



19 May 2020

Updated sustainability agenda to guide fashion leaders through COVID-19 crisis

The agenda outlines six opportunities for CEOs to rebuild the fashion industry, offering guidance to recover profitability and embed greater resilience by advancing sustainability.

Today, Global Fashion Agenda releases the *CEO Agenda 2020 – COVID 19 Edition*. With contributions from McKinsey & Company and based on in-depth consumer research, supplier research and interviews with industry leaders, the *CEO Agenda* is a guide to support fashion leaders in future-proofing their business models by placing sustainability at the core: Short term by utilising the opportunities the crisis presents to optimise fashion's value chain, and long term to emerge on the other side with more resilient business models to prevent and combat future crises.

Eva Kruse, CEO, Global Fashion Agenda, says, "I'm well aware of the battlefield fashion leaders are on every day in these weeks and months, and how sheer survival is the top priority for many. However, this crisis presents an opportunity for us to re-evaluate the lexicon of fashion and, by default, its entire system of operations. I urge fashion leaders to rethink and rebuild systems in a collective effort to ensure a just and resilient future post-pandemic. I acknowledge that this is not an easy feat, which is why we have updated the *CEO Agenda* as a tangible tool to help CEOs ensure that their companies come out on the other side with sustainability at their core and more resilient than ever."

New insights reveal importance of sustainability to stakeholders

Whilst brands and retailers are re-organising for the new normal post-COVID-19, there is a range of win-wins to embedding sustainability in the recovery of their businesses, including the fact that stakeholders are also shifting towards more sustainable practices. Two thirds of consumers state that sustainability has become even more important to limiting the impact on climate change following COVID-19, according to McKinsey & Company's post COVID-19 consumer survey. Investment communities are increasingly driving deeper reassessments of risk and asset values during this crisis. With sustainability's increasing impact on investment returns, many indications show that sustainable investment can provide better risk-adjusted returns to investors. Moreover, regulators are exploring bold green commitments as part of their stimulus packages during COVID-19 to integrate sustainable growth into recovery plans.

"COVID-19 is undeniably the biggest challenge for the fashion industry that we have ever seen, with an unprecedented impact on businesses and the livelihoods of employees. The sustainability of the fashion industry is becoming significantly more, not less, important to consumers, investors and regulators as a result of this crisis. Fashion industry leaders should therefore re-new their commitments and find ways to make use of the crisis as an opportunity to accelerate the transformation towards more sustainable business models," says Karl-Hendrik Magnus, Senior Partner and Co-Leader of Apparel, Fashion & Luxury Group, McKinsey & Company.

What's on the agenda?

The *CEO Agenda 2020 – COVID-19 Edition* details six opportunities for fashion executives to rebuild resilient and sustainable businesses post-pandemic.

1. Map social and environmental impacts along the value chain
2. Build trust and brand loyalty
3. Raise the bar on supplier relationships and shift to equal partnerships
4. Address stock levels and markdowns by scaling new business models
5. Accelerate the digitalisation of business processes
6. Shape the e-commerce infrastructure of the future



Read the [CEO Agenda 2020 – COVID-19 Edition](#)

Fashion executives weigh in:

“The current crisis forces all of us to take difficult decisions every day – myself being no exception. After the crisis, however, the time will come to rebuild. And I firmly believe that this moment of recovery will be a unique opportunity, together with all stakeholder groups, to set our industry on a new path. One that fast-forwards new ways to make fashion accessible for everyone – within planetary boundaries. And one that truly listens to our customers’ needs and values and that empowers people by creating greater meaning for all of us.” — Helena Helmersson, CEO, H&M Group

“At PVH, our values and our longstanding commitment to corporate responsibility are instrumental in informing the decisions we make as a business. The COVID-19 pandemic has severely affected every aspect of the apparel value chain. While our immediate focus is navigating the crisis and its human and business impacts, we must actively look for ways to capture opportunities that can accelerate our efforts to create a more sustainable future. The apparel industry will look different post pandemic and we have a responsibility to help shape this ‘new normal’ for the benefit of all stakeholders.” — Manny Chirico, Chairman & CEO, PVH Corp.

“Target’s longstanding commitment to sustainability remains stronger than ever, even as we all navigate through the impacts of the coronavirus. We’re making continued investments in our team, in our approach to sustainability and in our global supply chain. We will continue to work closely alongside others in the industry to drive scalable solutions focused on a more sustainable future, as outlined in Global Fashion Agenda’s *CEO Agenda 2020 – COVID-19 Edition*.” — Bill Foudy, Senior Vice President and President, Owned Brand Sourcing and Development, Target

ABOUT GLOBAL FASHION AGENDA

[Global Fashion Agenda](#) is the foremost thought leadership and advocacy forum for industry collaboration and public-private cooperation on sustainability in fashion. A non-profit organisation, Global Fashion Agenda is behind yearly guidelines, reports and the leading business event on sustainability in fashion, Copenhagen Fashion Summit, which has been spearheading the movement for over a decade.

The *CEO Agenda 2020 – COVID-19 Edition* is a discrete thought piece authored by Global Fashion Agenda with contributions from McKinsey & Company. Global Fashion Agenda would like to thank our Strategic Partners ASOS, BESTSELLER, H&M Group, Kering, Li & Fung, Nike, PVH Corp., Sustainable Apparel Coalition and Target for sharing their industry insights.

ABOUT MCKINSEY & COMPANY

[McKinsey & Company](#) is a global management consulting firm, deeply committed to helping institutions in the private, public and social sectors achieve lasting success. McKinsey supports clients in fashion and beyond on a wide range of sustainability related themes with a strong impact orientation. This ranges from executing broader sustainability transformation programmes to more targeted efforts on decarbonisation, circular business models and sustainable packaging. McKinsey & Company is the Strategic Knowledge Partner to Global Fashion Agenda, with the joint aim to accelerate the pace and impact of the fashion industry’s transformation towards sustainability.

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