, this dispute raises a larger concern: that a lot of luxury firms might be using sustainability as a front to boost their perceived worth. Similarly, brands can defend premium pricing by linking their products to European craftsmanship and moral rectitude. These sustainability claims, however, are at best flimsy and at worst dishonest if the production reality includes materials sourced unethically or underpaid labor in emerging countries. It is important to emphasize that luxury brands not only take advantage from the actual manufacturers of these goods but also from their customers. This is because customers are charged exorbitant prices for items labeled as "luxury" and "exclusive," despite them often being worth less than a third of the amount paid. Thus, the luxury apparel sector may have to face consequences as more insiders and investigative journalists continue to find these discrepancies. Ultimately, sustainability is

still a potent marketing weapon in luxury fashion, but in the face of global supply chain issues, its actual application is frequently costly and challenging to sustain. Similarly, it appears that many corporations view sustainability more as a brand strategy than a guiding philosophy, given the continuous disclosures of labor exploitation and secret manufacturing techniques within lack of transparency in their supply chains. If these assertions are confirmed, the luxury industry will have to face a fundamental dilemma: Is sustainability being exploited to create genuine change or just to create a more lucrative façade?

SUMMARY OF FINDINGS

We analyzed data from 19 Luxury apparel companies, including their last three yearly revenues, their transparency scores, and supply chain traceability according to Fashion Revolution. Table 3 displays the DitchCarbon score which tracks the carbon emissions of global supply chains from different companies (DitchCarbon, n.d.). According to DitchCarbon, Burberry, Saint Laurent (former YSL) and Louis Vuitton scored the highest in Environmental Performance.

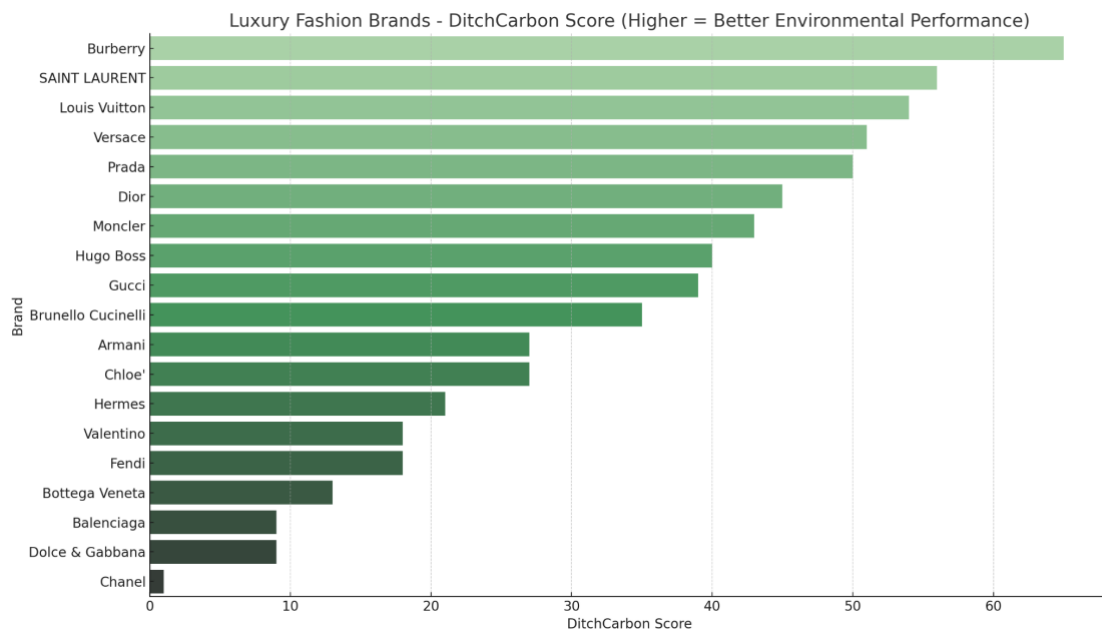


Table 3: DitchCarbon Scores for all companies (from ditchcarbon.com)

Next, the last sustainability report is listed for each company. Some companies did not release a full report for each year but rather kept updating their websites in their sustainability section. Of the 19 companies, 10 companies’ information was last updated in 2023, 7 companies have data from 2024, and only one company has no data available. By assessing various data found in reports, news sources, and other publicly available sources, the main production countries (where the final product is assembled) for each company are listed. Only 10 of the 19 companies are founded in Italy, but 17 of the 19 companies have final productions in Italy, thus meeting the “Made in Italy” qualifications. It is unclear, as far as materials go, how much was imported of each material used and from where. In this regard, Bottega Veneta has launched an app called “Green Atelier” that allows users to trace materials and suppliers for each product and make informed decisions about their purchases (Sustainability Bottega Veneta, 2024). Based on the data found in the reports and on the company’s public websites, there was an analysis of

whether there was any sourcing or production in China and, therefore, the sustainability applied in the production. Lack of publicly available data made it hard to establish prime sourcing and production, and therefore the sustainability of the practices used in China.

From the companies that had data available, there was an overview of production and sourcing in China: of the 16 companies that had associations with production in China, only 3 companies publicly disclosed their products as “Made in China” or “Made with materials sourced from China”. Moreover, after analyzing the products of these 16 companies, discrepancies were found on some products' listing: some apparel included the original production country, while other products (mostly accessories) had either no production country listed or “Imported” listed.

Furthermore, an attempt was made to assess the sustainability of their current or future production in China: based on the information found, only two companies are successfully able to produce in China, while other companies don't have enough data to be assessed or require special skilled labor only available in Italy.

DISCUSSION

By exploring various data sources, including reports and social media, our study examined whether global luxury apparel brands were aligned with the United Nations' Sustainable Development Goals. Of the 19 companies, only 6 companies publicly stated their compliance with one or multiple SDGs and the actions taken to align with them. All of the six companies located parts of their supply chain in China, therefore possibly having sustainable manufacturing in the region. Those companies are producing sneakers, accessories, or textiles,

taking advantage of China's lower labor and material costs. This information is not disclosed publicly or hidden in different web pages and long reports that the average consumer won't read.

From our findings we draw the following conclusions:

1. There is no correlation between high revenue and sustainability, it is in fact true that lower-revenue brands have stronger sustainability policies despite lower market shares.
2. Complete transparency on its supply chain and manufacturing practices is difficult to achieve, and the "Made in China" label is avoided due to the negative associations.
3. Very few luxury brands are aligned with the UN's Sustainable Development Goals, emphasizing the need for clearer policies and strategies.
4. Paying more for a product from a "sustainable" brand does not guarantee ethical practices or sustainability.
5. Italy remains the main production country for many luxury brands (17 of the 19 chosen)
6. Traceability and transparency are often lacking in the brands' reports and web pages, leaving many questions on sustainability and sourcing unanswered.
7. Sustainability practices and programs are present but inconsistent across all luxury brands, often lacking clear and detailed specifications.
8. Dedicated agencies like Fashion Revolution and DitchCarbon reports might have access to information that is not publicly available, but our research has found multiple inconsistencies with their scores.

Limitations and Future Recommendations

We acknowledge the limitations of this research design, including the incompleteness of organizational documents, public documents, and websites analyzed. The lack of publicly available data and lack of transparency of the companies has made it difficult to even assess their current sustainability level, thus making an informed and conscious choice difficult for stakeholders. This missing information has been hypothesized to be attributed to a lack of proper monitoring and audits throughout the whole supply chain, unsustainable practices that are actively taking place, and the company's established position in the luxury market underplaying the importance of transparency based on brand loyalty.

The data was extracted only from publicly available sources and documents wherever available, thus omitting major factors in the supply chain, such as material tracing, specific locations, and product origin. Moreover, companies don't update their reports regularly, with reports dating back to 2023. This report focuses only on the connection between material sourcing and production in China and the sustainability of the brands, leaving out labor conditions, sustainability projects, and other collaborations and/or partnerships. The term "sustainability" is an umbrella term involving ethical sourcing, fair labor practices, carbon emission, and material waste, among others, which are not analyzed in this report. For the future, we recommend a deeper insight into the other aspects of the sustainability practices of each brand and their impact on the planet and the people. Moreover, transparent policies and public statements from official channels could change buyers' perspectives on products made in China, eliminating the association with bad quality. We believe that luxury can be sustainable and that brands should conduct frequent reports to ensure fair practices are adopted so that consumers can

make a conscious and ethical choice for their purchases. The increasing amount of legislation passed in China reflects a shift towards sustainability for the country, which could challenge the production and force companies to move to countries that still have less regulations.

Biographies

Fernanda Montano is an International Business student at John Cabot University in Rome, graduating with minors in Entrepreneurship and Economics. Passionate about sustainability and cross-cultural business, she brings hands-on experience in marketing, education, and international trade. Fernanda has worked with luxury brands to enhance digital engagement, served as an au pair improving language skills through structured learning, and facilitated trade negotiations as a translator in China. She also held roles in quality control and fashion branding. As President of the JCU Grassroots Environmental Club, she leads sustainability initiatives on campus. Fluent in English and Spanish, with basic Italian, Fernanda is certified in Bloomberg Market Concepts and skilled in data analysis, marketing, and strategic planning.

Margherita Mykytchenko is a JCU graduate in International Business and International Affairs. Her personal background includes Ukraine, Italy and United States, which have brought a multicultural approach to all aspects of academic and work projects. In her work in hospitality at management level she demonstrated exceptional skills in team coordination, conflict resolution, and event management. Fluent in English, Italian, and Russian, with additional knowledge of Ukrainian and Spanish, she thrives in multilingual and diverse environments. Her strong interpersonal abilities, combined with a dedication to ethical leadership and organizational success, underscore her commitment to making a meaningful impact in international settings.

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