

Creative Sustainability Strategies from a Circularity Perspective. An Analysis of the Companies Included in the STOXX Europe Luxury 10 Index

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Abstract. *Concern for the natural environment has become a strategic priority in the luxury industry, driven by increasing pressure from stakeholders and consumers. Although the specialized literature presents numerous studies on how luxury companies understand sustainability, it also suggests the need for a rigorous analysis of the creative sustainability strategies they have implemented to date. This study examines the sustainability strategies employed by luxury companies listed in the STOXX Europe Luxury 10 index. To this end, we conducted a Qualitative Comparative Analysis (QCA) based on the companies' publicly available sustainability reports. The results indicate the presence of both common elements and notable differences in the approaches to sustainability and the strategies implemented. Consequently, this paper contributes to advancement of theoretical knowledge by providing a clearer understanding of how luxury companies succeed in being creative and comply with the sustainability perspective.*

Keywords: Sustainability, Strategies, Luxury, Companies, Shareholders, Consumers.

Introduction

Cervellon & Drylie Carey (2021, p. 87) began the abstract of a bold study with the following statement: "luxury and sustainability have long been regarded as contradictory notions." Nevertheless, it has become axiomatic that, looking to the future, "sustainability" must no longer remain merely a pleasing-sounding term. The European Union and its institutions, as well as companies, investors, and consumers, are increasingly paying attention to the environmental impact of the products used by society. These actors rely on producers, regardless of industry, to assume the responsibility of acting as leaders in generating sustainable outcomes for both society and the environment (Hockless, 2024). When luxury industry companies are concerned, a major challenge emerges: finding a balance between the exclusivity and opulence associated with luxury and the ecological responsibility demanded by sustainability (Goor, 2024; Al-Issa, Kallach & Fahl, 2024)

Carcano (2013) observed that the integration of sustainability into the strategic management of the luxury industry does not have a long history. Furthermore, as Kapferer (2010) vividly notes, not everything that glitters is green – that is, not everything meets sustainability standards. Consequently, the innovative and creative sustainability strategies of major companies have to add value to brand image while demonstrating transparency (Jestratićević, Rudd & Uanhoro, 2020), both to shareholders and to customers and the general public.

The luxury goods sector has consistently been attractive to investment and investors due to its remarkable ability to combine exclusivity with superior quality and prestige (Kapferer &

Valette-Florence, 2016). Companies within the luxury industry often emphasize tradition, craftsmanship, and traditional production methods, while also prioritizing innovation and the continuous maintenance of product quality (CreditInvest Bank, 2025).

A necessary, but not sufficient, condition for investing in capital markets is the diversification of the investment portfolio. (Strategic) management, financial statements, and the actions undertaken by companies in the luxury industry regarding the integration of sustainability into their current operations are also crucial. Luxury, although it does not benefit from a unanimously accepted definition, represents a major asset for the fashion world (Ko, Costello & Taylor, 2019). It is supported by sustained efforts in communication, advertising, and merchandising and is conditioned by the economic situation of countries in general and of consumers in particular. Jean-Louis Dumas, former president of Hermès, after prolonged attempts to define luxury, concluded that "it is what lasts longer than you [than us, humans]" (Marchand, 2002, p. 66). By contrast, Coco Chanel offered her assessment of luxury as being the opposite of vulgarity (Reyneke, 2011).

People's time and passion for luxury have led to the development of techniques that enable the organization of sensory celebrations around products (Marchand, 2002). This entire process can be summarized in a single term: dream marketing (Batat, 2019, p. 15). The concept involves creating a strong desire to purchase and own those products which, due to their price, are seen as difficult to acquire by regular people.

Regardless of how it is understood, luxury is timeless through elegance, opulence, exclusivity, and artification (Tocco, 2023). The pressure of contemporary times and consumer behaviours on luxury brands is increasing, requiring concrete actions regarding sustainability. Consumers expect luxury products not only to be spectacular but also sustainable (Öymen Kale & Öztürk, 2016). Concrete actions involve luxury companies developing sustainability strategies across multiple factors: environmental, social, and governance (ESG) (Kirchhoff, Niefünd & Pressentin, 2024). Accordingly, the development of sustainability strategies requires time and careful attention to align with the values and objectives of the companies (Hockless, 2024). Taking the fashion industry as an example, 2018 was a historically significant year, as 130 brands launched and signed the UN Fashion Industry Charter for Climate Action (UNFCCC, 2018). According to this document, whose objectives were updated at COP26 (Glasgow, Scotland, United Kingdom), industry brands committed to halving pollutant emissions by 2030 and achieving net-zero emissions no later than 2050 (Nyfeler, 2021).

Literature review

We are living in an "ethics era", characterized by increasing corporate engagement in CSR and growing consumer concern for sustainability. Although luxury has traditionally been associated with pleasure and exclusivity, recent research and industry practices indicate that sustainable and recycling initiatives are becoming increasingly important for brand image and consumer expectations (Achabou & Dekhili, 2013).

Jared Weiner, Executive Vice President & Chief Strategy Officer of The Future Hunters, offers a concise definition of what luxury means. In his view, luxury is defined as the "Three T's" - time, truth, and trust (Kestenbaum, 2021). Time is a resource, a limitless constant that we cannot have unlimited access. For this reason, Weiner asserts, the time of luxury consumers is extremely valuable, and if major brands help them have a convenient and enjoyable shopping experience, there is a high likelihood that they will return. According to the Oxford English Dictionary, the word *luxury* is derived from the Latin word "luxuria" which means extravagance,

abundance, and excess. As noted by Hernandez- Fernandez & Lewis (2019), truth and trust are the aspects that most accurately reflect what major brands should offer to consumers, alongside transparency, verifiable actions, and authentic values (Jestratijevic, Rudd & Uanhoro, 2020). Thus, in a transparent world, a luxury product that is not sustainable loses its promise of perfection (Winston, 2016)

Once truth and trust become dominant elements, luxury brands can raise consumers' awareness of how their choices impact the environment, produce sustainable products, and develop initiatives to prevent waste (Cervellon & Drylie Carey, 2021). This means that the responsibility for sustainability is shared between the brand and the consumer (Merriott, 2025). The connection between these two concepts is close, as the production of luxury goods relies on the manufacturing process (raw materials, energy, artisans). It involves the use of unique, high-quality materials, crafted in a way that ensures the final product endures over time. Major companies in the luxury industry are considered leading firms, influencing both fast-fashion companies that attempt to imitate them (Joy et al., 2012) and the aspirations and behaviors of consumers. As holders of exemplifying power, they justify their primary role in promoting sustainability and in developing creative and actionable sustainable strategies (López & Rangel-Pérez & Fernández, 2023). The creative strategies of luxury brands aim to emphasize the brand's uniqueness, strengthen its status and premium image, and provide consumers with exceptional and memorable experiences that make them feel part of an elite community and appreciate the aesthetic and symbolic value of the products they purchase (Saini & GK, 2025).

Luxury brands are innovative in terms of sustainability strategies, seamlessly combining technological innovation with environmental responsibility. Circular fashion is one of the most dynamic strategies implemented, with every step carefully planned from the product's design stage to resale (Ballie & Woods, 2018). Another creative strategy involves AI-based personalization, enabling the creation of unique experiences on a global scale (Sceppacerca, 2024). An example is Louis Vuitton, which uses predictive analytics; based on each client's profile, purchase history, and emotional response, the brand can tailor its communication and product recommendations, thereby strengthening loyalty and commitment to excellence (Maggioni, 2025). Luxury product personalisation demonstrates that major brands have moved beyond product-centred strategies and are increasingly adopting customer-centred approaches (Alexander & Thompson, 2024; Ahmadi, 2024).

Adamkiewicz et al. (2022) found that there are many instances in which environmental concern is merely mimicked or superficially presented by companies, while in reality the situation is entirely different – a phenomenon known as greenwashing. The fashion and luxury industries are no exception, and the practice of creating a false image suggesting that products, practices, and policies are particularly environmentally friendly is widespread among companies (Melanthiou & Voutsas, 2025). To prevent such practices, the EU has introduced the Corporate Sustainability Reporting Directive (CSRD), which requires companies to disclose detailed information regarding social and environmental risks, business model resilience, and climate objectives aligned with the Paris Agreement (Hoffman & Connellan & Kuehner, 2024).

Alongside the CSRD reporting obligations, the EU has introduced new rules regarding product packaging and design. Furthermore, in 2024, the EU Eco-design for Sustainable Production Regulation (ESPR) came into effect, establishing a legislative framework with clear eco-design requirements for most physical goods. Since investors and investment funds place increasing importance on compliance with ESG criteria, the EU implemented a transparency framework known as the Sustainable Finance Disclosure Regulation (SFDR) to combat

greenwashing, which has been in force since March 2021 (Abouarab, Mishra & Wolfe, 2025). SFDR enables investors to properly assess how sustainability-related risks are integrated into investment decision-making. Through its existence, the SFDR supports an important EU objective: attracting private financing to facilitate the transition toward a net-zero economy (European Commission, 2025).

Regarding ESG, the acronym encompasses a set of standards used to evaluate a company's performance in terms of social responsibility, environmental impact, and governance practices. The integration of ESG principles within the luxury industry enables companies not only to showcase their commitment to social and environmental stewardship but also to sustain organic and predictable economic growth in a manner consistent with long-term sustainability (JEME Bocconi, 2025).

In today's fragile ecological context, sustainable living become a pressing responsibility for humanity as a whole for investors in particular. The body of literature on ESG-linked portfolios traces its origins to research on socially responsible investing (Pedersen, Fitzgibbons & Pomorski, 2021). It has expanded rapidly, driven by the increased transparency of the ratings used to assess companies' non-financial performance against ESG criteria (Bertelli & Toricelli, 2025).

Luxury industry companies, when promoting their products, emphasize the long-term investment advantage of the purchase, illustrating that these items do not go out of fashion after a single season but are timeless (D'Aniello et al., 2025). The idea that these products can be used over an extended period implies the absence of the need for repeated production and, consequently, results in waste reduction (Saponaro, 2019). The better sustainability is integrated and communicated at the level of a publicly listed luxury company, the more attractive its financial securities become to investors. In practice, luxury brands recognize the critical role of ESG factors in attracting investors (Rosenberg, 2024).

To assess their contributions, companies publish a sustainability report that communicates their commitments, strategic management outcomes (Carcano, 2013), and global impact through the implementation of specific decisions and measures. Sustainability is therefore embraced at a strategic level, with companies taking into account the expectations of their stakeholders (Rangel-Pérez & López & Fernández, 2024). Furthermore, sustainability is becoming increasingly central to corporate operations for ensuring long-term business survival, allowing future challenges to be addressed through the comprehensive integration of its key factors: economic, environmental, social, and governance, commonly referred to as ESG. Adhering to ESG principles can enhance investment returns for a simple reason. Strong ESG performance reflects healthier companies. As a result, the stock prices of these companies tend to rise due to the positive, healthy image the company projects. Therefore, improving ESG practices can increase a company's market value and, in turn, investment returns (Mercereau & Lugo 2022).

A decade ago, the United Nations established 17 Sustainable Development Goals (SDGs) to promote a better and more sustainable world. Sustainable development is a wide-ranging concept that covers several aspects, including economic growth, social inclusion, and environmental sustainability (Bilancia & Staudacher, 2025). In this context, companies worldwide have begun reporting their activities related to the SDGs in their annual reports, with particular emphasis on SDGs 12 (responsible consumption and production) and SDGs 13 (climate change) (Rangel-Pérez & López & Fernández, 2024), integrated assessment, alongside financial and environmental. Environmental sustainability in manufacturing, as highlighted by SDGs 12, focuses on cutting resource consumption, reducing waste, and limiting emissions

across all stages of production. The luxury fashion industry, renowned for its high-quality standards and exclusive offerings, stands to gain significantly from adopting sustainable practices. For example, luxury brands can use eco-friendly materials and processes, minimize the use of harmful chemicals, and implement energy-efficient technologies to lessen their environmental impact (Bilancia & Staudacher, 2025). The social impact offers investors and stakeholders an in deep comprehensive understanding of the true value of companies (Barge & Schmedders, 2024). By evaluating ESG criteria, companies can enhance their sustainability practices, identifying areas of their strategy that require optimization to ensure long-term viability (Jin, 2024). Commitment to sustainability strengthens corporate reputation, and this approach is regarded as the correct pathway for sustaining performance and increasing profitability (Barge & Schmedders, 2024).

Sustainability is not limited to environmental concerns; it also encompasses a focus on longevity, the creation of long-term employment and opportunities, while providing products and services that support the needs and well-being of individuals and organizations. Moreover, sustainability is important for shareholders, as it generates long-term value by enhancing profits (Barge & Schmedders, 2024).

Building on the data and theoretical insights discussed in the preceding literature review, the present study aims to analyze the sustainability reports of luxury companies included in the STOXX Europe Luxury 10 index and to highlight the creative sustainability strategies they promote. Previous research has primarily focused on the economic performance and general sustainability practices of luxury companies, whereas the creative sustainability strategies presented in sustainability reports have been underexplored or overlooked. To address this gap in the literature, our analysis undertakes a comparative examination of the relationship between companies in the STOXX Europe Luxury 10 index and sustainability through the lens of creative strategies.

Methodology

European luxury companies listed on stock exchanges actively integrate sustainability into their operations. This implementation results from a combination of factors, including: (a) European Union regulations (Corporate Sustainability Reporting Directive/ CSRD, Sustainable Finance Disclosure Regulation/SFRD) (European Commission, 2025; European Union, 2019); (b) investor pressure, particularly their focus on ESG criteria (Hoffmann & Connellan & Kuehner, 2024); (c) consumer demand, which has driven initiatives such as traceable supply chains, circular models (repair and recycling), and innovative materials (e.g., mushroom-based leather)

This paper aims to identify the creative sustainability strategies adopted by each luxury brand in response to EU regulations, investor pressure, and consumer demand, based on the analysis of sustainability reports published by the companies comprising the STOXX Europe Luxury 10 index. Furthermore, it seeks to highlight sustainability approaches within the luxury industry and to provide lessons that can be applied by other companies, whether in the luxury sector or in the broader consumer goods industry.

However, the STOXX Europe Luxury 10 index is a thematic equity index and its focus on the revenue and luxury market exposure, not sustainability or circularity performances. In order to tackle this research limitation, we have complemented the analysis with CSR report, practices related to sustainability and circularity. Clear conditions are ensured by using standardized, recent, and publicly disclosed informations, while results are configured as descriptive.

For the present analysis, we selected the ten luxury companies listed on European stock exchanges and included in the STOXX Europe Luxury 10 index. The companies in the index are renowned both in Europe and internationally for luxury accessories, apparel, cosmetics and other personal care products, as well as high-end vehicles (STOXX, 2025)

The criteria for selecting the luxury brands included in the index were based on the availability of sustainability reports on their official websites, market relevance within the luxury goods sector, and the feasibility of conducting qualitative comparisons.

The primary data source for identifying creative sustainability strategies consisted of the annual reports published on the official websites of the aforementioned companies, with a particular focus on the sections dedicated to sustainability. The reports analyzed are those from 2024, for three key reasons: (1) the year of the Paris Olympic Games, (2) the entry into force of the EU Eco-design for Sustainable Production Regulations (ESPR), which represents the cornerstone of the European Commission's approach to environmentally sustainable and circular products (setting "eco-design" requirements for nearly all categories of physical goods), and (3) the adoption by the recycling of packaging (Hoffmann & Connellan & Kuehner, 2024). The Paris Olympic Games culminated in a global event that reinforced sustainability and corporate responsibility as central pillars of organizational performance.

Given that the Paris Olympic Games represented the first Olympic model explicitly oriented toward climate neutrality and transparency of environmental impact, companies included in the stock index were compelled to demonstrate real and measurable sustainability commitments. In the context, the 2024 reports acquire particular analytical significance, as they reflect not only compliance with the new European standards (CSRD and SFDR) but also the strategic response of the ten leading luxury companies to a major shift in the expectations of investors, consumers, and international institutions. Consequently, 2024 becomes a pivotal year for investigating how climate responsibility and ESG performance influence the competitiveness and reputation of companies within the STOXX Europe Luxury 10 index (Sacristán & Hernández, 2025).

The research is approached from both a qualitative and a comparative perspective. These two approaches focus on the analysis of all published reports, with the research tool employed being Qualitative Comparative Analysis (QCA), which allows for the identification of common patterns as well as differences between companies. QCA is a research method developed by sociologist Charles Ragin. It is a comparative approach aimed at identifying combinations of factors (conditions) that lead to the occurrence of a specific type of outcome, based on the following two premises: (1) there will always be multiple and different pathways that can generate similar outcomes; (2) depending on the context, a given factor may produce different outcomes (Ragin, 2008). QCA is designed to be used with an intermediate number of cases, typically between 10 and 50 (Simister & Scholz, 2017). Considering the methodological principles, our analysis takes into account the 10 companies included in the index, meeting the requirement regarding the minimum number of cases. QCA is structured as a rigorous methodological approach, with well-defined stages that are systematically applied in all QCA studies (Simister & Scholz, 2017):

(1) identification of cases of interest: the cases analyzed must be comparable with each other;

(2) development of the set of factors and their evaluation: the presence or absence of these factors contributes to *outcomes*;

(3) score the factors: this involves analyzing each factor across all cases and establishing criteria for how it should be evaluated. Using these criteria, the qualitative data for each factor in each case are converted into a score. For the present study, the crisp-set QCA (csQCA) method was employed. Each factor was operationalized through observable and measurable criteria, and scoring was conducted using a binary system (0 for absence and 1 for presence). The 0/1 score was assigned based on the information from the analyzed companies' reports;

(4) analyse the dataset: for a small number of cases, this can be done by examining the scores and visually identifying patterns through simple observation.

(5) interpretation of the results.

Research limitations include asymmetric information, as CSR disclosures are self-reported, with different methodologies across companies, and may emphasize positive initiatives while omitting negative impact, reducing comparability. Additionally, the STOXX Europe Luxury 10 index offers an economic perspective over the industry, not having the direct scope to assess the aspect related to sustainability or circularity.

Informations and results

The analysis of the companies included in the STOXX Europe Luxury 10 index highlights a series of common trends, as well as notable differences in the way sustainability is approached. Accordingly, *the first stage of the analysis* consisted of identifying the ten companies, the products for which they are known, the stock exchanges on which they are listed, the ticker symbols under which they are traded, and the year of listing (see Table 1)

Table 1. Structure of the STOXX Europe Luxury 10 index

Brand	Companies involved in...	Stock exchange	Listing year
LVMH (France)	Luxury alcoholic beverages, fashion and accessories, cosmetics and fragrances, watches and jewellery	Euronext Ticker: LVMH	1987
CIE Financiere Richemont (Switzerland)	Watches and jewellery, fashion and accessories	SIX Swiss Exchange Ticker: 1CFR	1995
Hermes International (France)	Luxury leather goods, fashion and accessories, fragrances, silk scarves and ties, equestrian products	Euronext Ticker: RMS	1993
EssilorLuxottica (Franco-Italian company)	Eyewear and vision lenses	Euronext Ticker: EL	2018
Ferrari (Italy)	Luxury sports cars	Euronext Ticker: RACE	2015 (NYSE)
Kering Group (France)	Fashion and accessories, watches and jewellery	Euronext Ticker: KER	1988
Moncler (Italy)	Sportswear and winter clothing	Euronext Ticker: MONC	2013
Burberry Group (UK)	Clothing, fragrances, and accessories	London Stock Exchange Ticker: BRBY	2002
Brunello Cucinelli (Italy)	Clothing, cashmere textiles	Euronext Ticker: BC	2012
Christian Dior (France)	Fashion, fragrances, bags, and accessories	Euronext Ticker: CDI	1991

Source: Authors' own research.

The second stage in applying QCA involves the development of the set of factors and their evaluation. Our analysis focuses on the following six key factors, which are monitored in the sustainability reports of the 10 companies included in the index: (1) existing ecological strategies – or policies addressing carbon footprint reduction, resources management, circular economy, and environmental protection; (2) social responsibility – as regards actions related to employee rights, diversity and inclusion, community engagement, and supply chain ethics; (3) innovation and creativity – with reference to projects, technologies, and processes oriented toward sustainability and creative value; (4) transparency and reporting – as regards publicly available information on ESG; (5) goals and performance – in terms of strategic targets and key performance indicators, and (6) brand engagement – the relationship between brand engagement and the organization of the Paris 2024 Olympic Games. Thus, the six factors identified as important for ESG were tracked in each sustainability report of the companies included in the index. As noted earlier, 2024 marks the Paris Olympic Games, during which efforts were concentrated on two key environmental ambitions: “doing with less” and “doing better”. The first pillar, “doing with less”, highlighted that 95% of the venues were either temporary structures or already existing facilities, resulting in a reduction of 1,448 kilotonnes of CO₂ (ktCO₂e). The second pillar, “doing better”, was the basis for identifying greenhouse gas emission generated by games over time and implementing an action plan to reduce those associated with construction, operations, and transportation (OECD, 2025).

This research identified a strong link between one of the companies included in the stock index and the events in Paris, a company whose brief but substantial description can be found on its website as follows: “A creative partnership making LVMH the Artisan of All Victories!” (LVMH, 2024). Thus, LVMH’s role as a premium partner of the Olympic Games has transformed the implementation of sustainability strategies into a vector of global visibility (Offredi, 2024).

As one of the most-watched sporting events in the world, it offered LVMH a strategic platform through which environmental, social, and creative initiatives assumed heightened significance (LVMH, 2024). The year 2024 emerged as a landmark period for innovation in corporate social responsibility, with the company enabling employee participation in its equity via the launch of LVMH Shares – widely recognized as a first within the luxury sector.

LVMH’s environmental strategies are incorporated into the LIFE 360 program, through which the company aims to expand services (refill, repair, and take-back), achieve decarbonization, invest in renewable energy, and continue developing initiatives to protect biodiversity. This approach underscores its positioning as a responsible partner in an event committed to climate neutrality. Furthermore, the social responsibility initiatives implemented – such as the LVMH Heart Fund (Providing psychological and financial support), the LIFE Academy (for employee training in sustainability), programs promoting diversity and inclusion, and collaborations with local communities and non-profit organizations to support vulnerable populations – reinforce its role as a partner of the Olympic Games.

Concerning innovation and creativity as integral components of the Paris 2024 identity, LVMH incorporated principles of circularity and responsibility (eco-design, sustainable materials, and upcycling) into the symbolic objects of the global event, including the design of the Olympic torch, the medals, and the aesthetic concept of the ceremonies. The Olympic Games took place in a context marked by exceptionally high expectations for corporate transparency. As an official partner, LVMH was required to demonstrate that transparency constitutes a core strength of the group. Consequently, detailed ESG reporting, the use of KPIs, and the

implementation of the Digital Product Passport have become fundamental instruments within the company. According to the 2024 report, the objectives set by LVMH were fully aligned with the ambitions of the Olympic Games. These objectives aim to achieve the production of plastic from packaging, the expansion of renewable energy use, and rigorous monitoring through audits and ESG indicators (LVMH, 2024).

The 2024 sustainability report of CIE Financiere Richemont outlines its ESG approach in accordance with the Global reporting Initiative (GRI) standards. However, it does not explicitly state that the company's activities were influenced by the message conveyed by the Olympic Games. Regarding its environmental strategies, the company indicates its objective to decarbonize its entire value chain by requiring all key suppliers to also reduce their emissions in line with the Science Based Targets initiative (SBTi), with the target of achieving a 55% reduction in emissions by 2030 (Richemont, 2024). In addition, the company has developed partnerships focused on sustainable materials and emphasizes energy efficiency in buildings, implementing a "Green Building Scorecard" for this purpose.

Richemont places social responsibility at the core of its ESG strategy, with key initiatives focusing on employees' rights (global EQUAL-SALARY certification, wellbeing programmes, and professional training), diversity and inclusion, health and safety (Health&Safety Improvement Programme), and collaboration with suppliers (79% of suppliers have signed the Supplier Code of Conduct) (Richemont, 2024). The company also engages extensively with academic partners to educate and train future generations of creators, designers, and specialists in watchmaking and jewellery, through a range of initiatives such as the Creative Academy and the Scuola Orafa Ambrosiana. These efforts are complemented by internal employee programmes (My Performance Journey, Sustainability Online Academy and Compliance Learning Series), community education initiatives through volunteering (e.g., Community Days, Do it Together, Sustainability Labz), as well as diversity and equity programmes (DEI training and EQUAL-SALARY certification initiatives)

Innovation and creativity represent the third dimension analysed in the company's 2024 report. In this area, several initiatives related to materials innovation (Circle Material Platform, eco-design, Life Cycle Assessments/Product Environmental Footprint) and ESG innovation (Science-Based Targets, CDP Supply Chain Programme) were identified. With regard to transparency and reporting, the company structures its sustainability reporting in accordance with international standards, with objectives focused on accelerated decarbonisation, the circular economy, ESG transparency, supply chain due diligence, the protection of human rights, and expansion of social and educational programmes.

The third major company is Hermes International. According to data from the Sustainability Report (2024), the company implements a set of environmental strategies integrated into its business model, aimed at reducing its carbon footprint, ensuring responsible resource management, promoting the circular economy, and protecting the environment. With regard to carbon footprint reduction, the company follows a climate trajectory aligned with the 1.5°C target, with objectives for 2030 validated by the Science Based Targets initiative (SBTi). Between 2018 and 2024, the company succeeded in reducing its direct and indirect emissions by 63.7%, while emissions across the value chain decreased by 50.5% (Universal Registration Document, 2024). Resource management is addressed through the reduction of water consumption, waste control, and the responsible use of raw materials, both in its own operations and throughout the supply chain.

The principles of the circular economy are integrated through eco-design, the optimization of material use, reuse and recycling, as well as through the design of products with the following characteristics: durability and reparability. Environmental and biodiversity protection is supported through the assessment of impacts on nature (the company conducted a comprehensive inventory of its biodiversity impacts using the Global Biodiversity Score (GBS) methodology, in collaboration with WWF and CDC Biodiversité), engagement in scientific initiatives dedicated to biodiversity (Science Based Targets for Nature), and the publication of specific policies related to climate transition, forest protection, and responsible procurement.

Hermès integrates social responsibility at the core of its business model through policies focused on equity, diversity, and inclusion, as well as through collaboration with local communities (Universal Registration Document, 2024). The company consistently invests in professional training and the transmission of artisanal savoir-faire, thereby ensuring that economic performance is continuously aligned with social performance. Hermès implements active equal opportunity policies, supports the integration of persons with disabilities, and promotes gender equality and cultural diversity in recruitment and professional development processes. Its relationship with local communities is based on the development of industrial activities in close proximity to local territories, particularly in France, through the creation of long-term employment and the strengthening of regional economies. Through the Fondation d'entreprise Hermès and partnership with educational and cultural institutions, the company contributes to education, inclusion, and community cohesion, thereby supporting a model of responsible and sustainable development. Innovation at Hermès is grounded in artisanal creativity, integrated within a sustainable development model that emphasises durability, quality, and the long-term transmission of products. Also, Hermès's business model is promoting the circular economy through its repair and refurbishment services worldwide. A step ahead in implementing sustainable practices was taken with the partnership between Hermès and Fine Mycelium for bio-based leather from derived mushroom leather. However, Hermès does not replace animal leather for all its products.

Creativity is structured annually around an artistic theme that guides the collections, thereby confirming the concept of artification as discussed by Tocco (2023). A flagship project in sustainable innovation is *Petit h*, which creatively repurposes materials remaining from production processes, transforming them into unique objects. The concept of eco-design is embedded in product development and focuses on material optimization, durability, reparability, and long-term use. In addition, Hermès invests in technological and process innovation through the vertical integration of production and the development of new workshops, designed as modern workspaces that are energy-efficient and adapted to social and environmental requirements (Universal Registration Document, 2024).

Hermès' transparency and sustainability reporting is conducted in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). The company applies the EU Taxonomy for Sustainable Activities (European Regulation 2020/852), disclosing information on the eligibility and alignment of its economic activities, as well as the associated financial indicators. The report also incorporates the recommendations of the task Force on Climate-related Financial Disclosures (TCFD) to enhance transparency regarding climate-related risks and opportunities, and uses the GRI standards as a complementary reference framework in order to ensure the international comparability of non-financial information. The Group's climate strategy is also aligned with the objectives of the SBTi, thereby strengthening the credibility of its climate transition commitments (Universal Registration Document, 2024)

Last but not least, Hermès emphasizes the pursuit of ambitious targets aimed at achieving the absolute reduction of direct, indirect, and value chain emissions, measured against the company's performance, regarding the supply chain, these objectives focus on raw material (precious metals, textile fibers, and materials of animal or plant origin), emphasizing the use of recycled inputs and the full traceability of sources. To monitor these targets, Hermès employs both quantitative and qualitative indicators, reported annually (Universal Registration Document, 2024). Notable achievements include a 65.4% reduction in water consumption over the past ten years and the use of nearly 100% renewable energy in its own tanneries.

EssilorLuxottica published its first report in 2024 in accordance with the CSRD and the European Sustainability Reporting Directive (ESRS). The reporting included detailed information on climate, the circular economy, workforce, value chain, and ethical conduct and governance. Performance was monitored through relevant quantitative indicators, such as the reduction of greenhouse gas emissions, the share of renewable energy, waste recovery rates, the use of alternative materials, and the number of beneficiaries of social programs (EssilorLuxottica, 2024).

The company has an integrated environmental strategy within its sustainability program "Eyes on the Planet", which is supported by five pillars: (1) "Eyes on Carbon", (2) "Eyes on Circularity", (3) "Eyes on World Sight", (4) "Eyes on Inclusion" and (5) "Eyes on Ethics". The first two pillars are dedicated to the environmental strategy. Short-term emission reduction targets have been validated by the SBTi, confirming alignment with the 1.5°C climate objective. The use of bio-based materials, recycling, and the reduction of environmental impact across the entire product life cycle highlight the company emphasis on the concept of eco-design. In addition, in 2024, 58% of the energy mix came from renewable sources, and 63% of waste was repurposed for other uses (EssilorLuxottica, 2024).

The workforce is composed of 60% women, of whom 35% hold leadership positions. In Italy, the company obtained the first gender parity certificate. Sustainability is integrated into the innovation process, with eco-design considered the cornerstone of product development. The company invests in medical technologies, innovative materials, and digitalization, resulting in 43% of its collection incorporating bio-based and recycled materials (EssilorLuxottica, 2024).

Ferrari is the fifth luxury brand in the STOXX Europe Luxury 10 index. The company's environmental strategy is integrated into the vision of "carbon neutrality by 2030", a goal that applies to the entire value chain, not only to direct operations. Ferrari implements an industrial eco-efficiency model focused on reducing direct and indirect emissions, using renewable energy, optimizing water consumption, and managing waste responsibly. The company consistently invests in clean energy technologies, including photovoltaic systems and energy efficiency solutions at its production facilities in Maranello.

Corporate social responsibility is focused on employees, local communities, and the supply chain as an integral part of the company's organizational culture, guided by the slogan "Passion Driven Value Creators". Investments in innovation are substantial, with the report providing information on investments in electrification and hybridisation technologies, advanced materials, solutions for vehicle weight reduction, and the efficiency of engines and propulsion systems. In this way, Ferrari's iconic aesthetics are combined with the requirements of energy efficiency and environmental responsibility.

Ferrari approaches sustainability as an essential tool of corporate responsibility and governance, and in preparing the 2024 report, it adhered to the GRI standards. Reporting employs both quantitative and qualitative indicators, as is the case with the other companies presented, enabling the monitoring and evaluation of progress. Ferrari is in the process of progressively

aligning with the CSRD requirements, anticipating developments in the European regulatory framework. Consequently, the objectives are clear and measurable, monitored through specific ESG indicators (CO₂ emissions levels, energy and water consumption, waste recycling rate, workforce composition, training hours, and workplace accident frequency)

Kering Group is another luxury brand included in the STOXX Europe Luxury 10 index, encompassing companies such as Gucci, Saint Laurent, Bottega Veneta, Balenciaga and others. Kering places creativity at the center of its strategy and builds the luxury of tomorrow in a sustainable and responsible approach (Euronext, 2025). For the sake of transparency toward investors and the group's reputation, information related to ESG criteria is published on the Euronext stock exchange website. Unlike EssilorLuxottica, Kering has a longstanding tradition in non-financial performance reporting and management, publishing sustainability-related information since 2006 (Euronext, 2025).

The Environmental Profit & Loss tool allow the group, based on six different dimensions (Kering, 2025) - greenhouse gas emissions, air emissions, water pollution, water consumption, waste production, land use – to measure the environmental footprint of its activities (raw materials production, raw materials processing, components manufacturing, final assembly, operations and stores, use phase, end of life). Due to its transparency regarding ESG aspects, Kering Group has observed an acceleration of dialogue with its investors, and ESG issues have become a mandatory component of trust. Furthermore, in the evaluation process, portfolio managers place significant emphasis on ESG analysis, with Euronext playing an important role in facilitating the dialogue between the company and investors through the continuous publication of the aforementioned indicators.

The sustainability strategy, as explained through the Environmental Profit& Loss (EP&P) tool, is based on three pillars: (a) care – an environmental component aimed at reducing climate impact and adopting measures to protect nature, biodiversity, and animal welfare; (b) collaborate – a social component focused on preserving know-how and continuing artisanal traditions; (3) create – an innovation component that seek to develop new business models, such as, the expansion of the second-hand product market, the growth of rental services, and the development of green solutions for raw material sourcing (Euronext, 2025).

Moncler, in turn, implements integrated environmental strategies aimed at reducing the environmental impact across its entire value chain. The company prioritizes the traceability of raw materials, animal welfare, and the reduction of emissions associated with production and logistics. Its environmental strategy includes the assessment of climate-related risks, optimization of resource consumption, and the integration of sustainability criteria in supplier relationships, with an emphasis on compliance with environmental regulations and ESG standards (Moncler Group, 2024). Social responsibility constitutes a central pillar of the business model, reflected in robust policies on human rights, working conditions, and diversity.

The company implements a Supplier Code of Conduct, supported by extensive social and environmental audits, and collaborates with independent organizations to assess fair wages across its supply chain. It also promotes equal opportunities, social dialogue, and employee protection, both within its own operations and in relationships with partners. MonVoice is a tool used by the company aimed to measure organizational climate in real-time, converting employee feedback into a managerial performance indicator.

Innovation and creativity are integrated into both product development and organizational models. Moncler invests in research, design, and product development, combining creativity with sustainability requirements (Moncler Group, 2024). Innovation initiatives aim to improve

material performance, optimise processes, and explore new forms of creative collaboration. Through projects such as DIST Protocol (Down Integrity System and Traceability Protocol), the company ensures full traceability of raw materials across the entire supply chain. The Extra-Life Project provides personalized jacket repair services, significantly extending product lifespan and reducing the impact associated with new production. Under the Warmly Moncler program, in collaboration with selected NGOs, unsold products are donated to vulnerable populations. Furthermore, through the Re.Crea initiative, coordinated by the camera Nazionale della Moda Italiana, Moncler seeks to manage textiles at the end of their life cycle.

In this way, Moncler transforms sustainability from a compliance obligation into a strategic differentiator, integrating environmental responsibility, social impact, and innovation into the brand identity. The company treats transparency as a fundamental principle of corporate governance, preparing non-financial reporting in accordance with ESRS and CSRD. Progress is monitored through performance indicators covering supplier audits, compliance with social standards, responsible governance, and process efficiency (Moncler Group, 2024).

Burberry integrates environmental sustainability into its corporate strategy through firm commitments to climate action, responsible resource use, and biodiversity protection. The company aims to reduce greenhouse gas emissions across its entire value chain and maintain carbon neutrality in its operations. Its environmental strategy encompasses the use of renewable energy, waste reduction, elimination of problematic plastics, and the promotion of materials with lower environmental impact, such as certified fibres and sustainable alternatives (Burberry, 2024).

Its corporate social responsibility projects are distinguished by a focus on inclusion, education, and the respect for human rights, implemented through dedicated programs (Burberry Beyond, employee wellbeing programme, fair working practices), institutional partnership, and mechanisms for monitoring social impact. Innovation and creativity are defining elements of Burberry's identity, directed toward responsible design and long-lasting products. The company invests in the development of innovative materials, more efficient production processes, and digital solutions that support product traceability and personalization. Creativity serves as a strategic tool integrating sustainability into the aesthetics and functionality of its products, thereby strengthening Burberry's positioning in the responsible luxury segment.

The company reports on its sustainability performance in accordance with Global Reporting Initiatives (GRI) standards and European regulatory requirements. Reporting is supported by internal control processes and independent verification of data, enhancing the credibility of the information provided to the public. Burberry's sustainability objectives are defined through measurable targets aligned with strategic priorities, and performance is assessed using ESG indicators, including carbon emissions, resource usage, supplier compliance, and social impact. Furthermore, Burberry monitors climate-related risks through financial scenario analyses that examine how consumers' preferences may affect demand.

Brunello Cucinelli's sustainability report is based on the concept of humanistic capitalism and human sustainability. Information regarding the company's environmental strategy demonstrates that environmental protection is integrated into its business model. Brunello Cucinelli places great importance on the responsible use of natural raw materials, particularly high-quality textile fibres from carefully selected sources (Brunello Cucinelli, 2024). An example of this approach is the use of a traceable supply chain and collaboration with suppliers who adhere to strict environmental standards.

Furthermore, Brunello Cucinelli invests in energy efficiency and the use of renewable energy sources, while social responsibility represents a central pillar of its corporate identity. The company promotes respect for employees' dignity, the maintenance of a healthy work-life balance, and fair remuneration (Brunello Cucinelli, 2024); it consistently invests in the professional training of artisans and contributes to the preservation and transmission of Italian craftsmanship; and it undertakes initiatives aimed at cultural and social regeneration within the local community of Solomeo, where architectural and cultural heritage has been restored, transforming the area into a model of sustainable social development.

Innovation within the company is expressed through the combination of craftsmanship and discreet innovation, oriented toward durability and long-term quality. Investments in the development of timeless products, designed to transcend seasonal trends and extend product lifespan, are a strategic priority. An example of this approach is the integration of technology into traditional production processes without compromising the artisanal character of the products (Brunello Cucinelli, 2024). Creativity is employed as a strategic tool to reduce overproduction and waste, thereby promoting a model of responsible consumption within the luxury industry. Consequently, Brunello Cucinelli regards transparency as an expression of moral responsibility toward society and conducts non-financial reporting in accordance with GRI standards, presenting structured information on ESG topics. The reported data are supported by internal control processes and reflect the company's commitment to honest, clear, and regulation-compliant communication aligned with stakeholder expectations.

The company's sustainability objectives are oriented toward enhancing long-term sustainability. Performance is monitored through indicators focusing on workforce stability and development, the quality and traceability of raw materials, process efficiency, and environmental impact (Brunello Cucinelli, 2024)..

Christian Dior, the final company analyzed, adopts an integrated environmental strategy aimed at reducing environmental impact across the entire product life cycle. The company pursues: (a) the reduction of energy consumption, (b) the promotion of the circular economy, (c) circular design through the implementation of recycling, reuse, and eco-design processes – particularly in packaging and materials – and (d) the protection of biodiversity and water resources (Christian Dior, 2024). LVMH LIFE 360 Environmental Strategy (applies to Christian Dior as one of the Maisons): 100% of new products (across LVMH Maisons including Dior) are targeted to be *sustainably designed* with reduced environmental footprints by 2030; Zero use of fossil-based virgin plastic in customer packaging by 2026; 70% recycled materials in customer packaging (glass and plastic) by 2030; Dior (through LVMH reporting) shows 33% sustainable design compliance in fashion and Leather Goods products in 2024 as measured by LIFE 360 criteria, with a goal of 100% by 2030; LVMH reports increasing traceability of raw materials (e.g., leather, wool) with targets of 100% by 2030 (Christian Dior, 2024).

Social responsibility is centred on employees, local communities, and the supply chain, with an emphasis on skills development, inclusion, and human rights. Through the Institut des Métiers d'Excellence (IME) and the You&Me program, the company supports training, recruitment, and the transmission of artisanal skills (Christian Dior, 2024). Consequently, in 2024, Christian Dior was the largest private-sector recruiter in France. Through its Vigilance Plan & Human Rights framework, the company monitors working conditions and ethical practices throughout the supply chain, including through supplier audits.

Innovation is approached as a driver of competitiveness and sustainability, combining craftsmanship (Tocco, 2023) with technological progress. The company's report emphasizes the

importance placed on continuous investment in design and creation, highlighting collaborations with renowned designers as well as support for emerging talents (Christian Dior, 2024). Another significant aspect underscored in the report concerns the attention to full traceability for certain materials, particularly diamonds used in jewellery collections. This demonstrates a high level of transparency, structured reporting, and external verification.

The section dedicated to environmental, social, and governance (ESG) aspects is presented in a comprehensive manner, and the data are subject to verification by independent auditors. Performance is assessed through both financial indicators and ESG metrics, which are integrated into the company's long-term strategy, including the reduction of energy consumption and emissions, social performance indicators – such as the number of employees trained, workforce stability, and recruitment rate – and long-term investments, reflected in the use of cash flow for investments in innovation, sustainability, and the responsible development of brands (Christian Dior, 2024).

As regards circular economy, for the parfums Christian Dior is adopting Avantium's Releaf that is a plant-based polymer used for packaging that supports circularity in luxury cosmetics packaging.

Based on information from the companies' reporting we have gathered a comparative analysis related to environmental sustainability (design, sourcing, emissions, circularity) and the traceability/transparency of products and materials put on the market (LVMH, 2023).

Table 2. Comparative analysis related to environmental sustainability and product traceability

Brand	Sustainability	Product traceability
LVMH (France)	LVMH's LIFE 360 strategy: ambitious targets on circular design, biodiversity, climate.	Measurable progress on product environmental assessments and sustainable design integration. 100% traceability in strategic supply chains by 2030, reaching near-complete traceability (e.g., leather, diamonds) on key inputs and rolling out systems (QR codes, digital product data) for consumers. Founding member of the Aura blockchain consortium (2026) for product lifecycle traceability.
CIE Financiere Richemont (Switzerland)	Mixed approach: governance and risk systems. Focus on climate risk assessment and human rights due diligence across operations and supply chains. Sustainability reporting follows GRI standards and includes environmental and social impacts.	Supply chain governance and responsible sourcing (e.g., audited leather supply chains, Responsible Jewellery Council Certification for diamonds). Public traceability reporting is less detailed.
Hermès International (France)	Focus on craftsmanship, longevity, local production, and circular economy principles (repair, reuse, resource efficiency). CSR approach stresses responsible sourcing and material durability, with targets to certify supply chains and reduce environmental impact.	Vertical and local supply chain control, with a high share of production in Europe and ongoing certification of suppliers (Hermès, 2026). Leather traceability measures include Leather Working Group Certification. Not so much visibility on supply chain transparency (Hermès, 2026).
EssilorLuxottica (Franco-Italian company)	Group reporting on sustainability (e.g., reduction of environmental footprint in eyewear, responsible manufacturing) is part of EssilorLuxottica's ESG disclosures.	Eyewear manufacturing is often vertically integrated, but comprehensive traceability reporting on raw materials (e.g., acetate sourcing, metals) is less available.

Brand	Sustainability	Product traceability
Ferrari (Italy)	Annual sustainability reports consistent with GRI standards, with improvements to data tracking (e.g., greenhouse gas emissions) and governance of environmental and social impacts.	The focus is on emissions data, manufacturing processes, and material supply chains, but less emphasis exists on product lifecycle traceability for consumers compared with fashion brands' digital product passports (Ferrari, 2024).
Kering Group (France)	Kering's Crafting Tomorrow's Luxury strategy includes clearly quantified targets (e.g., traceability, responsible gold sourcing, EP&L environmental measurement) and strong commitments to reducing environmental impacts and advancing animal welfare standards. Supports initiatives on science related to biodiversity (The Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) or reducing greenhouse gas emissions from deforestation (REDD+)) (Kering, 2025)	The target is to have a full traceability of key raw materials and technologies.
Moncler (Italy)	Eco-friendly materials, responsible sourcing, and reduced emissions.	Specific traceability metrics are not as prominently disclosed in global benchmarking sources. It is part of industry sustainability initiatives, however the overall transparency and traceability disclosures are limited.
Burberry Group (UK)	Robust sustainability targets – such as 100% certified and traceable key raw materials by 2029-2030 and elimination of plastic packaging. Strong reporting on product certification, aftercare services, and circularity initiatives and a dedicated Ethical Trading Programme.	Traceability Programme: to map and manage environmental and social impacts, with pilot traceability tracking for cotton, wool, and synthetics now being scaled. The goal is full traceability of all key raw materials by 2029-2030 (Burberry, 2024).
Brunello Cucinelli (Italy)	Ethical production, artisanal craftsmanship, and local manufacturing in Italy, which inherently supports long product lifecycles and supply chain oversight.	The company's artisanal and localized supply chain gives high operational control, but it reports less formal, public traceability metrics. Its investments in supplier relationships and quality control substitute for formal traceability programmes in some cases (Brunello Cucinelli, 2024).
Christian Dior (France)	It is part of the group-wide LIFE 360 commitments and has specific sustainable product examples (e.g., regenerative cotton, recycled fabrics, reduced water/chemical use) with expanding environmental performance labels and consumer information systems.	The company benefits from LVMH's traceability targets and participates in digital and certification projects for raw materials and product lifecycle information. The goal is to have the 100% traceability of raw materials (e.g., leather, wool) by 2030 (Christian Dior, 2024).

Source: Authors' own research.

Based on the comparative analysis related to environmental sustainability and product traceability, we have included an assessment of strong sustainability practices applicable to the 10 reference companies mentioned in this paper. The interpretation of the concept is focussing on initiatives that are going the business as usual CSR practices from luxury industries. From this perspective, Kering's focus in design, sourcing, EP&L accounting, traceability, and regulatory strategy is well-defined. The LVMH's Group-wide LIFE 360 strategy, eco-design standards,

digital traceability, board-level governance is providing transparency on the data. Other relevant initiatives are the ones implemented by Burberry (Product certification targets, traceability, regulatory alignment) and Hermès (a strong system on durability & repair, but more information is needed on circular approach proposed).

When it comes to Extended Producer Responsibility (EPR) of the products put on the market, there are the following findings: (a) Kering and LVMH (including Christian Dior) demonstrate the highest level of EPR with a robust repair and after-sales services, take-back, recycling, and digital product information systems; (b) Ferrari and Hermès show best-in-class performance through a lifetime responsibility model, characterized by exceptional product durability, long-term repair commitments, and extended servicing, despite more limited formal take-back schemes; (c) Burberry is aligned with EU Extended Producer Responsibility requirements, supported by certified materials, growing repair and resale programs, and structured traceability initiatives.

After the 10 reports were analyzed and the factors identified, *the third stage* is to score the factors.

The table created based on the "score the factors" method allows for a rapid assessment of how the analyzed luxury companies integrate ecological strategies, social responsibility, innovation and creativity, transparency and reporting, objectives and performances, and the connection with the Paris 2024 Olympic Games.

Table 3. Score the factors

Brand	Ecological strategies	Social responsibility	Innovation and creativity	Transparency and reporting	Objectives and performance	Connection with Paris 2024
LVMH	1	1	1	1	1	1
CIE Financiere Richemont	1	1	1	1	1	0
Hermès International	1	1	1	1	1	0
EssilorLuxottica	1	1	1	1	1	0
Ferrari	1	1	1	1	1	0
Kering Group	1	1	1	1	1	0
Moncler (Italy)	1	1	1	1	1	0
Burberry Group	1	1	1	1	1	0
Brunello Cucinelli	1	1	1	1	1	0
Christian Dior	1	1	1	1	1	0

Source: Authors' own research.

The fourth stage, analyzed the dataset, consists of examining the scored factors, which provides a clear and concise overview of the differences and similarities among the companies. The comparative analysis of the 10 European luxury companies indicates that all entities have implemented robust strategies, which justifies assigning a score of 1 for these factors. In contrast, only LVMH demonstrated direct and significant involvement in the Paris 2024 Olympic and Paralympic Games, highlighting its strategic uniqueness and global visibility. For this reason, this factors was assigned a score of 1 exclusively to this company, while the other companies received a score of 0.

The results of the comparative analysis of the 10 European luxury companies highlight a high degree of integration of ESG strategies and innovation. Regarding the environmental dimensions, all analyzed companies have implemented clearly defined ecological strategies, including eco-design, decarbonization, and the use of renewable energy. In terms of social responsibility, all companies develop programs for employees, local communities, and diversity promotion, while in the domain of innovation and creativity, they integrate innovation into products, processes, and sustainable practices. Transparency and reporting are also well managed. All companies report ESG performance in accordance with international standards such as GRI, ESRS, and CSRD. In contrast, the connection with Paris 2024 represents a distinctive factor: only LVMH was a Premium Partner at Paris 2024 Olympic Games, receiving a score of 1, while all other companies received a score of 0, highlighting LVMH's strategic uniqueness and global visibility. This involvement provides the company with a strategic framework to advance its ESG initiatives and serves as a potential driver of reputation and attractiveness to both investors and consumers. Understanding ESG factors and participation in major global events allows investors to better assess associated risks and opportunities, while enabling managers to prioritize projects that generate the greatest impact on brand value and sustainability outcomes. The constructed table offers a concise framework for evaluating the integration and effectiveness of implemented strategies, as well as their alignment with international standards. In essence, this analysis not only compares companies based on ESG factors, but also emphasizes the interconnections between sustainability, innovation, and global brand strategy, providing a valuable tool to support informed corporate and investment decision-making.

Discussions and conclusions

In the context of increasing regulatory pressure and growing public interest in sustainability, luxury industry brands have begun to integrate ESG principles into their corporate strategies. A comparative analysis of sustainability reports of the ten companies included in the STOXX Europe Luxury 10 index highlights both common elements and differences in their approaches to sustainability. With regard to environmental strategies, the comparative analysis reveals a strategic convergence toward the objective of climate neutrality and the use of ESRS for reporting climate-related impacts. However, differences persist among companies in terms of implementation mechanisms and the tools employed.

LVMH and Hermès prioritise regenerative agriculture and the traceability of raw materials as central elements for securing the supply chain and reducing impact on natural capital. Compared with all the companies analyzed, Kering stands out through the adoption of the Environmental Profit&Loss methodology, which enables the quantification and internationalisation of environmental externalities into economic and financial indicators, thereby facilitating the integration of ecological impacts into strategic decision-making. This approach highlights the company's advanced level of environmental governance maturity.

Social responsibility is centered on labor ethics and community impact; consequently, the sustainability report of the analyzed companies share a strong emphasis on diversity, inclusion, and pay equity. Notable differences nevertheless emerge in several cases: Ferrari supports continuous employee development and wellbeing under the motto: "Passion Driven Value Creators"; LVMH, through the "LVMH Shares" plan, seeks to strengthen employees' sense of belonging; and Burberry focuses on programmes aimed at supporting wellbeing across the entire value chain.

In the context of innovation and creativity, the analyzed companies demonstrate an active orientation toward the development of technologies for material traceability and cleaner production processes. Nevertheless, Hermès well-known for its commitment to innovating while preserving and transmitting artisanal methods across generations of craftspeople, by combining tradition with modern efficiency.

Transparency and reporting comply with European regulatory requirements. Companies make use of CSRD reporting and the EU Taxonomy to disclose sustainable activities. Moreover, all reports are audited by independent evaluators who ensure compliance with sustainability requirements. At this level, LVMH is particularly strong through its "LIFE 360" program provides detailed reporting for each brand operating under its corporate umbrella

The final indicator examined in this research – namely, objectives and performance – is notable for the fact that all companies within the index have set emission reduction targets aligned with SBTi by 2030. Nevertheless, among the ten companies, Hermès stands out for achieving 100% renewable energy use, while Burberry distinguishes itself through the use of financial scenarios to analyze consumer behavior in order to anticipate future costs.

Consequently, the analysis reveals that while environmental dimensions and reporting are increasingly standardized due to European Union regulations, social responsibility and innovation remain the primary domains in which luxury brands can differentiate their sustainability identity. Modern luxury is no longer defined solely by consumption when it comes to the way it is preserved and regenerated.

The most important conclusion of this research is the growing emphasis on sustainability and environmental protection places the luxury industry at the crossroads of tradition, transformation, and ecology. Whereas luxury products were once characterised by exclusivity alone, today the pressures of investors, consumers, and regulators are reshaping these products, adding two new defining attributes to exclusivity: ethics and sustainability.

The demand for sustainable luxury goods is expanding, driven by consumers's and brand responses to this trend. In this context, new innovative bio-based products, such as a derived leather alternative from mushrooms or plant-based packaging, could be more sustainable alternatives compared with classical leather. The future of luxury brands is an issue of adaptation and uptake of sustainability, timeless designs that promote longevity, reduced carbon footprints localized sourcing, and the circular economy principles.

Raw materials are key elements for future developments of the luxury industry. The innovation is playing a particular role in promoting circularity, ensuring transparency in supply chain in relation to EPR schemes. Going beyond the business as usual CSR scenario is the key for the future champions of luxury.

As future directions, the STOXX Europe Luxury 10 index could integrate externally verified ESG datasets and regulatory disclosures (e.g., CSRD-aligned data) to reduce information asymmetry and improve comparability. Additionally, developing a circularity approach in relationship with financial performance would enable more robust sustainability assessment beyond CSR analysis. Furthermore, other best practices could be included by benchmarking against recognized sustainability frameworks such as the Global Reporting Initiative, UN Global Compact, and the Science Based Targets initiative. Using this approach allow future research to assess whether companies in the STOXX Europe Luxury 10 index comply with minimum requirements related to sustainability and circularity.

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