

BUSINESS

H&M's Berlin Conference Showcases Sustainability, High-tech Projects

- The Swedish fashion chain also quietly announced other experiments – from recycling with AR to rollerblading couriers.

BY CATHRIN SCHAEFER

It's been a busy week in Germany for H&M. The company, which has 4,900 stores in over 70 markets, unveiled a range of new and experimental projects it was working on in central Europe, then topped all that with a conference in Berlin for around 300 invitees, the second Change Makers Lab.

H&M revealed the completion of its online platform rollout in Germany this week, and in its annual sustainability report, detailed a number of successes, including the extension of a Hamburg pilot project called Take Care – the initiative teaches customers how to take better care of products in order to extend garments' life – to other territories. The chain also announced that from April, H&M customers will be able to have a man's shirt made to measure in certain German locations, as the company collaborates with a Berlin-based start-up, ZeSeMe.

And for the first time, a German start-up won one of the H&M Foundation's Global Change Awards, which offers innovators a share of 1 million euros in funding support. The Berlin-based software developers at Circular.fashion, who are constructing an online platform for sourcing environmentally friendly and recycled materials, were awarded 300,000 euros after competing with more than 6,600 entries from 182 countries. The other winners came from as far afield as Peru, the U.K., Switzerland and Kenya and were engaged in activities as diverse as making textiles out of nettles, faux leather out of fruit, nontoxic membranes for outdoor clothing, and clothes that grow along with the children who wear them.

The Change Makers Lab, held in the



An image from H&M's Conscious Collection ad campaign.

German capital on Friday, offered the company further opportunities to show off its efforts in sustainability and digital tech. Besides listening to speakers and taking part in workshops on fair wages and the ethics of artificial intelligence, as well as a hackathon on recyclable packaging, attendees could experience some of that progress firsthand. They could even taste it – guests were served oddly seaweed-flavored chocolates, infused with the same algae that will be used in the next H&M Conscious Collection.

One popular booth by Stockholm's Warpin Media allowed users wearing virtual reality goggles to redecorate vintage T-shirts using an "augmented reality" design process. "It's just an experiment right now but in the future, it might be possible for H&M customers to use an app on their phone to do this with their own T-shirts," explained Warpin's Emma Raventos. "It's all about extending the life of the garment."

In another corner, attendees undertook a virtual factory tour using the goggles. Nearby, others investigated the transparency "button," a tool that uses blockchain technology to show the provenance of a beanie made by the H&M brand Arket.

Next to them, Per Gunnarsson from H&M's IT lab, demonstrated how

customers could ensure a better fit when ordering online: Using a system currently being trialed in several markets, they could scan their body and face using a smartphone app, which then converted their pictures into a 3-D avatar. The avatar could then be used to try on H&M clothing online. "In the future, sizes as we know them may no longer be relevant," Gunnarsson predicted enthusiastically. "[Sizes] were there for the purpose of mass production. But we'll have other means of production in the future, clothes will be made to measure and you will only have to fit 'your size'," he suggested.

Arti Zeighami, H&M's head of advanced analytics and artificial intelligence, went into detail about how the company had been using data from 900 million transactions to improve both sustainability and profitability and to deal with the retailer's well-documented problem of billions of euros in excess inventory and discounted stock. In the past, H&M has tended to have a standardized set-up for its stores, dependent on size and location, so things like store fittings could be mass finished, he explained. But, by looking more carefully at the data generated by customers in the catchment area near just one store in Stockholm, it became clear patrons wanted products other

than what was available there.

"We thought, hey, let's give them what they really want," Zeighami said. This meant a move away from standards: Different stock, a different look and feel in store and, in fact, fewer of certain products. Zeighami couldn't provide figures but boasted that sales improved. "And we also saw online sales increase because customers were coming in and getting inspired. It became an omnichannel thing."

There were also some unexpected announcements at the conference. During a workshop on transportation, Stockholm-based sustainability manager for logistics Lina Ödeen revealed that this summer, H&M customers in Milan and the Netherlands could be getting their orders via electric scooters, biofuel-powered and electric vehicles, or from couriers on Rollerblades. "We're trying to do every single thing we can to decrease the inner-city traffic and improve the air quality," she explained.

As for the rollerblading couriers in Milan, Ödeen explained that this simply became an option because they found somebody who could supply the service in Italy. If the pilot projects go well, H&M customers in other cities can also expect deliveries by scooter and Rollerblade, she added.

Of course, all of this experimentation costs money. In light of 2018's displeasing quarterly results – H&M saw an unexpected drop in sales, the first in two decades, and the company seems to only just be recovering this quarter – is this kind of investment warranted? "H&M is still very much a family business and in that sense, we take a long-term perspective," H&M's head of sustainability Anna Gedda told WWD. "We are operating in a rapidly changing environment and we have to react to that. But moving forward, we see sustainability as a prerequisite – and all this effort is really an investment in ourselves, in our customers and in a more effective and efficient supply chain."

FASHION

Fur Industry Advocates Plan to Keep Fighting NYC's Proposed Ban

- Supporters are expected to continue knocking on doors, making calls and setting up meetings with City Council members.

BY ROSEMARY FEITELBERG

Fur industry advocates plan to continue to turn up the heat on the New York City Council, in response to its proposal for a bill that would ban the sale of fur apparel.

Initially put forward by Council Speaker Corey Johnson and City Council members Mark Levine, Fernando Cabrera, Justin Brannan, Helen Rosenthal and Robert Holden, the proposal has since been moved to the Committee on Consumer Affairs and Business Licensing for further discussion.

If approved, violations would be punished by a civil penalty of no more than \$500 for the first violation, and no

less than \$500, but no more than \$1,500 for subsequent violations. Fur apparel sold or offered for sale would be subject to seizure and forfeiture.

Nancy Daigneault, vice president of the Americas for the International Fur Federation, said Friday that a number of furriers and other fur advocates have met with their respective council members and have contacted their offices. "In the last week, furriers have been picking up the phone and calling themselves and meeting with City Council members in their district, or sometimes staff if the members aren't available," she said. "We're hopeful that the city will listen that it's an ill-conceived ban. It will shut down thriving businesses, small businesses, multigenerational ones. It is a very important industry in New York, it has a long track record. We've provided jobs for years and years and years, and tax revenue. This is an invented problem. We want to protect these jobs. New Yorkers want leaders

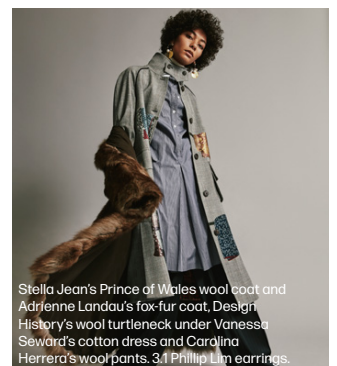
to fix real problems and not create new ones, and not be playing the role of fashion police and getting in the way of consumer choice. We should have the freedom to choose what we can and cannot buy."

In addition, 150 furriers and workers aired their disapproval outside City Hall on March 28, calling for the bill to be axed.

Daigneault estimated that 12 to 15 meetings have been held with council members and/or their staff. Going forward, the plan is "to continue to drive home our message about sustainability, the longevity of fur, about fake fur being plastic-based, and obviously about the jobs that will be affected in the city, which is significant," she said, adding that fur supporters will continue to keep knocking on doors, making phone calls and setting up meetings.

The City Council had received letters and signatures in opposition to the proposed ban.

Referring to economic impact analysis



Stella Jean's Prince of Wales wool coat and Adrienne Landau's fox-fur coat. Design: History's wool turtleneck under Vanessa Seward's cotton dress and Carolina Herrera's wool pants. 3.1 Phillip Lim earrings.

has indicated that if the fur industry were to be wiped out, the tax revenue loss over a 10-year period would be about \$3.3 billion, Daigneault said. "So we're talking about people losing their jobs, losing their livelihoods, significant tax revenue that would be lost in the city. We're talking about storefront closures in the Garment District. That's the last thing the Garment District needs. The City Council should think twice before shutting down thriving businesses," she said.

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